

CINCINNATI BELL INC

FORM 10-K (Annual Report)

Filed 03/18/25 for the Period Ending 12/31/24

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| SIC Code | 4813 - Telephone Communications (No Radiotelephone) |
| Industry | Integrated Telecommunications Services |
| Sector | Telecommunication Services |
| Fiscal Year | 12/31 |

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

- ☒ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
- ☐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 1-8519

CINNATI BELL INC.

Ohio

(State of Incorporation)

31-1056105

(I.R.S. Employer Identification No.)

221 East Fourth Street, Cincinnati, Ohio 45202

(Address of principal executive offices) (Zip Code)

(513) 397-9900

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/> | | |

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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 December 31, 2024, there were 100 common shares of the Company outstanding, all of which were held by Red Fiber Parent LLC. The Company is filing this Form 10-K with the SEC on a voluntary basis.

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This report contains trademarks, service marks and registered marks of Cincinnati Bell Inc., as indicated.

Part I**Item 1. Business****Overview and Strategy**

Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell," "we," "our," "us" or the "Company") provide integrated communications that keep consumer and enterprise customers connected with each other and with the world. The Company operates its businesses through one segment: Network. The Network segment serves customers in the Greater Cincinnati region, which includes Dayton, Ohio, Columbus, Ohio and expansion territories further into Southwest Ohio, through our altafiber brand and services customers in Hawaii through our Hawaiian Telcom brand.

On February 2, 2024, the Company entered into a definitive purchase agreement (the "Purchase Agreement") with TowerBrook Capital Partners ("TowerBrook") in which TowerBrook would acquire the CBTS and OnX businesses (the "Disposal Group") from the Company for a purchase price of \$670.0 million. Management determined that the CBTS and OnX operations that are covered by the Purchase Agreement would be reported as discontinued operations for all comparable periods beginning January 1, 2022. On December 2, 2024, Cincinnati Bell completed the transaction.

On March 13, 2020, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Red Fiber Parent LLC, a Delaware limited liability company ("Parent"), and RF Merger Sub Inc., an Ohio corporation and directly wholly owned subsidiary of Parent ("Merger Sub"). On September 7, 2021 (the "Closing Date" or "Merger Date"), upon the terms and subject to the conditions set forth in the Merger Agreement, and in accordance with the applicable provisions of the Ohio General Corporation Law (the "OGCL"), Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation (the "Merger"). At the effective time of the Merger (the "Effective Time"), the separate corporate existence of Merger Sub ceased, and the Company survived the Merger as a wholly owned private subsidiary of Parent.

Pursuant to the Merger Agreement, each of Cincinnati Bell's issued and outstanding Common Shares was converted into the right to receive \$15.50 per share in cash, without interest. Trading of the Company's Common Shares was suspended on the New York Stock Exchange ("NYSE") and the Common Shares were subsequently delisted from the NYSE. Additionally, the Company redeemed Depositary Shares simultaneously with the redemption of the 6 ³/₄% Preferred Shares, at a redemption price of \$50 per Depositary Share (equivalent to \$1,000 per 6 ³/₄% Preferred Share), and the Depositary Shares were then delisted from the NYSE. As a result of the Merger Agreement, the Company has ceased to be subject to the filing requirements under Sections 12(b), 12(g) and 15(d) of the Securities Exchange Act of 1934, as amended; however, due to contractual provisions in certain indentures, the Company is required to voluntarily file certain periodic reports with the U.S. Securities and Exchange Commission ("SEC").

This Annual Report on Form 10-K provides an overview of Cincinnati Bell Inc.'s financial condition as of December 31, 2024 and our results of operations for the years ended December 31, 2024, 2023, and 2022.

Our results of operations as reported in our Consolidated Financial Statements for these periods are prepared in accordance with GAAP.

The Company provides high-speed data, video, and voice solutions to consumers and businesses over an expanding fiber network and a legacy copper network. During 2018, the Company acquired Hawaiian Telcom Holdco, Inc. ("Hawaiian Telcom"), the largest full service provider of communication services on all of Hawaii's major islands. This acquisition added operational scale to our business by adding access to both Honolulu, a well-developed, fiber-rich city on Oahu, as well as the growing neighbor islands. As a result of the acquisition, the Company operates an aggregate of approximately 23,100 fiber route miles. On May 2, 2022, the Company acquired Agile IWG Holdings, LLC ("Agile") for total cash consideration of \$65.5 million. Agile delivers customers, primarily located in Ohio and Pennsylvania, with middle mile, last mile and campus connectivity services through hybrid fiber wireless networks that are designed, built and managed by Agile. On April 17, 2023, the Company acquired Ohio Transparent Telecom Inc. ("OTT") for an aggregate purchase price of \$3.3 million. OTT provides network security, data connectivity, and unified communications solutions to commercial and enterprise customers across multiple sectors throughout Ohio and Michigan. The services and solutions provided by OTT complement the services offered by Agile.

The Company continues the transformation to a state-of-the art fiber company from a legacy copper-based telecommunications company. During 2024, we invested \$323.8 million of capital to expand our fiber network, upgrade and increase related network capacity, and maintain our existing fiber and copper networks.

During the year, we passed an additional 62,500 Fiber to the Premise ("FTTP") addresses in the Greater Cincinnati area. The Company is focused on building these addresses as FTTP has become a more relevant solution for our customers. As of December 31, 2024, the Company is able to deliver internet speeds up to six gigabits or more to approximately 898,700 FTTP customer locations, or more than 80% of the Greater Cincinnati operating territory. During 2024, we passed an additional 61,800 FTTP addresses in Hawaii, with internet speeds up to one gigabit or more now available to approximately 400,800 FTTP addresses, more than 60% of the operating territory in Hawaii, including Oahu and the neighbor islands.

During 2024, we continued the network expansion to Dayton, Ohio and Columbus, Ohio and in 2025 will continue the expansion further into Southwest Ohio with subsidy support of \$50 million from a grant awarded in the third quarter of 2024 to build fiber routes to 38,000 addresses. In Hawaii, we continue to build out the network and expand our fiber footprint across Oahu and the neighbor islands while also retiring legacy copper assets.

High demand for Strategic revenue products resulted in \$673.6 million of revenue for 2024, up \$56.4 million compared to 2023 mitigating the decline in legacy products. The primary focus of our investments is the expansion of high-speed internet products which are designed to compete directly with the cable Multiple System Operators, such as Charter Communications, serving the Company's operating territories. Year-over-year revenue and subscribers for these products are outlined in the tables below:

| Greater Cincinnati Operating Territory | Year Ended December 31, | | | |
|---|--------------------------------|-------------|-------------|--|
| | 2024 | 2023 | 2022 | |
| Strategic Revenue (in millions): | \$ 523.9 | \$ 486.3 | \$ 439.7 | |
| Subscribers (in thousands): | | | | |
| Internet | 366.5 | 330.5 | 284.4 | |
| Video | 112.8 | 121.5 | 123.1 | |
| Voice | 195.5 | 218.6 | 242.1 | |

| Hawaii Operating Territory | Year Ended December 31, | | | |
|-----------------------------------|--------------------------------|-------------|-------------|--|
| | 2024 | 2023 | 2022 | |
| Strategic Revenue (in millions): | \$ 149.7 | \$ 130.9 | \$ 110.4 | |
| Subscribers (in thousands): | | | | |
| Internet | 105.5 | 87.4 | 70.6 | |
| Video | 35.0 | 34.1 | 36.0 | |
| Voice | 126.2 | 137.0 | 150.7 | |

In 2024, the Company invested \$62.9 million in Enterprise Fiber products, which includes fiber and IP-based core network technology as well as expenditures for Agile. These investments position the Company to meet increased business and carrier demand within Greater Cincinnati. In Hawaii, expenditures are for high-bandwidth data transport products, such as metro-ethernet, including the Southeast Asia to United States ("SEA-US") cable. We continue to evolve and optimize network assets to support the migration of legacy products to new technology, and as of December 31, 2024, the Company has:

- passed commercial addresses with fiber-based services (referred to as a lit address) totaling approximately 37,100 and 24,800 lit addresses in Greater Cincinnati and Hawaii, respectively;
- expanded the fiber network to span more than 17,300 route miles in Greater Cincinnati and 6,900 route miles in Hawaii; and
- provided cell site back-haul services to approximately 85% of the 1,200 cell sites in the Greater Cincinnati market, all of which are lit with fiber, and more than 90% of the 1,065 cell sites in Hawaii, nearly all of which are lit with fiber.

In the first quarter of 2023, the Company acquired fiber network assets from the City of Lawrenceburg for an aggregate purchase price of \$3.0 million, and in the third quarter of 2023, the Company acquired fiber network assets from Bridgewired, LLC ("Bridgewired") for an aggregate purchase price of \$6.7 million. In the fourth quarter of 2020, the Company entered into a definitive purchase agreement to acquire inter-island submarine and middle-mile terrestrial fiber infrastructure assets in Hawaii owned by the bankruptcy estate of the Paniolo Cable Company, LLC. The Paniolo transaction closed in August 2021 for an amount of \$52.3 million, inclusive of transaction costs. The Company's expanding fiber assets allow us to support the ever-increasing demand for data, video and internet devices with speed, agility and security. We believe our fiber investments are a long-term solution for our customers' bandwidth needs.

Operations

As of December 31, 2024, the Company operated one segment: Network.

The Network segment provides products and services that can be categorized as either Strategic, Enterprise Fiber or Legacy. The table below demonstrates how our products and services are categorized:

| Network | | | |
|--------------|-------------------------------|---|--|
| | Strategic | Enterprise Fiber | Legacy |
| Data | Fiber to the Premise ("FTTP") | Ethernet (>10Mb) Dedicated Internet Access Wavelength IRU (1) Small Cell SONET (2) Direct Colocation Managed Towers Data Connectivity | DSL (< 10 Mb) (3) DSL (> 10 Mb) DS0 (4), DS1, DS3 TDM (5) Ethernet (<10 Mb) Fiber to the Node ("FTTN") |
| Voice | Voice (Fiber) | | Traditional Voice Consumer Long Distance Business Long Distance Switched Access Digital Trunking Unified Communications as a Services Contact Center Multi-Protocol Label Switching |
| Video | Television Service | | |

- (1) Indefeasible Right of Use
(2) Synchronous Optical Network
(3) Digital Subscriber Line
(4) Digital Signal
(5) Time Division Multiplexing

We provide products and services such as high-speed internet, data transport, local voice, video and other services. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the incumbent local exchange carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 150 years. In 2022, the Company announced that we will begin doing business as "altafiber" and started our network expansion outside of this territory to provide fiber services to adjacent markets. Voice and data services in the Enterprise Fiber and Legacy categories that are delivered beyond the Company's ILEC territory, particularly in Dayton and Mason, Ohio, are provided through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a subsidiary of CBT. Hawaiian Telcom, a subsidiary of the Company, is the ILEC for the State of Hawaii and the largest full service provider of communications services and products in that state. Originally incorporated in Hawaii in 1883 as Mutual Telephone Company, Hawaiian Telcom has a strong heritage of over 140 years as Hawaii's communications carrier. Its services, including video, are offered on all of Hawaii's major islands. On May 2, 2022, the Company acquired Agile, based in Canton, Ohio. Agile leases wireless infrastructure assets to third parties and provides connectivity through hybrid fiber wireless data networks primarily to customers in Ohio and Pennsylvania. On April 17, 2023, the Company acquired OTT. OTT provides network security, data connectivity, and unified communications solutions to commercial and enterprise customers across multiple sectors throughout Ohio and Michigan. Our key products and services include the following:

Data

The Company's data products include high-speed internet access, data transport and interconnection services. Consumer demand for increased internet speeds is accelerating, and more customers are opting for higher bandwidth solutions. To address this demand, the Company is focused on building out new FTTP addresses as well as overlaying Fiber to the Node ("FTTN") addresses, enabling these addresses to receive speeds up to six gigabits per second ("Gbps"). FTTP addresses now cover 80% of the market in Greater Cincinnati and more than 60% of the market in Hawaii.

As enterprise customers migrate from legacy products and copper-based technology, our metro-ethernet product becomes the access method of choice due to its ability to support multiple applications on a single physical connection. We are also expanding our metro-ethernet platform to deliver services across a wider geography to target enterprise customers beyond our ILEC footprint. The Company's regional network connects Greater Cincinnati, as well as Indianapolis, Indiana, Chicago, Illinois, and Louisville, Kentucky.

As a result of the acquisition of Hawaiian Telcom, the Company gained access to the SEA-US trans-Pacific submarine cable system connecting Indonesia, the Philippines, Guam, Hawaii and the mainland United States. The system provides an initial 20 Terabytes per second ("Tbps") of capacity using state-of-the-art 100 Gbps technology to accommodate the increase in data consumption.

Voice

Voice represents local service over both copper and fiber. It also includes consumer and business long distance, digital trunking, switched access and other value-added services such as caller identification, voicemail, call waiting and call return. The Company's voice access lines over copper continue to decrease as its customers have increasingly employed wireless technologies in lieu of wireline voice services ("wireless substitution"), migrated to competitors, or migrated to VoIP services provided by the Company and others. Customers purchasing traditional long distance service can choose from a variety of long distance plans, which include unlimited long distance for a flat fee, purchase of minutes at a per-minute-of-use rate, or a fixed number of minutes for a flat fee. The Company's long distance lines and related minutes of use have continued to decline as a result of wireless substitution.

Video

In the Greater Cincinnati territory, the Company launched its high-speed internet products in 2009 and initially focused our fiber network investment on densely populated areas, such as apartments and condominiums. Since that time, high-speed internet with speeds up to six gigabits per second have been deployed over a much broader base and is now available to 80% of the Greater Cincinnati ILEC operating territory. As of December 31, 2024, we have 112,800 video subscribers in Greater Cincinnati. Our video customers enjoy access to over 400 entertainment channels, including digital music, local, movie and sports programming with over 150 high-definition channels, parental controls, HD DVR, video On-Demand and access to a live TV streaming application.

In Hawaii, the Company launched its next-generation television service on the island of Oahu in July 2011. The TV service is 100% digital with hundreds of local, national, international and music channels, including high-definition, premium, pay-per-view channels and video on-demand service. TV service has been deployed to 35,000 subscribers in Hawaii as of the end of 2024. The Company launched its TV service on Hawaii's neighbor islands in 2024.

Other

Other revenue is not further disaggregated as Strategic or Legacy and primarily consists of revenue generated from wiring projects for enterprise customers, support from the Connect America Fund and Rural Digital Opportunity Fund (see "Regulatory Matters and Competitive Trends" for further discussion of universal service), hardware sales, advertising, directory assistance, late payment and reactivation fees, maintenance and information services. Other revenue includes subsidized fiber build project revenue related to extending the Company's fiber network in the Greater Cincinnati territory subsidized through our UniCity program and in Hawaii subsidized through a customer contract.

Sales and Distribution Channels

We utilize a number of distribution channels to acquire customers. As of December 31, 2024, the Company operated eight retail stores in the Greater Cincinnati area to market and distribute our suite of products. The Company works to locate retail stores in high traffic but affordable areas, with a distance between each store that considers optimal returns per store and customer convenience. The Company also offers fully-automated, end-to-end web-based sales of various other Company services and accessories for both the Cincinnati operating territory and the Hawaii operating territory. In addition, the Company utilizes a call center, as well as a door-to-door sales force, to target the sale of our consumer products to residents.

We utilize a business-to-business sales force and a call center organization to reach enterprise customers in our operating territories. Larger enterprise customers are supported by sales account representatives and solution architects and smaller enterprise customers are supported through a telemarketing sales force, customer representatives and store locations.

Suppliers and Product Supply Chain

The Company generally subjects purchases to competitive bids and selects its vendors based on price, service level, delivery terms, quality of product and terms and conditions.

The Company's primary purchases are for video content, network equipment, software, fiber cable and contractors to maintain and support the growth of the fiber network. The Company maintains facilities and operations for storing cable and other equipment, product distribution and customer fulfillment.

The Company purchases some of its programming directly from the program networks by entering into affiliation agreements with the programming suppliers. The Company also benefits from membership with the National Cable Television Cooperative ("NCTC"), which enables us to take advantage of volume discounts. As of December 31, 2024, approximately 68% of Cincinnati's programming was sourced from the NCTC and approximately 52% of Hawaiian Telcom's programming was sourced from the NCTC.

In addition, we have long-term commitments to outsource various services, such as certain information technology functions, cash remittance and accounts payable functions, call center operations and maintenance services.

Competition

The telecommunications industry is competitive, and the Company competes against larger, well-capitalized national providers.

The Company faces competition from other local exchange carriers, wireless service providers, and inter-exchange carriers, as well as cable, broadband, internet and fixed wireless service providers.

Employees and Human Capital Resources

At December 31, 2024, the Company had approximately 2,200 employees. Approximately 44% of its employees are covered by collective bargaining agreements. Approximately 24% of all employees are covered by a collective bargaining agreement with the Communications Workers of America ("CWA"), which is affiliated with the AFL-CIO, and approximately 20% of all employees are covered by a collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) Local 1357. The collective bargaining agreements with the CWA and IBEW are effective until the second quarter of 2026 and third quarter of 2028, respectively.

The Company knows that our people are our most valuable assets and is committed to investing in them and their success. We have developed various programs and practices to support, develop and care for our employees throughout their careers with the Company.

Professional Development – Investing in the development of our people is a core value of the Company. As a result, the Company continually seeks to offer new and innovative ways to provide development opportunities to our employees throughout their careers including, but not limited to, on-demand training for both professional and industry-specific skills through our intranet site, certification programs to encourage employees to develop and enhance skills, technical talent programs to provide technical leadership and define job enrichment opportunities across the organization and leadership development programs to enable employees to grow and progress on the leadership path.

Employee Engagement – The Company seeks to create and communicate engagement opportunities for all employees for increased development and retention through surveys, periodic town hall meetings with leadership and other forms of direct employee feedback. In addition, the Company sponsors several resource groups which we believe are the cornerstone for personal and professional enrichment. Employees are encouraged to partner with the Company to pursue areas of passion including community outreach activities and volunteer programs.

Safety – The Company is focused on establishing safety as a core value among employees with the primary goal that every employee returns home safely at the end of the day. This applies not only to our field technicians and warehouse personnel but also to our employees working in an office environment. As a result, the Company has hired additional staff to increase safety training, observe and assist in building our overall safety culture.

Compensation and Benefits – The Company is committed to rewarding and supporting our employees, and therefore, we offer a comprehensive compensation program that includes market-competitive pay, healthcare benefits, a retirement savings plan, tuition reimbursement programs, and paid time off and family leave. Additionally, employees have the benefit of working a hybrid schedule that provides flexibility to engage with others in the office as well as the ability to work from home on certain days of the week.

Environmental Sustainability

Efficiencies and Reducing Our Carbon Footprint - The Company is actively working to identify efficiencies in our energy usage and reduce our environmental impact by:

- Pursuing a science-based net zero emissions target by 2040, covering scope 1 and 2 emissions, with an interim target of 40% emissions reduction by December 31, 2030,
- Transitioning customers from copper-based network services to fiber network services,
- Investing in renewable energy or procurement contracts which also reduce utility cost volatility, and;
- Migrating to electric vehicles in our Greater Cincinnati fleet.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating us. Our business, financial condition, liquidity or results of operations could be materially affected by any of these risks.

Risks Related to Our Business, Operations and Industry***The Company operates in highly competitive industries, and customers may not continue to purchase products or services, which would result in reduced revenue and loss of market share.***

The telecommunications industry is very competitive, and the Company competes against larger, well-capitalized national providers. Competitors may reduce pricing, create new bundled offerings, or develop new technologies, products or services that they can offer in expanded geographic regions. Our competitors are expected to continuously upgrade their service quality and offerings. If the Company cannot continue to offer reliable, competitively priced, value-added services, or if the Company does not keep pace with technological advances and upgrades, competitive forces could adversely affect it through a loss of market share or a decrease in revenue and profit margins.

We face competition from other local exchange carriers, wireless service providers, inter-exchange carriers, cable, broadband and internet service providers, other telecom companies, niche fiber companies and companies that deliver movies, television shows and other video programming over broadband Internet connections. Wireless providers, particularly those that provide unlimited wireless voice and data plans with no additional fees for long distance, offer customers a substitution for the Company's services. Also, cable competitors that have existing service relationships with the Company's customers offer substitution services, such as VoIP and long distance voice services in the Company's operating areas. As a result of wireless substitution and increased competition, legacy voice lines decreased by 11% and 8% in Cincinnati and Hawaii, respectively, in 2024 compared to 2023.

In addition, our Strategic products, particularly our fiber-based products, face competition from a number of different sources including cable operators, other telecom companies, niche fiber companies, and companies that deliver movies, television shows and other video programming over broadband Internet connections. Increasingly, content owners are utilizing Internet-based delivery of content directly to consumers, some without charging a fee for access to the content. Furthermore, due to consumer electronics innovations, consumers are able to watch such Internet-delivered content on television sets and mobile devices. Increased customer migration to these non-traditional entertainment products could result in increased churn and decreased penetration in our Strategic Fiber products. If the Company is unable to effectively implement strategies to attract and retain video and high-speed internet subscribers, retain access lines and long distance subscribers, or replace such customers with other sources of revenue, our revenues will be adversely affected.

The Company may be unable to grow its revenues and cash flows despite the initiatives it has implemented.

We must produce adequate revenues and cash flows that, when combined with cash on hand and funds available under our revolving credit facilities, will be sufficient to service our debt, fund our capital expenditures, and fund our pension and other employee benefit obligations. We have identified some potential areas of opportunity and implemented several growth initiatives. We cannot be assured that these opportunities will be successful or that these initiatives will improve our financial position or our results of operations.

If the Company's goodwill, indefinite-lived intangible assets or long-lived assets become impaired, the Company may be required to record significant charges to earnings.

The Company has a substantial amount of goodwill, intangible assets and long-lived assets on its balance sheet. The Company reviews goodwill, indefinite-lived intangible assets and long-lived assets for impairment annually or whenever events or circumstances indicate impairment may have occurred. The impairment evaluation requires significant judgment and estimates by management, and unfavorable changes in these assumptions or other factors could result in future impairment charges and have a significant adverse impact on the Company's reported earnings. Such factors include operating performance of the business, the execution of the Company's network build plan, growth of consumer and business activations, achieving expected penetration rates in new markets, higher than anticipated churn, changes in customer behavior post-pandemic, changes in discount rates, or other key business initiatives. Additionally, the value of comparable companies may also impact the fair value of our reporting units, which could result in a write-down of goodwill and reduction to net income.

For further information on Cincinnati Bell's evaluation of impairment for goodwill, indefinite-lived intangible assets and long-lived assets, see "Critical Accounting Policies and Estimates" under Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Failure to anticipate the need to introduce new products and services or to compete with new technologies may compromise the Company's success in our industries.

The Company's success depends, in part, on being able to anticipate the needs of current and future business, carrier and consumer customers. The Company seeks to meet these needs through new product introductions, service quality and technological improvements. New products and services are important to the Company's success because our industry is technologically driven, such that new technologies can offer alternatives to the Company's existing services. If our new products and services fail to gain acceptance in the marketplace, or if costs associated with the implementation and introduction of these new products and services materially increase, it could have a material adverse effect on the Company's revenue, results of operations, financial condition and cash flows.

The Company's access lines, which generate a significant portion of its cash flows and profits, are decreasing in number. If the Company continues to experience access line losses similar to the past several years, its revenues, earnings and cash flows from operations may be adversely impacted.

The Company generates a significant portion of its revenues by delivering voice and data services over access lines. The Company's local telecommunications subsidiaries have experienced substantial access line losses over the past several years due to a number of factors, including wireless and broadband substitution and increased competition. The Company expects access line losses to continue into the foreseeable future. Failure to retain access lines without replacing such losses with alternative sources of revenue would adversely impact the Company's revenues, earnings and cash flow from operations.

The Company has provided alternative sources of revenue by way of its Strategic products. In addition, as a larger portion of our customer base has already migrated to these new product offerings, a decreased growth rate of Strategic products can be expected. Moreover, we cannot provide assurance that the revenues generated from our new offerings will mitigate revenue losses from the reduced sales of our legacy products or that our new strategic offerings will be as successful as anticipated.

Negotiations with the providers of content for our video programming may not be successful, potentially resulting in our inability to carry certain programming channels, which could result in the loss of subscribers. In addition, due to the influence of some content providers, we may be forced to pay higher rates for some content resulting in increased costs.

We must negotiate with the content owners of the programming that we carry. These content owners are the exclusive provider of the channels they offer. If we are unable to reach a mutually-agreed upon contract with a content owner, our existing agreements to carry this content may not be renewed, resulting in the blackout of these channels. The loss of content could result in our loss of customers who place a high value on the particular content that is lost. In addition, many content providers own multiple channels. As a result, we typically have to negotiate the pricing for multiple channels rather than one, and carry and pay for content with which customers do not associate much value, in order to have access to other content with which customers do associate value. Some of our competitors have materially larger scale than we do and may, as a result, be better positioned than we are in such negotiations. As a result of these factors, the expense of content may continue to increase and have a material adverse impact on the Company's results of operations and cash flows.

Maintaining the Company's telecommunications networks requires significant capital expenditures, and the Company's inability or failure to maintain its telecommunications networks could have a material impact on the Company's market share and ability to generate revenue.

Over the past several years, the Company has improved its wireline network through increased capital expenditures for fiber optic cable in areas of its operating network. The Company intends to continue its capital expenditures for fiber optic cable.

In order to provide appropriate levels of service to the Company's customers, the network infrastructure must be protected against damage from human error, natural disasters, unexpected equipment failure, power loss or telecommunications failures, terrorism, sabotage or other intentional acts of vandalism. The Company's networks may not address all of the problems that may be encountered in the event of a disaster or other unanticipated problems, which may result in disruption of service to customers.

The Company may also incur significant additional capital expenditures as a result of unanticipated developments, regulatory changes and other events that impact the business.

The Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, leading to reduced revenues and/or increased costs.

The Company's agreements with its customers contain various requirements regarding performance and levels of service. If the Company fails to provide the levels of service or performance required by its agreements, customers may be able to receive financial compensation or may be able to terminate their relationship with the Company. In order to provide these levels of service, the Company is required to protect against human error, natural disasters, equipment failure, power failure, sabotage and vandalism, and have disaster recovery plans available in the event of disruption of service. The failure to address these or other events may result in a disruption of service. In addition, any inability to meet service level commitments or other performance standards could reduce the confidence of customers. Decreased customer confidence could impair the Company's ability to attract and retain customers, which could adversely affect the Company's ability to generate revenues and operating results.

The Company generates a substantial portion of revenue by serving a limited geographic area.

The Company generates a substantial portion of revenue by serving customers in Greater Cincinnati and the islands of Hawaii. An economic downturn or natural disaster occurring in any of these limited operating territories would have a disproportionate effect on the Company's business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas. Furthermore, because of Hawaii's geographic isolation, the successful operation and growth of the business in Hawaii is dependent on favorable economic and regulatory conditions in the state.

The customer base for telecommunications services in Hawaii is small and geographically concentrated. The population of Hawaii is approximately 1.4 million, approximately 70% of whom live on the island of Oahu. Any adverse economic conditions affecting Oahu, or Hawaii generally, could materially impair our ability to operate our business. Labor shortages or increased labor costs in Hawaii could also have an adverse effect on our business. In addition, we may be subject to increased costs for goods and services that we are unable to control or defray as a result of operating in this limited territory. Increased expenses including, but not limited to, energy and health care have adversely impacted operations due to rising costs and could continue to have an adverse effect on our business and results of operations if these costs continue to rise.

Increases in broadband usage may cause network capacity limitations resulting in service disruptions or reduced capacity for customers.

Video streaming services and peer-to-peer file sharing applications use significantly more bandwidth than traditional internet activity, such as web browsing and email. As utilization rates and availability of these services continue to grow, our high-speed internet customers may use much more bandwidth than in the past. If this continues to occur and our existing network capacity becomes unable to handle the increased demand, we could be required to make significant capital expenditures to increase network capacity in order to avoid service disruptions or reduced capacity for customers. We may not be able to recover the costs of the necessary network investments. This could result in an adverse impact to our results of operations and financial condition.

An IT and/or network security breach or cyber-attack may lead to unauthorized use or disabling of our network, theft of customer data or other sensitive data, unauthorized use or publication of our confidential business information and could have a material adverse effect on our business.

Cyber-attacks and other breaches of network or information technology security could have an adverse effect on our business. Our business relies on the integrity and availability of our technology infrastructure and systems and the processes that deliver services to our customers and business partners. The security of data we create or collect is also important to our customers, business partners and stakeholders.

We have a comprehensive security program in place designed to mitigate risks to our business from:

- Physical and personnel security threats;
- Data breaches involving customer, employee and other confidential data;
- Malware, including ransomware;
- Denial of service threats;
- Unauthorized changes to technology systems and data;
- Fraud;
- Hacking, including nation-state sponsored attacks on critical infrastructure;
- Unauthorized or unintentional actions by third parties;
- Compliance failures;
- Disasters and business continuity events; and
- Misuse of our systems, products and services.

Although we take proactive and reasonable steps to address these risks, including the use of insurance, we understand that physical and cyber security incidents are possible and could have a material effect to our businesses. Costs associated with a major security incident could include material retention incentives offered to existing customers or business partners, lost revenues from business interruption, litigation and damage to our reputation, fines from regulatory authorities, and increased expenditures for technology, security measures, and incident response. These costs or any prolonged disruption to our business operations could result in a material adverse effect on our results and financial condition. To date, we have not experienced any material security incident and continue to evaluate security risks to our businesses. We proactively review our security posture and adopt new control measures that address current and future physical and cyber security threats.

Cyber-attacks or security breaches at third parties providing critical services or with access to or possession of sensitive data could also adversely impact business operations or result in regulatory actions, loss of customers, legal fees or increased costs, associated with incident response beyond current insurance limits. Cyber-attacks of technology that is used in the organization's supply-chain to provide network and IT services or that are resold to customers could also have the same adverse impacts.

Weather conditions, natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, and other political instability, such as the current conflict between Russia and Ukraine and the escalation of the conflict in the Middle East related to the Israel-Hamas war, and other events beyond our control. Such events could cause significant damage to our infrastructure resulting in degradation or disruption of service to our customers. The potential liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. These events could also damage the infrastructure of suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations as well as lost revenues from business interruption as well as damage to our reputation.

In particular, from time to time, the islands of Hawaii experience severe weather conditions such as high winds and heavy rainfall and natural disasters such as earthquakes, volcanic eruptions and tsunamis, which can overwhelm our employees, disrupt our services and severely damage our property. Such disruptions in service and damage to property could materially harm our business, financial condition, results of operations or liquidity. Moreover, it is impossible to predict the extent to which climate change could cause extreme weather conditions to become more frequent or more extreme.

Damaging wildfires occurring on the Hawaiian islands of Maui and Hawaii have caused damage to our infrastructure and adversely affected, and could continue to adversely affect, our operations.

Beginning on August 8, 2023, wildfires ignited on Maui and Hawaii islands. The fires caused damage to Lahaina town on the island of Maui and the surrounding area, including physical loss and damage to certain of the Company's fiber and copper assets and Company owned equipment located on customer premises. The Company experienced the loss of business income immediately following the fires and expects to continue to experience loss of income for an unknown amount of time. The Company has filed insurance claims for the physical loss and damages experienced in Lahaina and for business income losses resulting from the matter. Additionally, we have been named as a defendant in multiple civil lawsuits, which the risks associated with this litigation is discussed further on page 19 of Item 1A. Risk Factors.

It is also likely that the Maui economy will continue to be adversely impacted by the damage caused by the fires in Lahaina which had a negative impact on the tourism industry in west Maui subsequent to the fires in 2023 and throughout 2024. The Company continues to evaluate the extent of the damage to its property and equipment and initiated claims with its insurance carriers in the fourth quarter of 2023 and continued to submit claims in 2024. There can be no assurance that the Company's insurance coverage will fully compensate the Company for its losses incurred in connection with the fire and related devastation, including the replacement cost of the equipment lost in the fire or the loss in revenue from the households that have been impacted by the fires. The Company could experience losses in excess of our insured limits, and further, claims for certain losses could be denied or subject to deductibles or exclusions under our insurance policies.

Volatile geopolitical turmoil, including popular uprisings, regional conflicts, terrorism and war could result in market instability, which could negatively impact our business results.

The Company primarily provides our services in the United States of America, but certain outsourced operations are located in Taiwan and India as well as to a lesser extent in other countries located in Europe and Asia. Additionally, vendors that the Company sources from are global in nature. Continued escalation in regional conflicts, including the Russian invasion of Ukraine, the conflicts involving Israel and the surrounding region and other disruptions to global and regional economies and markets, could limit the Company's ability to source goods and services and could result in closure of our vendors' facilities. In addition, international conflict has resulted in: increased pressure on the supply chain, which has led to increased energy costs, and could result in further increased energy costs, which could continue to increase utility expense and transportation costs; inflation, which could result in increases in the cost to provide services, increased capital spend for the continued expansion of the network, decreased customer purchasing power, and increased price pressure; increased risk of cybersecurity attacks; and market instability, which could adversely impact financial results.

The widespread outbreak of an illness or any other communicable disease, or any other public health crisis, could adversely affect our business, results of operations and financial condition.

The Company could be negatively impacted by the widespread outbreak of an illness, any other communicable disease, or any other public health crisis that results in economic and trade disruptions, including the disruption of global supply chains. The extent of the impact of any such public health crisis on our future operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, could depend on future developments, including the effect on our customers and demand for our products and services; our ability to sell and provide our products and services, including as a result of travel restrictions and people working remotely; the ability of our customers to pay for our solutions; execute our capital build plan for our fiber network and thereby cause delays in delivery of our services and solutions to our customers; and the impact of governmental actions or mandates imposed in response to any such public health crisis, all of which are uncertain and cannot be predicted. An extended period of global supply chain and economic disruption could materially affect our business, our results of operations, our access to sources of liquidity, the carrying value of our goodwill and intangible assets, and our financial condition.

The Company depends on a number of third-party providers and the loss of or problems with one or more of these providers may impede the Company's growth, cause it to lose customers or materially and adversely impact its business, financial condition, and results of operations.

The Company depends on third-party providers to supply products and services. For example, many of the Company's information technology, call center functions and certain accounting functions are performed by third-party providers, and network equipment is purchased from and maintained by vendors, some of which providers and vendors are located outside of the United States.

Events that adversely impact our third-party providers could impair our ability to obtain adequate and timely services or supplies. Such events include, among others, difficulties or problems associated with our third party providers' businesses, the financial instability and labor problems of third party providers, natural or man-made disasters, inclement weather conditions, war, acts of terrorism and other political instability, economic conditions, shipment issues, and increased production costs. Our third-party providers may be forced to reduce their production, shut down their operations or file for bankruptcy. The occurrence of one or more of these events could impact our ability to get necessary inventory to build the fiber network, result in disruptions to our operations, increase our costs and decrease our profitability.

A failure of back-office information technology systems could adversely affect the Company's results of operations and financial condition.

The efficient operation of the Company's business depends on back-office information technology systems. The Company relies on back-office information technology systems to effectively manage customer billing, business data, communications, supply chain, order entry and fulfillment and other business processes. A failure of the Company's information technology systems to perform as anticipated could disrupt the Company's business and result in a failure to collect accounts receivable, transaction errors, processing inefficiencies, and the loss of sales and customers, causing the Company's reputation and results of operations to suffer. In addition, information technology systems may be vulnerable to damage or interruption from circumstances beyond the Company's control, including fire, natural disasters, systems failures, security breaches and viruses. Any such damage or interruption could have a material adverse effect on the Company's business.

We may be liable for the material that content providers distribute over our networks.

The law relating to the liability of private network operators for information carried on, stored or disseminated through their networks is still unsettled. As such, we could be exposed to legal claims relating to content disseminated on our networks. Claims could challenge the accuracy of materials on our network or could involve matters such as defamation, invasion of privacy or copyright infringement. If we need to take costly measures to reduce our exposure to these risks or are required to defend ourselves against such claims, our financial results would be negatively affected.

Our ability to attract and retain qualified personnel could disrupt our business and affect the Company's ability to meet key financial and business objects.

Our future success depends partly on the continued service of the Company's key engineering, sales, marketing, IT, executive and administrative personnel. We believe our pay levels are competitive within the regions in which we operate. However, labor shortages, inflationary pressure on wages, and increased attrition have intensified competition for talent in most fields across the geographic areas in which we operate, and it may become more difficult to retain key employees. If we fail to retain key personnel and are unable to hire highly qualified replacements, we may not be able to meet key objectives, such as meeting financial goals and maintaining or expanding the business.

The Company may be unable to achieve some or all of the strategic and financial benefits that it expects to achieve from the sale of the CBTS and OnX businesses.

We may not be able to realize the anticipated operational, financial, strategic and other benefits from the sale of the CBTS and OnX businesses. The anticipated benefits are based on a number of assumptions, some of which may prove incorrect, and could be affected by a number of factors beyond the Company's control, including, without limitation, general economic conditions, increased operating costs, regulatory developments and the other risks described in these risk factors.

If the Company fails to extend or renegotiate its collective bargaining agreements with its labor unions when they expire, or if the Company's unionized employees were to engage in a strike or other work stoppage, the Company's business and operating results could be materially harmed.

The Company is a party to collective bargaining agreements with its labor unions in both the Greater Cincinnati and Hawaii operating territories, which represent approximately 44% of the Company's employees. No assurance can be given that the Company will be able to successfully extend or renegotiate its collective bargaining agreements in the future. If the Company fails to extend or renegotiate its collective bargaining agreements, if disputes with its union arise, or if its unionized workers engage in a strike or a work stoppage, the Company could experience a significant disruption of operations or incur higher ongoing labor costs, either of which could have a material adverse effect on the Company's business. The collective bargaining agreements with the Communications Workers of America and the International Brotherhood of Electrical Workers Local 1357 are effective until the second quarter of 2026 and third quarter of 2028, respectively.

Risks Related to Our Indebtedness***The Company's debt could limit its ability to fund operations, raise additional capital, and fulfill its obligations, which, in turn, would have a material adverse effect on the Company's businesses and prospects generally.***

In connection with the Merger, in September 2021, the Company entered into a new credit agreement (the "Credit Agreement") and terminated the Company's existing corporate credit agreement. The Credit Agreement was subsequently amended in November 2021 and provides for (i) a five-year \$400 million senior secured revolving credit facility including both a letter of credit subfacility of up to \$40 million and a swingline loan subfacility of up to \$10 million (the "Revolving Credit Facility"), (ii) a seven-year \$500 million senior secured term loan facility (the "Term B-1 Loans"), and (iii) a seven-year \$650 million senior secured term loan facility (the "Term B-2 Loans" and together with the Term B-1 Loans, the "Term Loans"). The Company has subsequently entered into additional amendments in 2023 and 2024, that provide additional tranches of debt totaling \$500.0 million with terms similar to the Term Loans.

The Revolving Credit Facility matures in August 2028, and the Term Loans mature in November 2028. Borrowings under the Term Loans were used in part to refinance existing Company indebtedness and for working capital and general corporate purposes. At December 31, 2024, the Company had no borrowings under the Revolving Credit Facility, leaving \$400.0 million available.

The Company's debt has important consequences, including the following:

- the Company is required to use a substantial portion of its cash flow from operations to pay principal and interest on our debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, strategic acquisitions, investments and alliances, and other general corporate requirements;
- there is a variable interest rate on a portion of its debt which will increase if the market interest rates increase;
- the Company's debt increases its vulnerability to adverse changes in the credit markets, which adverse changes could increase the Company's borrowing costs and limit the availability of financing;

- the Company's debt service obligations limit its flexibility to plan for or react to changes in its business and the industries in which it operates;
- the Company's level of debt and shareowners' deficit may restrict it from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions, investments and alliances, and other general corporate requirements; and
- the Company's debt instruments contain limitations on the Company and require the Company to comply with specified financial ratios and other restrictive covenants. Failure to comply with these covenants, if not cured or waived, could limit availability to the cash required to fund the Company's operations and general obligations and could result in the Company's dissolution, bankruptcy, liquidation or reorganization.

The Company's Credit Agreement and other indebtedness impose significant restrictions on the Company.

The Company's debt instruments impose, and the terms of any future debt may impose, operating and other restrictions on the Company. These restrictions affect, and in many respects limit or prohibit, among other things, the Company's ability to:

- incur additional indebtedness;
- create liens;
- make investments;
- enter into transactions with affiliates;
- sell assets;
- guarantee indebtedness;
- declare or pay dividends or make other distributions to shareholders;
- repurchase equity interests;
- enter into agreements that restrict dividends or other payments from subsidiaries;
- issue or sell capital stock of certain of our subsidiaries;
- consolidate, merge, or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and
- change our fiscal year.

The Credit Agreement also requires the Company to achieve and maintain compliance with specified financial ratios.

The restrictions contained in the terms of the Credit Agreement and our other debt instruments could:

- limit the Company's ability to plan for or react to market conditions or meet capital needs or otherwise restrict the Company's activities or business plans; and
- adversely affect the Company's ability to finance our operations, strategic acquisitions, investments or alliances, other capital needs, or to engage in other business activities that would be in our interest.

A breach of any of the debt's restrictive covenants or the Company's inability to comply with the required financial ratios would result in a default under some or all of the debt agreements. During the occurrence and continuance of a default, the lenders may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable. Additionally, under the Credit Agreement, the lenders may elect not to provide loans under the Revolving Credit Facility until such default is cured or waived. The Company's debt instruments also contain cross-acceleration provisions, which generally cause each instrument to be subject to early repayment of outstanding principal and related interest upon a qualifying acceleration of any other debt instrument, subject to certain materiality thresholds. Failure to comply with these covenants, if not cured or waived, would limit the cash available to the Company required to fund operations and our general obligations and could result in the Company's dissolution, bankruptcy, liquidation or reorganization.

The Company depends on its revolving credit facility and receivables facilities to provide for its short-term financing requirements in excess of amounts generated by operations, and the availability of those funds may be reduced or limited.

The Company depends on the Revolving Credit Facility and the Network Receivables Facility to provide for short-term financing requirements in excess of amounts generated by operations. The Revolving Credit Facility has a maturity date of August 2028. On January 31, 2023, the Company executed amendments to the Receivables Facility which, among other things, separate the Receivables Facility into two separate facilities, with (A) the existing Receivables Facility (the “Network Receivables Facility” and (B) a new facility (the “CBTS Receivables Facility”). See Note 8 to the accompanying consolidated financial statements contained in “Part II. Item 8. Financial Statements and Supplementary Data” for further details regarding amendments to the Receivables Facility. The CBTS Receivables Facility was terminated in conjunction with the sale of the Disposal Group.

In December, 2024, the Company executed an amendment to the Network Receivables Facility to extend the renewal date to April 9, 2025. At December 31, 2024, the Network Receivables Facility had a termination date of January 2026 with the next renewal occurring in April 2025.

The Company's ability to borrow under its Revolving Credit Facility is subject to the Company's compliance with covenants, including covenants requiring compliance with specified financial ratios. Failure to satisfy these covenants would constrain or prohibit our ability to borrow under these facilities. Additionally, if one or more of these banks is not able to fulfill its funding obligations, the Company's financial condition could be adversely affected.

As of December 31, 2024, the Company had no borrowings and \$25.0 million of letters of credit outstanding under the Network Receivables Facility, leaving \$30.0 million remaining availability on the total borrowing capacity of \$55.0 million. The available borrowing capacity is calculated monthly based on the amount and quality of outstanding accounts receivable and thus may be lower than the maximum borrowing limit. If the quality of the Company's accounts receivables deteriorates, this will negatively impact the available capacity under this facility.

The servicing of the Company's indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond the Company's control.

The Company's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors, many of which are beyond its control. The Company cannot provide assurance that its business will generate sufficient cash flow from operations, that additional sources of debt financing will be available or that future borrowings will be available under its Revolving Credit Facility or Network Receivables Facility, in each case, in amounts sufficient to enable the Company to service its indebtedness or to fund other liquidity needs. If the Company cannot service its indebtedness, the Company will have to take actions such as reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, selling assets, restructuring or refinancing indebtedness or seeking additional equity capital, which may adversely affect its shareholders, debt holders and customers. The Company may not be able to negotiate remedies on commercially reasonable terms or at all. In addition, the terms of existing or future debt instruments may restrict the Company from adopting any of these alternatives. The Company's inability to generate the necessary cash flows could result in its dissolution, bankruptcy, liquidation or reorganization.

Risks Related to Our Financial Condition

The Company may need additional financing in the future to meet our capital needs or to make opportunistic acquisitions, and such financing may not be available on terms favorable to the Company, if at all.

The Company may need to seek additional financing to support the build out of the Company's fiber network in out of territory markets. For example, the Company may need to increase its capital spend or need funds to make acquisitions. The Company may be unable to obtain any desired additional financing on favorable terms, if at all. If adequate funds are not available on acceptable terms, the Company may be unable to fund fiber expansion in out of territory markets. If we raise additional funds by issuing debt, we may be subject to further limitations on our operations in addition to increased interest payments that could negatively impact our cash flow.

Growing inflation, supply chain disruption and other increased operating costs could materially and adversely affect our results of operations.

Global demand inflation, supply chain disruptions, interest rate increases, civil unrest, tariffs and government regulations, which are beyond our control, could adversely affect operating costs and administrative expenses such as wages, benefits, supplies and inventory costs, insurance costs and costs of borrowing. Any such increase could impact results of operations and cash flows if we do not choose, or are unable, to pass the increased costs to our customers.

We rely on a limited number of suppliers for capital purchases needed to construct the fiber network and certain other supplies we use in our operations. Our ability to secure such equipment and supplies from alternative sources as needed may be time-consuming or expensive or may cause a temporary disruption in our supply chain. Shortages or interruptions in the supply chain could occur for reasons within or beyond the control of us and the supplier.

Decreased fuel supplies resulted in significant increases to fuel prices, most notably in Hawaii, which adversely impacted our transportation costs for the field technicians and third parties who are assisting us with the network build in addition to the utilities spend in Hawaii where oil is relied on to produce electricity for the state. Increased fuel costs adversely affected the profit margins in 2022 and 2023, but to a lesser extent in 2024. Due to the uncertainty around fuel costs, the Company could experience adverse effects on our business and results of operations similar to 2022 and 2023 if fuel prices increase in future years.

The uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition.

The uncertain economic environment could have an adverse effect on the Company's business and financial liquidity. Current global conflicts have created additional uncertainty in the economic environment and world securities markets. The Company's primary source of cash is customer collections. As a result of current adverse economic conditions, some customers have cancelled or requested discounts on future contracted services or have had difficulty paying their accounts receivable. Additional customers may cancel or request discounts on future contracted services or have difficulty paying their accounts receivable, especially if economic conditions worsen. Some competitors have lowered prices or offered promotions as a result of economic conditions, and others may do so as well, which has exerted, and could further exert, pricing pressure on the Company. If the economies of the U.S. and the world continue to deteriorate, this could have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

Adverse changes in the value of assets or obligations associated with the Company's employee benefit plans could negatively impact shareowners' equity and liquidity.

The Company sponsors noncontributory defined benefit pension plans for eligible management employees, non-management employees and certain former executives. The Company also provides healthcare and group life insurance benefits for eligible retirees. The Company's Consolidated Balance Sheets indirectly reflect the value of all plan assets and benefit obligations under these plans. The accounting for employee benefit plans is complex as is the process of calculating the benefit obligations under the plans. Adverse changes in interest rates or market conditions, among other assumptions and factors, could cause a significant increase in the Company's benefit obligations or a significant decrease of the asset values, without necessarily impacting the Company's net income. In addition, the Company's benefit obligations could increase significantly if it needs to unfavorably revise the assumptions used to calculate the obligations. These adverse changes could have a significant negative impact on the Company's shareowners' equity. Additionally, the Company's postretirement costs are adversely affected by increases in medical and prescription drug costs. Further, if there are adverse changes to plan assets or if medical and prescription drug costs increase significantly, the Company could be required to contribute additional material amounts of cash to the plans or to accelerate the timing of required payments.

Intellectual Property, Tax, Regulatory, and Litigation Risks

The Company's future cash flows could be adversely affected if it is unable to fully realize its deferred tax assets.

As of December 31, 2024, the Company had deferred tax assets of \$260.6 million, the largest component of which is the deferred tax asset of \$177.6 million associated with federal (\$163.1 million) and state (\$14.5 million) net operating loss carryforwards. The Company has recorded partial valuation allowances against deferred tax assets related to U.S. federal net operating losses, certain state and local net operating losses and other deferred tax assets due to uncertainty in the Company's ability to utilize the assets. The use of the Company's deferred tax assets enables it to satisfy current and significant future tax liabilities without the use of the Company's cash resources. The Company's net operating losses face potential limitation under Internal Revenue Code Section 382 and similar state provisions. If the Company is unable for any reason to generate sufficient taxable income to fully realize its deferred tax assets, including its net operating losses, the Company's net income, equity and future cash flows would be adversely affected.

The Company has been named in litigation associated with the wildfires occurring on the Hawaiian island of Maui, which has resulted in the Company paying significant amounts in legal expenses and could require the payment of damages or settlements.

The Company's Hawaiian Telcom subsidiary, along with many other parties, including governmental entities, landowners, utilities and other telecommunication providers, has been named as a defendant in multiple civil lawsuits brought by individual plaintiffs, a putative class, and subrogation plaintiffs in state and federal court in Hawaii arising out of the August 2023 windstorm and wildfires on the island of Maui.

The parties to the litigations, including Hawaiian Telcom, have engaged in confidential mediation and discussions regarding a global settlement of the litigations. On August 2, 2024, the defendants, individual plaintiffs, and class plaintiffs entered into a term sheet that contemplates a global resolution of all claims arising out of the August 2023 windstorm and wildfires on Maui that does not include any admission of liability in which the defendants would collectively pay an aggregate of \$4.037 billion. The settlement also would resolve all claims among the defendants. Hawaiian Telcom's contribution is a total of \$100.0 million. There can also be no assurances that the final settlement will be approved for this amount. The Company's current contribution amount is covered by our insurance policies resulting in a liability and an offsetting insurance receivable being recorded to the Consolidated Balance Sheets. In 2024, the Company incurred significant legal fees related to this matter of \$11.6 million. The Company has recorded a \$8.4 million insurance receivable as a result of agreement by our insurance provider to reimburse a portion of the professional fees incurred.

Changes in tax laws and regulations, and actions by federal, state and local taxing authorities related to the interpretation and application of such tax laws and regulations, could have a negative impact on the Company's financial results and cash flows.

The Company calculates, collects and remits various federal, state, and local taxes, surcharges, and regulatory fees to numerous federal, state and local governmental authorities, including but not limited to federal Universal Service Fund contributions, sales tax, regulatory fees and use tax on purchases of goods and services used in our business. Tax laws are subject to change, and new interpretations of how various statutes and regulations should be adhered to are frequently issued. In many cases, the application of tax laws are uncertain and subject to differing interpretations, especially when evaluated against the Company's new and evolving technologies and services. In the event that we have incorrectly calculated, assessed, or remitted amounts due to governmental authorities, or if revenue and taxing authorities disagree with positions we have taken, we could be subject to additional taxes, fines, penalties, or other adverse actions. In the event that federal, state, or local municipalities were to significantly increase taxes on goods and services used to construct and maintain our network, operations, or provision of services, or seek to impose new taxes, there could be a material adverse impact on financial results.

The regulation of the Company's businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict our ability to price our products and services competitively, participate in new regulatory programs and threaten our operating licenses.

Several of the Company's subsidiaries are subject to regulatory oversight of varying degrees at both the state and federal levels, which may differ from the regulatory scrutiny faced by the Company's competitors. A significant portion of the Company's revenue is derived from pricing plans that are subject to regulatory review and approval. These regulated pricing plans limit the rates the Company can charge for some services while the competition has typically been able to set rates for services with limited or no restriction. In the future, regulatory initiatives that would put the Company at a competitive disadvantage or mandate lower rates for our services would result in lower profitability and cash flows for the Company. In addition, different regulatory interpretations of existing regulations or guidelines may affect the Company's revenues and expenses in future periods.

At the federal level, the Company's telecommunications services are subject to the Communications Act of 1934 as amended by the Telecommunications Act of 1996, including rules adopted by the Federal Communications Commission ("FCC"). In addition, certain aspects of the Company's communications facilities and operations are subject to oversight by the Department of Justice and the Department of Defense relative to assessing and mitigating national security risks. Violations of the terms of the agreements with these agencies could result in the revocation of the Company's FCC licenses which would affect its business operations in the future. The Company's submarine cable facilities and operations are also subject to requirements imposed by the national security and law enforcement agencies (e.g., the Departments of Justice, Defense and Homeland Security). At the state level, Cincinnati Bell Telephone Company LLC ("CBT") operates as the incumbent local exchange carrier ("ILEC") and carrier of last resort in portions of Ohio, Kentucky, and Indiana, while Hawaiian Telcom, Inc. ("HTI") serves as the ILEC and carrier of last resort in Hawaii. As the ILEC in those states, these entities are subject to regulation by the Public Utilities Commissions in those states. Various regulatory decisions or initiatives at the federal or state level may from time to time have a negative impact on CBT's and HTI's ability to compete in their respective markets. In addition, although less heavily regulated than the Company's ILEC operations, other subsidiaries are authorized to provide competitive local exchange service, long distance, and cable television service in various states, and consequently are also subject to various state and federal telecommunications and cable regulations that could adversely impact their operations.

There are currently many regulatory actions under way and being contemplated by federal and state authorities regarding issues, including national security and law enforcement matters, that could result in significant changes to the business conditions in the telecommunications industry. On April 4, 2020, President Trump issued Executive Order No. 13913 Establishing the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (the "Committee"), which formalized the ad-hoc foreign investment review process (formerly referred to as "Team Telecom") applicable to FCC licenses and transactions. The Executive Order empowers the Committee to review FCC license and transfer applications involving foreign participation to determine whether grant of the requested license or transfer approval may pose a risk to the national security or law enforcement interests of the United States, and to review existing licenses to identify any additional or new risks to national security or law enforcement interests that did not exist when a license was first granted. Following an investigation, the Committee may recommend that the FCC revoke or modify existing licenses or deny or condition approval of new licenses and license transfers. It is not possible for the Company to determine whether it may be subject to a proceeding to revoke or modify our existing licenses or predict the outcome of a review of new license or transfer applications by the Committee in the future. A review of existing licenses and/or a review of new licenses and transfers by the Committee may result in additional compliance obligations that may affect the Company's expenses and business operations in the future.

In addition, in connection with our internet access offerings, we could become subject to laws and regulations as they are adopted or applied to the internet. There is currently only limited regulation applicable to these services although court decisions, legislative action and/or changes in regulatory policy could lead to greater regulation of the internet (including internet access services). The Company cannot provide any assurances that changes in current or future regulations adopted by the FCC or state regulators, or other legislative, administrative, or judicial initiatives relating to the telecommunications industry, will not have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

From time to time, different regulatory agencies conduct audits to ensure that the Company is in compliance with the respective regulations. The Company could be subject to fines and penalties if found to be out of compliance with these regulations, and these fines and penalties could be material to the Company's financial condition.

As a winning bidder in the FCC's Connect America Fund II ("CAF II") and Rural Digital Opportunity Fund ("RDOF") auction, the Company must comply with numerous FCC and state requirements prior to and after receiving such funding. If the Company fails to comply with those requirements, the FCC could consider us in default of the CAF II and RDOF program rules, and we could incur substantial penalties or forfeitures of future revenues, most significantly in Hawaii. For example, if the Company fails to attain certain specific buildout milestones and performance requirements under the CAF II and RDOF programs, the FCC could withhold future support payments until those shortcomings are corrected. Failure to comply with the rules and requirements for the CAF II and RDOF program could result in the Company being suspended or disbarred from future governmental programs or contracts for a significant period of time, which could adversely affect the Company's results of operations and financial condition.

Third parties may claim that the Company is infringing upon their intellectual property, and the Company could suffer significant litigation or licensing expenses or be prevented from selling products.

The Company may be unaware of intellectual property rights of others that may cover some of our technology, products or services. Any litigation growing out of third-party patents or other intellectual property claims could be costly and time-consuming and would divert the Company's management and key personnel from our business operations. The complexity of the technology involved and the uncertainty of intellectual property litigation increases these risks. Resolution of claims of intellectual property infringement might also require the Company to enter into costly license agreements. Likewise, the Company may not be able to obtain license agreements on acceptable terms. The Company also may be subject to significant damages or injunctions against the development and sale of certain of our products or services. Further, the Company often relies on licenses of third-party intellectual property for its businesses. The Company cannot ensure these licenses will be available in the future on favorable terms or at all.

Third parties may infringe upon the Company's intellectual property, and the Company may expend significant resources enforcing its rights or suffer competitive injury.

The Company's success significantly depends on the competitive advantage it gains from our proprietary technology and other valuable intellectual property assets. The Company relies on a combination of patents, copyrights, trademarks and trade secrets protections, confidentiality provisions and licensing arrangements to establish and protect its intellectual property rights. If the Company fails to successfully enforce its intellectual property rights, its competitive position could suffer, which could harm its operating results.

The Company may also be required to spend significant resources to monitor and police its intellectual property rights. The Company may not be able to detect third-party infringements and its competitive position may be harmed before the Company does so. In addition, competitors may design around the Company's technology or develop competing technologies. Furthermore, some intellectual property rights are licensed to other companies, allowing them to compete with the Company using that intellectual property.

The Company could be subject to a significant amount of litigation, which could require the Company to pay significant damages or settlements.

The industry that the Company operates in faces a substantial risk of litigation, including, from time to time, patent infringement lawsuits, antitrust class actions, securities class actions, wage and hour class actions, personal injury claims and lawsuits relating to our advertising, sales, billing and collection processes. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards and settlements.

The Company could incur significant costs resulting from complying with, or potential violations of, environmental, health and human safety laws.

The Company's operations are subject to laws and regulations relating to the protection of the environment, health, and human safety, including those governing the management and disposal of, and exposure to, hazardous materials and the clean-up of contamination, and the emission of radio frequencies. While the Company believes its operations are in substantial compliance with environmental, health, and human safety laws and regulations, as an owner or operator of property and in connection with the current and historical use of hazardous materials and other operations at its sites, the Company could incur significant costs resulting from complying with or violations of such laws, the imposition of clean-up obligations and third-party suits. For instance, a number of the Company's sites formerly contained underground storage tanks for the storage of used oil and fuel for back-up generators and vehicles.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity***Security Program Overview***

The Company's cybersecurity program is framework-based, risk-focused, and metrics-driven. It is supported by a comprehensive set of policies, procedures, and standards based on the NIST cybersecurity framework, encompassing administrative, physical, and technical safeguards. As a service provider and technology partner, we continuously undertake initiatives to address the following areas, ensuring a comprehensive security program.

Security Governance – The Company's Vice President and Chief Security Officer (CSO) regularly reports to the Board of Directors, providing updates on the threat and risk landscape and the management of cybersecurity incidents. Additionally, the Board has designated a subcommittee that meets quarterly to provide further oversight of the cybersecurity program. This subcommittee comprises board members and the executive leadership team. The CSO also leads a cross-functional, executive-level Security Council that meets quarterly to govern all aspects of the Company's security program.

The CSO joined altafiber in 2023 with over 20 years of cybersecurity experience in highly regulated industries and the government in identifying, managing, and mitigating cybersecurity risk. Previously, the CSO held an officer role at a large Fortune 500 financial services firm developing cybersecurity strategy and leading teams focused on risk management, security architecture and engineering, incident response, and threat intelligence. The CSO also serves on multiple advisory boards related to cybersecurity and is the current board chair for Miami University's Center for Cybersecurity.

Risk Management – The Company established an Enterprise Risk Management (ERM) Committee that employs the International Organization for Standardization (ISO) risk management standards. Members of the ERM Committee include the Company's CSO, Chief Financial Officer, Chief Network Officer, Director of Safety and Risk Management and the Director of Internal Audit. The committee leverages a risk management tool to maintain a risk register, which systematically identifies, assesses, prioritizes, and manages risks within the enterprise. This structured approach enables us to conduct a formal, periodic risk assessment, ensuring the continuous enhancement of our security posture. In addition to threats, vulnerabilities, impacts and costs, the risk assessment process also identifies the costs and effectiveness of countermeasures and action plans to reduce risk.

Security Awareness and Training – The Company established a security awareness program that focuses on individual employees' impact to the overall security strength of the company. Through web-based and in-person training, surveys, and published literature, the Company continuously makes employees aware of the vital role they play in protecting both the Company and customers' data. Phishing exercises are also periodically conducted to improve employee knowledge of and response to security threats. Specialized web-based training covering Payment Card Industry ("PCI"), Health Insurance Portability and Accountability Act ("HIPAA") and Federal Tax Information is also required and tracked for employees who have access to that data.

Identity and Access Management – The Company requires authorization of all personnel, including contractors, before being granted access to facilities, systems, and data. The Company's identity and access management systems are integrated with human resource applications and processes to facilitate provisioning and de-provisioning of badges and logical system access.

Network Security – The Company employs a "defense in depth" strategy to secure our networks, servers, and data. Our critical networks utilize redundant components and connections to ensure high availability, reliability, and performance. We implement a security architecture based on zero trust principles, establishing rules for segmentation and access control that consider risk and business impact. This approach encompasses infrastructure, applications, and data in the cloud.

Endpoint and Device Protection & Anti-Malware – The Company has hardening policies and processes and uses a "gold image" approach to deploying new clients and servers. Configurations that go into gold images are reviewed with security staff. Advanced anti-malware controls are in place and patching cadence and performance of endpoint devices are watched closely.

Protection of Customer and Other Sensitive Data – The Company complies with regulations for Customer Proprietary Network Information protection (Title 47 section 222) and has taken measures over the past several years to limit or remove Personal Identifiable Information ("PII") and other sensitive information from databases and internal systems. Access to sensitive information from third party partners is managed through secure virtual terminal environments, and movement of PII is monitored on premise and in key cloud applications.

Application and Product Security – The Company's application security program is based on the Open Web Application Security Standard ("OWASP") and critical systems have been benchmarked for compliance with our security policies and standards. Security work is jointly prioritized with security staff and product/application/development organizations and third parties with responsibility for application development and maintenance. Security checklists have also been developed and are used in new product development lifecycle processes.

Third Party Risk Management – Third parties with access to data or infrastructure must go through a vetting process to ensure they comply with reasonable and industry accepted security practices. The vetting process includes assessments, review of third-party attestation and inclusion of standard security language in contracts. Security staff work closely with legal, procurement/sourcing personnel and other stakeholders within the Company on third party compliance practices.

Threat and Vulnerability Management – Vulnerability scanning and attack and penetration testing, quarterly and annually, is conducted on perimeter networks and E-commerce platforms by third parties and qualified internal personnel. The testing covers network, host, application, and data security. The Company uses the Common Vulnerability Scoring System ("CVSS") standard for vulnerability management. Various open source, third party and internally developed threat intelligence platforms are used to stay abreast of threats facing the Company and our industry.

Security Assessments – Various company environments are regularly audited by a third-party AICPA- and PCAOB-registered certified public accounting firm and has consistently obtained PCI DSS, SSAE18 SOC1, SOC2, CSAE34-16 SOC1 and SOC2 certifications and HIPAA compliance. The Company currently holds 20 such certifications.

Change Management and ITSM – The Company employs robust change, incident and problem management practices across core network, managed services, and information technology environments. Security team members are an active part of these processes.

Emergency Management, Incident Response and Cyber Insurance – The Company has invested in technology and processes for timely incident response to security and crisis events. Physical and cybersecurity staff, health and safety, legal, operational and human resources personnel are part of the overall emergency and incident response team. The Company has partnerships with third parties for forensics, and incident response consulting. The Company also maintains effective levels of cyber insurance against large data breaches or cybersecurity events.

Service and Business Continuity – The Company conducts service continuity exercises and monitors network fault and performance 24 hours a day, 365 days a year to quickly detect and respond to service degradation or impairment. A set of business continuity plans and scenarios are also in place to address catastrophic events to personnel, critical infrastructure, and applications. The Company conducts periodic internal tabletop exercises and joint exercises with customers. Business continuity efforts are overseen by the Company's Business Continuity Committee following policy set by the Company's Security Council.

In 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see "Risk Factors– Intellectual Property Tax, Regulatory, and Litigation Risks" in this annual report on Form 10-K.

Website Access and Other Information

The Company was incorporated under the laws of Ohio in 1983 with its headquarters at 221 East Fourth Street, Cincinnati, Ohio 45202 (telephone number (513) 397-9900 and website address <http://www.altafiber.com>). The Company has ceased to be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, but continues to voluntarily file annual, quarterly and certain other information with the SEC due to contractual provisions included in certain indentures. The SEC maintains an internet site that contains reports, proxy statements, and other information about issuers which file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Item 2. Properties

As of December 31, 2024, the Company owned or maintained properties throughout Greater Cincinnati and Hawaii. Our headquarters is located in Cincinnati, Ohio where we lease and occupy approximately 90,000 square feet for executive, administrative and business offices for the Company as well as own approximately 365,000 square feet for central office switching, network technical support offices and additional administrative and business offices. In addition to the spaces in Cincinnati, we own a building with approximately 465,000 square feet of office space in Honolulu, Hawaii for the Hawaiian Telcom operations.

Our properties include copper and fiber warehouses and associated equipment in each of our local operating markets. Each of the Company's subsidiaries maintains some investment in furniture and office equipment, computer equipment and associated operating system software, application system software, leasehold improvements and other assets.

With regard to its Greater Cincinnati operations, the Company owns substantially all of the central office switching stations and the land upon which they are situated. Some business and administrative offices are located in leased facilities, which are recorded as operating leases. The Company's network assets include a fiber network warehouse, internet protocol and circuit switches and integrated access terminal equipment. In addition, as of year-end, we leased eight Company-run retail locations with an additional two locations expected to open in the first quarter of 2025.

With regard to its Hawaii operations, the Company has properties consisting of both owned and leased properties, including our administrative facilities and facilities for call centers, customer service sites for the television business, switching equipment, fiber optic networks, cable head-end equipment, coaxial distribution networks, routers and servers used in our telecommunications business. Leased properties are recorded as operating leases.

For additional information about the Company's properties, see Note 6 to the consolidated financial statements.

Item 3. Legal Proceedings

Cincinnati Bell and its subsidiaries are involved in a number of legal proceedings. Liabilities are established for legal claims as prescribed by generally accepted accounting principles ("GAAP"), when losses associated with the claims are judged to be probable and the loss can be reasonably estimated. In many lawsuits and arbitrations, including most class action lawsuits, it is not possible to determine whether a liability has been incurred or to estimate the amount of the liability until the case is close to resolution, in which case a liability will not be recognized until that time. Based on information currently available, consultation with counsel, available insurance coverage and recognized liabilities, the Company believes that except as otherwise described in Note 10 under Part II, Item 8, Financial Statements and Supplementary Data, the eventual outcome of all claims will not, individually or in the aggregate, have a material effect on the Company's financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Prior to the Merger, shares of Cincinnati Bell Common Stock and Preferred Stock were registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended and listed on the New York Stock Exchange (the "NYSE") under the ticker symbol CBB. As a result of the Merger, effective on September 7, 2021, the Company requested that the NYSE withdraw the shares of Cincinnati Bell Common Stock and Preferred Stock from listing on the NYSE and filed a Form 25 with the SEC to report that Cincinnati Bell Common Stock and Preferred Stock are no longer listed on the NYSE. Red Fiber Parent is the sole record holder of Cincinnati Bell Common Stock. No other shares remain issued and outstanding as of December 31, 2024.

Item 6. [Reserved]

Not applicable.

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

This Annual Report on Form 10-K and the documents incorporated by reference herein contain forward-looking statements regarding future events and results that are subject to the "safe harbor" provisions. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements.

Introduction

This Management's Discussion and Analysis section provides an overview of Cincinnati Bell Inc.'s financial condition as of December 31, 2024 and the results of operations for the years ended December 31, 2024, 2023 and 2022. This discussion should be read in conjunction with the accompanying Consolidated Financial Statements and accompanying notes. Our results of operations as reported in our Consolidated Financial Statements for these periods are prepared in accordance with GAAP.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations included in this document generally discusses 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022 that are not included in this document can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed on March 25, 2024.

Cincinnati Bell Inc. and its consolidated subsidiaries ("altafiber," "Cincinnati Bell," "we," "our," "us," or the "Company") provide integrated communications that keep consumer and enterprise customers connected with each other and with the world. Through our Network segment, the Company provides Data, Video, and Voice solutions to consumer and enterprise customers over an expanding fiber network and a legacy copper network.

Sale of IT Services Business

On February 2, 2024, the Company entered into a definitive purchase agreement (the "Purchase Agreement") with TowerBrook Capital Partners ("TowerBrook") in which TowerBrook would acquire the CBTS and OnX businesses (the "Disposal Group") from the Company for a purchase price of \$670.0 million (the "Proceeds"). Management evaluated the criteria to report the Disposal Group as held for sale and concluded that all of the criteria were met as of February 2024. As a result, the Company reported the assets and the liabilities included in the Disposal Group as held for sale and the operations as discontinued for interim periods and comparable prior year periods beginning with the year ended December 31, 2022. The revenue and operating income contributed by Hawaii operations and certain Communications customers, as well as the associated assets and liabilities, previously reported in the Company's IT Services and Hardware Segment, were retained by the Company and excluded from the Disposal Group. These operations have been reported in the Network segment for the years ended December 31, 2024, 2023 and 2022.

On December 2, 2024 (the "Closing Date"), upon the terms and subject to the conditions set forth in the Purchase Agreement and in accordance with the applicable provisions of the Ohio General Corporation Law ("OGCL"), the Divestiture was completed. The Proceeds from the Purchase Agreement included cash from TowerBrook in the amount of \$688.4 million. The final cash proceeds could be further adjusted for post closing adjustments defined in the Purchase Agreement. These proceeds were used to pay on the Closing Date (1) \$180.0 million of existing debt and accrued interest under the Credit Agreement, (2) \$214.3 million of existing debt and accrued interest under the Company's Network and CBTS Receivables Facilities, (3) \$23.9 million of consideration payable to executives, and (4) transaction costs of \$7.1 million primarily related to legal costs and acquisition-related advisory fees associated with the sale.

altafiber Brand

In March 2022, the Company announced that we would begin doing business as "altafiber" in Ohio, Kentucky and Indiana as we continue to expand our geographic reach and invest in our fiber network that delivers broadband connectivity. The branding change did not impact our Hawaiian Telcom business.

Discussion of Operating Segment Results

The Company manages its business based upon product and service offerings. For the year ended December 31, 2024 we operated as one reportable business segment. For the years ended December 31, 2023 and 2022, we operated two reportable business segments: Network and IT Services and Hardware. Certain corporate general and administrative expenses have been allocated to our business segment based upon the nature of the expense.

The Network segment provides products and services in which revenue is categorized as Strategic, Legacy, or Other. In the first quarter of 2024, the Company realigned the classification of products and services to these categories within the Network segment to better align revenue across geographies as well as reclass certain nonrecurring revenue to Other. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the incumbent local exchange carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 150 years. In 2022, the Company announced that we will begin doing business as "altafiber" and started our network expansion outside of this territory to provide fiber services to adjacent markets. Voice and data services that are delivered beyond the Company's ILEC territory, particularly in Dayton, Mason, and Columbus, Ohio, are provided through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a subsidiary of CBT. On July 2, 2018, the Company acquired Hawaiian Telcom. Hawaiian Telcom is the ILEC for the State of Hawaii and the largest full-service provider of communications services and products in the state. Originally incorporated in Hawaii in 1883 as Mutual Telephone Company, Hawaiian Telcom has a strong heritage of over 140 years as Hawaii's communications carrier. Its services are offered on all of Hawaii's major islands, with recent expansion of its video service from Oahu to all neighboring islands. On May 2, 2022, the Company acquired Agile, based in Canton, Ohio. Agile leases wireless infrastructure assets to third parties and provides connectivity through hybrid fiber wireless data networks primarily to customers in Ohio and Pennsylvania. On April 17, 2023, the Company acquired Ohio Transparent Telecom Inc. ("OTT"). OTT provides network security, data connectivity, and unified communications solutions to commercial and enterprise customers across multiple sectors throughout Ohio and Michigan.

As a result of the Purchase Agreement, revenue contributed by Hawaii operations and certain Communications revenue previously reported in the IT Services and Hardware segment are now reported in the Network segment for the years ended 2024, 2023 and 2022.

Strategic products include internet access for speeds that meet or exceed 100 megabits per second and Enterprise Fiber, each categorized below as Data as well as Video. The Company is able to deliver speeds of up to six gigabits per second to 80% of the Cincinnati ILEC operating territory and 60% of Hawaii's total addressable market. Enterprise Fiber products include metro-ethernet, dedicated internet access, wavelength, IRU contracts, connectivity services provided by Agile, and wireless backhaul to macro-towers and small cells. Hawaiian Telcom Enterprise Fiber revenue also includes revenue from the SEA-US cable system. As enterprise customers migrate from legacy products and copper-based technology, our metro-ethernet product becomes the preferred method of transport due to its ability to support multiple applications on a single physical connection.

Legacy products include internet access for speeds of less than 100 megabits per second, traditional voice lines, consumer and business long distance, switched access, digital trunking, DSL, DS0, DS1, DS3, and other value-added services such as caller identification, voicemail, call waiting and call return. As a result of the Purchase Agreement, Legacy products also include certain communications services including data and VoIP services, tailored solutions that include converged IP communications of data, voice and mobility applications, MPLS (Multi-Protocol Label Switching) and conferencing services.

Other revenue is comprised of wire care, time and materials projects, advertising, management of distributed antenna systems, certain pass-through fees such as franchise fees and regulatory fees, other fees that are not billed on a monthly recurring basis, and subsidized fiber build project revenue related to extending the Company's fiber network in the Greater Cincinnati territory subsidized through our UniCity program and in Hawaii subsidized through a customer contract. As a result of the Purchase Agreement, Other revenue also includes revenue contributed by Hawaiian Telcom for the sale of hardware and maintenance contracts as well as installation projects and cloud services which include storage, SLA-based monitoring and management, cloud computing and cloud consulting.

| (dollars in millions) | 2024 | 2023 | \$ Change 2024 vs. 2023 | % Change 2024 vs. 2023 | 2022 | \$ Change 2023 vs. 2022 | % Change 2023 vs. 2022 |
|---|-----------|-----------|----------------------------|---------------------------|-----------|----------------------------|---------------------------|
| Revenue: | | | | | | | |
| Data | \$ 581.3 | \$ 552.8 | \$ 28.5 | 5 % | \$ 518.6 | \$ 34.2 | 7 % |
| Video | 178.5 | 180.8 | (2.3) | -1 % | 179.4 | 1.4 | 1 % |
| Voice | 228.2 | 256.4 | (28.2) | -11 % | 278.0 | (21.6) | (8)% |
| Other | 108.3 | 110.1 | (1.8) | -2 % | 115.5 | (5.4) | (5)% |
| Total Revenue | 1,096.3 | 1,100.1 | (3.8) | 0 % | 1,091.5 | 8.6 | 1 % |
| Operating costs and expenses: | | | | | | | |
| Cost of services and products | 530.8 | 533.7 | (2.9) | -1 % | 518.2 | 15.5 | 3 % |
| Selling, general and administrative | 235.9 | 241.7 | (5.8) | -2 % | 221.9 | 19.8 | 9 % |
| Depreciation and amortization | 338.7 | 369.2 | (30.5) | -8 % | 408.4 | (39.2) | (10)% |
| Impairment of assets | 3.1 | — | 3.1 | n/m | 2.7 | (2.7) | n/m |
| Restructuring and severance related charges | 59.3 | 10.3 | 49.0 | n/m | — | 10.3 | n/m |
| Transaction costs | — | 0.1 | (0.1) | n/m | — | 0.1 | n/m |
| Total operating costs and expenses | 1,167.8 | 1,155.0 | 12.8 | 1 % | 1,151.2 | 3.8 | 0 % |
| Operating (loss) income | \$ (71.5) | \$ (54.9) | \$ (16.6) | 30 % | \$ (59.7) | \$ 4.8 | (8)% |
| Operating margin | (6.5)% | (5.0)% | | (1.4) pts | (5.5)% | | (0.9) pts |
| Capital expenditures | \$ 533.0 | \$ 620.9 | \$ (87.9) | -14 % | \$ 460.5 | \$ 160.4 | 35 % |

| Metrics information (in thousands): | 2024 | 2023 | Change 2024 vs. 2023 | % Change 2024 vs. 2023 | 2022 | Change 2023 vs. 2022 | % Change 2023 vs. 2022 |
|---------------------------------------|--------|--------|-------------------------|---------------------------|--------|-------------------------|---------------------------|
| Greater Cincinnati | | | | | | | |
| Strategic | | | | | | | |
| Internet* | 366.5 | 330.5 | 36.0 | 11 % | 284.4 | 46.1 | 16 % |
| Video | 112.8 | 121.5 | (8.7) | (7)% | 123.1 | (1.6) | (1)% |
| Enterprise Fiber - Ethernet Bandwidth | 15,928 | 12,815 | 3,113 | 24 % | 10,923 | 1,892 | 17 % |
| Units passed FTTP** | 898.7 | 836.2 | 62.5 | 7 % | 657.2 | 179.0 | 27 % |
| Legacy | | | | | | | |
| Internet*** | 19.4 | 39.6 | (20.2) | (51)% | 64.3 | (24.7) | (38)% |
| Voice Lines | 195.5 | 218.6 | (23.1) | (11)% | 242.1 | (23.5) | (10)% |

* Internet speeds of 100mbps or more

** Fiber-to-the-Premise (FTTP). In the first quarter of 2024, the Company updated the definition and reporting method used to calculate units passed in Cincinnati. Units passed as of December 31, 2023 and 2022 has also been updated to reflect the change in definition and reporting method.

*** Internet speeds of less than 100mbps

| Metrics information (in thousands): | 2024 | 2023 | Change 2024 vs. 2023 | % Change 2024 vs. 2023 | 2022 | Change 2023 vs. 2022 | % Change 2023 vs. 2022 |
|---------------------------------------|---------|-------|-------------------------|---------------------------|---------|-------------------------|---------------------------|
| Hawaii | | | | | | | |
| Strategic | | | | | | | |
| Internet* | 105.5 | 87.4 | 18.1 | 21 % | 70.6 | 16.8 | 24 % |
| Video | 35.0 | 34.1 | 0.9 | 3 % | 36.0 | (1.9) | (5)% |
| Enterprise Fiber - Ethernet Bandwidth | 8,272.0 | 6,749 | 1,523.0 | 23 % | 4,885.0 | 1,864.0 | 38 % |
| Units passed FFTP** | 400.8 | 339.0 | 61.8 | 18 % | 268.0 | 71.0 | 26 % |
| Legacy | | | | | | | |
| Internet*** | 24.0 | 29.3 | (5.3) | (18)% | 37.3 | (8.0) | (21)% |
| Voice Lines | 126.2 | 137.0 | (10.8) | (8)% | 150.7 | (13.7) | (9)% |

* Internet speeds of 100mbps or more

** Fiber-to-the-Premise (FTTP); includes units passed for both consumer and business on Oahu and neighboring islands.

*** Internet speeds of less than 100mbps

| (dollars in millions) | Twelve Months Ended December 31, | | | | | | | | |
|-----------------------|----------------------------------|----------|------------|--------------------|----------|------------|--------------------|----------|------------|
| | 2024 | | | 2023 | | | 2022 | | |
| | Greater Cincinnati | Hawaii | Total | Greater Cincinnati | Hawaii | Total | Greater Cincinnati | Hawaii | Total |
| Revenue | | | | | | | | | |
| Strategic | | | | | | | | | |
| Internet | \$ 277.1 | \$ 64.6 | \$ 341.7 | \$ 236.3 | \$ 51.3 | \$ 287.6 | \$ 198.0 | \$ 41.3 | \$ 239.3 |
| Enterprise Fiber | 96.8 | 56.6 | 153.4 | 99.7 | 49.1 | 148.8 | 94.4 | 37.0 | 131.4 |
| Video | 150.0 | 28.5 | 178.5 | 150.3 | 30.5 | 180.8 | 147.3 | 32.1 | 179.4 |
| Total Strategic | 523.9 | 149.7 | 673.6 | 486.3 | 130.9 | 617.2 | 439.7 | 110.4 | 550.1 |
| Legacy | | | | | | | | | |
| Voice | 136.1 | 92.1 | 228.2 | 157.4 | 99.0 | 256.4 | 172.3 | 105.7 | 278.0 |
| Internet | 22.5 | 14.9 | 37.4 | 37.2 | 18.0 | 55.2 | 50.7 | 21.3 | 72.0 |
| Data | 28.3 | 20.5 | 48.8 | 34.7 | 26.5 | 61.2 | 39.5 | 36.4 | 75.9 |
| Total Legacy | 186.9 | 127.5 | 314.4 | 229.3 | 143.5 | 372.8 | 262.5 | 163.4 | 425.9 |
| Other | 43.6 | 64.7 | 108.3 | 44.2 | 65.9 | 110.1 | 60.7 | 54.8 | 115.5 |
| Total Network Revenue | \$ 754.4 | \$ 341.9 | \$ 1,096.3 | \$ 759.8 | \$ 340.3 | \$ 1,100.1 | \$ 762.9 | \$ 328.6 | \$ 1,091.5 |

Strategic

Strategic internet revenue increased \$54.1 million for 2024 compared to 2023 due to the increase in the FTTP internet subscriber base. The internet subscriber base continues to increase as we focus attention on growing the strategic internet subscriber base, adding 36,000 strategic internet subscribers in Greater Cincinnati and 18,100 strategic internet subscribers in Hawaii during 2024. In Greater Cincinnati, we passed 62,500 addresses in 2024 primarily related to multi-dwelling units, and single family homes in Dayton, Ohio and in Columbus, Ohio, while in Hawaii our accelerated fiber build pace enabled us to pass 61,800 addresses during the year. The Average Revenue Per User (“ARPU”) for 2024 increased for internet in both Greater Cincinnati and Hawaii compared to the prior year primarily due to price increases and more customers subscribing to higher broadband tiers.

Enterprise Fiber revenue increased \$4.6 million for 2024 compared to the prior year due to increased revenue in Hawaii of \$7.5 million, primarily associated with the IRU contract related to the SEA-US cable system, more than offsetting decreases in Greater Cincinnati as a result of pricing pressures to provide higher speeds at lower costs. In addition, revenue was favorably impacted in each geography as a result of customers migrating from legacy product offerings to higher bandwidth fiber solutions as evidenced by the 24% and 23% increases in Ethernet Bandwidth in Greater Cincinnati and Hawaii, respectively.

Legacy

Legacy revenue decreased \$58.4 million for 2024 compared to the prior year due to the decline in voice lines and internet subscribers. Voice lines declined 11% and 8% in Greater Cincinnati and Hawaii, respectively, as traditional voice lines become less relevant. Legacy internet subscribers continue to decrease in Greater Cincinnati and Hawaii as subscribers demand the higher speeds that can be provided by fiber. In addition, declines in DS1, DS3 and digital trunking have contributed to the Legacy revenue decline in 2024 compared to the prior year as customers migrate away from these solutions to fiber-based solutions.

Other

Other revenue decreased \$1.8 million for 2024 compared to the prior year primarily due to decreased revenue from subsidized fiber build projects of \$5.4 million and Hawaii hardware sales of \$4.6 million. These decreases were partially offset by increased revenue from professional services projects of \$4.7 million, miscellaneous billing increases of \$2.3 million, and nonrecurring rent revenue billing adjustments of \$1.4 million.

Operating Costs and Expenses

Cost of services and products decreased \$2.9 million for 2024 compared to the prior year primarily due to decreases in network related expenses of \$13.9 million, operating materials of \$2.3 million related to the decommissioning of certain copper assets as customers continue to migrate from copper-based services to fiber-based services and payroll of \$1.0 million as a result of headcount reductions carried out in the first quarter of 2024. These decreases were partially offset by increases in software related expenses of \$9.4 million due to increased subscription costs related to the delivery of our video product and increased operating taxes of \$5.2 million.

SG&A expenses decreased \$5.8 million for 2024 compared to the prior year primarily due to decreased contract services of \$7.1 million and advertising expenses of \$3.2 million. The decrease in contract services costs is primarily due to elevated general liability insurance expenses incurred in 2023 related to the wildfires in Hawaii compared to 2024 as additional expenses are now covered by our insurance policies. Favorable advertising expenses were driven by reduced marketing campaigns and promotional events. These decreased costs were partially offset by increased legal fees of \$3.6 million related to the ongoing work related to the wildfire settlement agreement and increased software development expenses of \$1.9 million due to internal software projects and higher software support fees.

Depreciation and amortization expenses decreased \$30.5 million for 2024 compared to the prior year primarily due to certain assets that were given a shorter useful life when recorded at fair value on the Company's merger date, September 7, 2021, and were fully depreciated by 2023 in addition to declining amortization expense on certain intangibles.

Impairment of asset charges of \$3.1 million were recorded in 2024 related to fixed assets and operating lease assets that will no longer be utilized by the business as a result of the Company's decision to no longer pursue an ancillary product offering.

Restructuring and severance related charges of \$59.3 million were recorded in 2024, an increase of \$49.0 million compared to the prior year primarily due to a restructuring plan executed in the fourth quarter of 2024 consisting of an organizational restructuring to centralize the Company's management, align resources with strategic product lines and reduce costs associated with certain functions (the "Organizational Restructuring"). Certain employees were offered enhanced severance benefits under the 2024 voluntary severance program ("2024 VSP"). The Organizational Restructuring has resulted in the elimination of certain positions and termination of employment for certain employees.

Restructuring and severance charges recorded in 2023 are related to a severance program to reduce costs and identify efficiencies that can be achieved by further integrating operations between Greater Cincinnati and Hawaii. In the fourth quarter of 2023, severance charges of \$7.2 million were recorded related to a voluntary severance program and severance charges of \$3.1 million were recorded related to involuntary severance charges.

Capital Expenditures

| (dollars in millions) | Twelve Months Ended December 31, | | | | | | | | |
|------------------------------------|----------------------------------|----------|----------|--------------------|----------|----------|--------------------|----------|----------|
| | 2024 | | | 2023 | | | 2022 | | |
| | Greater Cincinnati | Hawaii | Total | Greater Cincinnati | Hawaii | Total | Greater Cincinnati | Hawaii | Total |
| Fiber Network Capital Expenditures | | | | | | | | | |
| Construction | \$ 112.1 | \$ 66.8 | \$ 178.9 | \$ 191.4 | \$ 73.6 | \$ 265.0 | \$ 149.5 | \$ 48.8 | \$ 198.3 |
| Installation | 89.9 | 28.5 | 118.4 | 88.8 | 35.4 | 124.2 | 67.9 | 24.1 | 92.0 |
| Other | 22.3 | 4.2 | 26.5 | 14.2 | 5.4 | 19.6 | 11.6 | 4.7 | 16.3 |
| Total Fiber Network | 224.3 | 99.5 | 323.8 | 294.4 | 114.4 | 408.8 | 229.0 | 77.6 | 306.6 |
| Enterprise Fiber | 39.3 | 23.6 | 62.9 | 43.3 | 26.6 | 69.9 | 19.0 | 21.0 | 40.0 |
| Other | 56.9 | 89.4 | 146.3 | 64.5 | 77.7 | 142.2 | 46.0 | 67.9 | 113.9 |
| Total Network Capital Expenditures | \$ 320.5 | \$ 212.5 | \$ 533.0 | \$ 402.2 | \$ 218.7 | \$ 620.9 | \$ 294.0 | \$ 166.5 | \$ 460.5 |

Capital expenditures in Greater Cincinnati are incurred to expand our fiber network, upgrade and increase capacity for our networks, and to maintain our fiber and copper networks. The Company is focused on building FTTP addresses, and during 2024, we passed 62,500 FTTP addresses in Greater Cincinnati. As of December 31, 2024, the Company is able to deliver internet speeds up to six gigabits or more to 898,700 residential and commercial addresses, or approximately 80% of our operating territory in Greater Cincinnati. Greater Cincinnati construction capital expenditures decreased \$79.3 million for 2024 compared to 2023 due to passing fewer doors compared to the prior period. Greater Cincinnati installation capital expenditures increased \$1.1 million for 2024 compared to the prior year primarily due to higher costs to install.

Enterprise Fiber capital expenditures in Greater Cincinnati are related to success-based fiber builds, including associated equipment, for enterprise and carrier projects to provide ethernet services as well as network refresh projects that ensure that we continue to grow our capacity and services within the network core. Greater Cincinnati Enterprise Fiber capital expenditures decreased \$4.0 million for 2024 compared to 2023 primarily due to decreased capital expenditures by Agile of \$6.5 million in 2023 compared to the prior year, partially offset by increased network capacity upgrades of \$2.4 million. Other capital expenditures are related to IT projects, cable and equipment maintenance and capacity additions, real estate upgrades and maintenance, plus other minor capital purchases.

Hawaii construction capital expenditures decreased \$6.8 million for 2024 compared to 2023 due to the timing of capital expenditures, which does not necessarily coincide with the timing of when addresses become available. Hawaii installation capital expenditures decreased \$6.9 million for 2024 compared to the prior year primarily due to the timing of expenditures for customer premise equipment ("CPE") utilized for installations and lower costs to install in 2024 compared to the prior year. Enterprise Fiber capital in Hawaii is primarily driven by new ethernet customers as well as upgrades to Ethernet Bandwidth for a large carrier across the network due to significant contracts signed in 2022 and 2023. Hawaii capital expenditures classified as Other include IT projects, real estate projects, road jobs or plant damage projects, and network upgrades or optimization projects.

Corporate

Corporate is comprised primarily of general and administrative costs that have not been allocated to the Network business segment and transaction and integration costs. Corporate costs totaled \$33.2 million in 2024, \$26.2 million in 2023 and \$26.4 million in 2022.

Corporate costs increased by \$7.0 million for 2024 compared to the prior year primarily due to higher transaction and integration costs of \$3.6 million, increased software development expenses of \$4.2 million related to internal software projects, increased payroll of \$1.1 million and increased charges of \$0.7 million related to the continuation of the Company's organizational restructuring plan which resulted in severance charges in the fourth quarter of 2024. These increased costs were partially offset by lower contract termination costs of \$2.5 million compared to the prior year.

Interest expense increased \$15.3 million for 2024 compared to 2023 primarily due to interest expense incurred on the Incremental Term B-2 Loans entered into in the second quarter of 2024 which provided an additional \$300 million to the Company's existing variable-rate borrowings. The increase in interest expense was partially offset by decreased borrowings on the Revolving Credit Facility throughout 2024 compared to the prior year.

Other components of pension and postretirement benefit plans (benefit) expense decreased for 2024 compared to the prior year due to the annual remeasurement of the pension and postretirement projected benefit obligation that resulted in decreased expense due to lower interest cost on projected benefit obligations and increased benefit from expected return on plan assets as well as settlement gains recorded in the third and fourth quarters of 2024. Settlement gains recorded were the result of the Company's purchase of a group annuity contract to transfer a portion of its pension liability and the related responsibility for benefit payments within existing defined benefit plans as well as the distribution of lump sum payments.

Other expense (income), net totaled income of \$37.2 million for 2024 primarily due to recording gains associated with the Company's interest rate swap agreements and interest rate cap agreements of \$23.1 million. In addition, the Company recorded a patronage distribution of \$6.1 million from one of the syndicated lenders of the Term B-1 Loans and Term B-3 Loans in the Company's Credit Agreement.

Loss from continuing operations before income taxes totaled \$237.5 million resulting in an increase in the loss of \$13.4 million compared to the prior year as the increase in operating loss and interest expense was only partially offset by favorable changes to other expense (income), net and other components of pension and postretirement benefit plans (benefit) expense.

The income tax provision for 2024 was a benefit of \$13.9 million which was lower than the period's income at the statutory rate, due primarily to a valuation allowance recorded against federal net operating loss carryforwards. The income tax provision for 2023 was a benefit of \$16.4 million. The income tax benefit recorded in 2024 was lower than the benefit recorded in the prior year, due primarily to additional valuation allowance recorded against federal net operating loss carryforwards in 2024.

Financial Condition, Liquidity, and Capital Resources**Capital Investment, Resources and Liquidity**

As of December 31, 2024, the Company had an accumulated deficit of \$480.1 million and \$1,765.8 million of outstanding indebtedness.

The Company's primary source of cash is generated by operations. The Company generated \$236.8 million and \$106.0 million of cash flows from operations for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, the Company had \$890.7 million of short-term liquidity, comprised of \$460.7 million of cash and cash equivalents, \$400.0 million of undrawn capacity on our Revolving Credit Facility, and \$30.0 million available under the Network Receivables Facility.

In August 2023, Parent committed to make capital contributions of \$600.0 million to the Company, of which \$400.0 million was received in the third quarter of 2023 and \$200.0 million was received in the fourth quarter of 2024. The capital contributions received were used to repay borrowings on the Company's Revolving Credit Facility, fund capital expenditures, and fund working capital.

The Company's primary uses of cash are for working capital requirements, capital expenditures and debt service and, to a lesser extent, to fund pension and retiree medical obligations.

Capital expenditures decreased \$87.9 million for 2024 compared to 2023 primarily due to lower construction capital expenditures in Greater Cincinnati associated with the expansion of our fiber network.

Interest payments were \$175.7 million in 2024, an increase of \$18.7 million compared to 2023. Interest payments increased for 2024 compared to the prior year due to higher interest rates on the Company's variable-rate borrowings in addition to interest payments related to \$300.0 million of incremental Term B-2 Loans entered into in the second quarter of 2024, partially offset by decreased borrowings on the Revolving Credit Facility and accounts receivable securitization facilities. Our contractual debt maturities in 2025, including finance lease obligations, are \$49.2 million and contractual interest payments are expected to be approximately \$120 million.

As of December 31, 2024, the Company had no borrowings and \$25.0 million of letters of credit outstanding under the Network Receivables Facility on a borrowing capacity of \$55.0 million. In the fourth quarter of 2024, the Company executed an amendment to the Network Receivables Facility to extend the renewal date to April 9, 2025. The other material terms and conditions of the Network Receivables Facility were unchanged by the amendment.

Capacity on the Network Receivables Facility is calculated based on the quantity and quality of outstanding accounts receivables. Therefore if the Company experiences declines in revenue or extends discounts to customers, the capacity could be negatively impacted and reduce our short term liquidity. While we expect to continue to renew the Network Receivables Facility, we would be required to use cash, our Revolving Credit Facility, or other sources to repay any outstanding balances on the facility if it were not renewed.

The Company's CBTS Receivables Facility was terminated in conjunction with the sale of the Disposal Group.

In 2021, the Company entered into a Credit Agreement (the "Credit Agreement") that initially provided for (i) a five-year \$275 million senior secured revolving credit facility, including both a letter of credit subfacility of up to \$40 million and a swingline loan subfacility of up to \$10 million (the "Revolving Credit Facility") and (ii) a seven-year \$150 million senior secured term loan facility (the "Term B-1 Loans"). The Revolving Credit Facility matures in September 2026 and the Term B-1 Loans mature in September 2028. Borrowings under the Term B-1 Loans were used to refinance existing company indebtedness, finance a portion of the fees and expenses relating to the acquisition of the Company and the establishment of the Credit Agreement, and for working capital and general corporate purposes.

In November 2021, the Company entered into an Amendment (the "Amendment No. 1") to the Credit Agreement to provide for, among other things, (i) a \$125.0 million upside to the Revolving Credit Facility, increasing the total commitments under the Revolving Credit Facility to \$400.0 million, (ii) a \$350.0 million incremental increase to the Term B-1 Loans (the "Incremental Term B-1 Loans Increase"), increasing the aggregate principal amount of Term B-1 Loans to \$500.0 million, and (iii) the incurrence of a new tranche of \$650.0 million aggregate principal amount of senior secured term loans (the "Term B-2 Loans"). The proceeds of the Incremental Term B-1 Loans Increase and the Term B-2 Loans were used by the Company to redeem in full all of the Company's existing 7.000% Senior Notes due 2024 (the "2024 Notes") and 8.000% Senior Notes due 2025 (the "2025 Notes"), and to pay fees and expenses in connection thereto. The Term B-2 Loans mature in November 2028. The Amendment No. 1 also extended the maturity of all Term B-1 Loans to November 2028 and reduced the interest applicable to the Term B-1 Loans and the Revolving Credit Facility. The Amendment No. 1 also provided for the transition of the benchmark rate of interest under the Credit Agreement from LIBOR to Term SOFR.

In May 2023, the Company entered into an Incremental Amendment to the Credit Agreement (the "Incremental Amendment") to provide for the incurrence of a new tranche of \$200.0 million senior secured term loans (the "Term B-3 Loans"). The proceeds of the Term B-3 Loans were used to repay a portion of the loans outstanding under the Revolving Credit Facility, repay in full the remaining 7 ¹/₄% Notes due 2023 upon maturity in the second quarter of 2023, and for other general corporate purposes. The Term B-3 Loans will mature in November 2028. All other material terms, conditions and covenants of the Credit Agreement were unchanged by the Incremental Amendment. In addition, the Company incurred deferred financing costs of \$1.9 million related to the issuance of the Term B-3 Loans and capitalized the amount as a reduction to the outstanding debt balance in 2023.

In May 2024, the Company entered into an amendment (the "Amendment No. 3") to the Credit Agreement to provide for (i) a \$300 million incremental increase to the existing Term B-2 Loans (as defined in the Credit Agreement) (the "Incremental Term B-2 Loans") and (ii) the extension of the maturity date for the commitments under the Company's Revolving Credit Facility to August 2028. The Incremental Term B-2 Loans are part of the same class of Loans as the existing Term B-2 Loans and have the same terms as such Term B-2 Loans. The proceeds of the Incremental Term B-2 Loans were used (a) to repay the outstanding loans under the Revolving Credit Facility, (b) to repay a portion of borrowings under the Company's accounts receivable securitization facility, (c) to pay fees, expenses and other transaction costs related to Amendment No. 3 and the transactions contemplated thereby and (d) for working capital and other general corporate purposes. The other material terms, conditions and covenants of the Credit Agreement were unchanged by Amendment No. 3.

In June 2024, the Company entered into an amendment (the "Amendment No. 4") to the Credit Agreement to provide for a reduction in the interest rate margin applicable to the Term B-3 Loans under the Credit Agreement. The other material terms, conditions and covenants of the Credit Agreement were unchanged by Amendment No. 4.

In December 2024, the Company entered into an amendment (the "Amendment No. 5") to the Credit Agreement to provide for (i) a reduction in the interest rate margin applicable to the Term B-1 Loans and the Term B-3 Loans under the Credit Agreement and (ii) the incurrence of a new tranche of \$930,590,472 senior secured term loans (the "Term B-4 Loans"). The proceeds of the Term B-4 Loans were used to refinance in full the outstanding aggregate principal amount of the Term B-2 Loans and to pay fees and expenses in connection with the refinancing of the Term B-2 Loans.

One of the syndicated lenders of the Term B-1 Loans and Term B-3 Loans in the Credit Agreement is a cooperative bank owned by its customers. Annually, this bank distributes patronage in the form of cash and stock in the cooperative based on the Company's average outstanding loan balance. The Company will recognize the patronage, generally as declared, in "Other income, net." The stock component will be recognized at its stated cost basis. The Company received \$6.1 million and \$5.0 million in patronage dividends for the years ended December 31, 2024 and 2023, respectively.

The Credit Agreement has a financial covenant that requires the Company to maintain a Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) of 5.75 to 1.00 when the utilization under the Revolving Credit Facility exceeds 35%. In addition, the Credit Agreement contains customary affirmative and negative covenants, including but not limited to, restrictions on the Company's ability to incur additional indebtedness, create liens, pay dividends, make certain investments, prepay other indebtedness, sell, transfer, lease, or dispose of assets and enter into, or undertake, certain liquidations, mergers, consolidations or acquisitions.

The Credit Agreement contains customary events of default (which are in some cases subject to certain exceptions, thresholds and grace periods), including, but not limited to, nonpayment of principal or interest, failure to perform or observe covenants, breaches of representations and warranties, cross-defaults with certain other indebtedness, certain bankruptcy-related events or proceedings, final monetary judgments or orders, ERISA defaults, invalidity of loan documents or guarantees, and certain change of control events. If the Company was to violate any of its covenants and was unable to obtain a waiver, it would be considered a default. If the Company was in default under the Credit Agreement, no additional borrowings under the Revolving Credit Facility would be available until the default was waived or cured. See Item 1A. Risk Factors in this Form 10-K where a more in-depth explanation of default consequences appears.

The Term B-1 Loans, Term B-2 Loans (replaced by the Term B-4 Loans), and Term B-3 Loans are subject to the same affirmative and negative covenants and events of default as the Revolving Credit Facility, except that a breach of the financial covenants will not result in an event of default under the Term B-4 Loans unless and until the agent or a majority in interest of the lenders under the Revolving Credit Facility have terminated their commitments under the Revolving Credit Facility and accelerated the loans then outstanding under the Revolving Credit Facility in response to such breach in accordance with the terms and conditions of the Credit Agreement.

As of December 31, 2024, the Company was in compliance with the Credit Agreement covenants and ratios.

While the Company is no longer subject to the filing requirements under the Securities Exchange Act of 1934, as amended, following the merger transaction, certain covenants included in the indenture for the Cincinnati Bell Telephone Notes due 2028 require the Company to make ongoing voluntary filings with the SEC.

Management believes that cash on hand, operating cash flows, its Revolving Credit Facility, its Network Receivables Facility, and the expectation that the Company will continue to have access to capital markets to refinance debt and other obligations as they mature and come due, should allow the Company to meet its cash requirements for the foreseeable future.

Cash Flows

Cash provided by operating activities in 2024 totaled \$236.8 million, an increase of \$130.8 million compared to the prior year. The increase is due to changes in the amount of accounts receivable sold on the CBTS Receivables Facility which resulted in increased cash flows of \$49.8 million in 2024 compared to the prior year and improved working capital associated with the Disposal Group. Additionally, \$21.9 million of gains were realized on the Company's interest rate hedges and caps, an increase of \$4.4 million compared to 2023. These increases were partially offset by higher interest payments of \$18.7 million primarily due to higher interest rates, higher legal and professional fees of \$11.3 million associated with the Maui fire global settlement and restructuring payments of \$33.3 million in 2024 associated with initiatives executed in the fourth quarter of 2024, an increase of \$30.0 million compared to payments of \$3.3 million in the prior year.

Cash provided by investing activities in 2024 totaled \$124.3 million, an increase of \$778.5 million compared to \$654.2 million used in investing activities in the prior year. In 2024, proceeds received from the sale of the Disposal Group in the fourth quarter of 2024 of \$672.2 million and receipt of \$7.0 million of insurance reimbursements related to the physical loss and damage claims filed as a result of the wildfires in Hawaii more than offset capital expenditures of \$553.5 million. Additionally, capital expenditures in 2024 decreased by \$87.9 million compared to 2023 as the Company slowed the pace of the build of the fiber network.

Cash provided by financing activities totaled \$92.1 million in 2024 primarily due to the issuance of \$300.0 million of Incremental Term B-2 Loans and a capital contribution from Parent of \$200.0 million. These financing inflows were partially offset by net payments on the Revolving Credit Facility and receivables facilities of \$152.5 million and \$245.5 million, respectively, and required payments totaling \$13.4 million on the Term B-1, B-2 and B-3 Loans. Cash provided by financing activities totaled \$547.8 million in 2023 primarily due to a capital contribution from Parent of \$400.0 million, the issuance of \$200.0 million of Term B-3 Loans and net borrowings on the receivables facilities of \$58.7 million. These increases were partially offset by net payments on the Revolving Credit Facility of \$70.5 million and debt repayments of \$47.8 million consisting of the repayment of the remaining \$22.3 million outstanding principal amount of its 7 1/4% Notes due 2023 upon the maturity date of the notes in the second quarter of 2023 and payments related to the Term B-1 Loans, Term B-2 Loans, Term B-3 Loans and finance leases.

Future Operating Trends

We continue to mitigate the revenue decline experienced with our Legacy products with increases in revenue of our fiber-based products. In addition, the merger with Hawaiian Telcom has allowed us to build scale and fiber density to help capitalize on the growing demands for internet speeds that only a fiber network can provide. We expect the desire by customers for increased internet speeds will only continue as evidenced by the fact that approximately 95% of Greater Cincinnati's internet customers subscribe to speeds of 100 megabits or more, compared to approximately 90% and 80% subscribed to such speeds in 2023 and 2022, respectively. As of December 31, 2024, approximately 81% of internet customers in Hawaii subscribed to speeds of 100 megabits or more, compared to approximately 75% and 65% subscribed to such speeds in 2023 and 2022, respectively. Efforts to expand our fiber network continued in 2024 with delivering additional addresses in Dayton, Ohio throughout the year and continued build plans in 2025. In addition, in 2024 we started building in Columbus, Ohio and will continue to build addresses throughout 2025. The Company will also work to identify new opportunities for further expansion in 2025 in addition to the planned construction build to Southwest Ohio with subsidy support of \$50 million from a grant awarded in the third quarter of 2024 to build fiber to 38,000 addresses in that region.

During 2025, we expect continued competition for internet, voice and video services as the cable competitor in the Greater Cincinnati market continues to target areas where we have copper and FTTN. Due to this competition, as well as customers migrating to obtaining video programming over broadband Internet connections, we expect to continue to see a decline in video subscribers as well as FTTN and DSL internet subscribers. In the Hawaii market, we also expect continued competition for internet, voice and video services as the cable competitor has increased advertising subsequent to our acquisition of Hawaiian Telcom.

In 2025, we plan to invest more than \$400 million to expand our fiber network, including construction, installation and other value-added services.

Contractual Obligations

The following table summarizes our material contractual obligations and borrowings as of December 31, 2024:

| (dollars in millions) | Payments due by Period | | |
|---|------------------------|---------------------------|---------------------------|
| | Total | Within the next 12 months | Beyond the next 12 months |
| Long-term debt, excluding finance leases and other financing arrangements (1) | | | |
| Principal amount | \$ 1,710.8 | \$ 16.3 | \$ 1,694.5 |
| Interest payments (2) | 478.5 | 121.8 | 356.7 |
| Finance leases (3) | | | |
| Principal amount | 47.9 | 10.4 | 37.5 |
| Interest payments (2) | 8.6 | 3.1 | 5.5 |
| Non-cancellable operating lease obligations | 166.6 | 11.9 | 154.7 |
| Purchase obligations (4) | 379.4 | 329.8 | 49.6 |
| Pension and postretirement benefits obligations (5) | 41.5 | 11.3 | 30.2 |
| Unrecognized tax benefits (6) | 67.8 | — | 67.8 |
| Other liabilities (7) | 66.9 | 5.6 | 61.3 |
| Total | \$ 2,968.0 | \$ 510.2 | \$ 2,457.8 |

- (1) Excludes net unamortized discounts and fair value adjustments recorded on the Merger Date. Excludes financing obligation incurred in connection with the acquisition of the assets of Paniolo in 2021 as it was paid off in February 2025. Other bank debt is excluded due to a repayment date of January 2, 2025.
- (2) Assumes no early payment of debt in future periods. The interest rate applied on variable rate borrowings is the rate in effect as of December 31, 2024. Excludes financing obligation incurred in connection with the acquisition of the assets of Paniolo in 2021 as it was paid off in February 2025. Refer to Note 8 for details.
- (3) Includes finance lease obligations primarily related to vehicles, network equipment used in the deployment of our fiber network, and wireless towers assumed from our discontinued wireless operations.
- (4) Includes amounts under open purchase orders and open blanket purchase orders for purchases of network, IT and telephony equipment, video content, and other goods; contractual obligations for services such as software maintenance and outsourced services; and other purchase commitments.
- (5) Includes payments for Cincinnati and Hawaii Pension and Postretirement Plans as well as other employee retirement agreements. Amounts due within the next 12 months include approximately \$7 million expected to be contributed for postretirement benefits. Although the Company expects to continue operating the plans past the next 12 months, its contractual obligation related to postretirement obligations only extends through 2025. Amounts for 2025 through 2034 include approximately \$21.2 million of estimated cash contributions to the qualified pension plans with approximately \$2 million of cash contributions due within the next 12 months. Expected qualified pension plan contributions are based on current plan design, legislation and current actuarial assumptions. Any changes in plan design, legislation or actuarial assumptions may also affect the expected contribution amount.
- (6) Includes the portion of liabilities related to unrecognized tax benefits. If the timing of payments cannot be reasonably estimated for unrecognized tax benefits, these liabilities are included in the "Beyond the next 12 months" column of the table above.
- (7) Includes contractual obligations primarily related to asset removal obligations and liabilities related to the pole license agreement obligation.

The amount of these obligations can be expected to change over time as new contracts are initiated and existing contracts are completed, terminated, or modified.

Contingencies

We are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe that the amounts provided in our consolidated financial statements, as prescribed by generally accepted accounting principles, are adequate in light of those contingencies that are probable and able to be estimated. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, including the matters discussed below and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2024, cannot be reasonably determined. For additional details refer to Note 10 of the consolidated financial statements.

Based on information currently available, consultation with counsel, available insurance coverage and established reserves, management believes that the eventual outcome of all outstanding claims will not, individually or in the aggregate, have a material effect on the Company's financial position, results of operations or cash flows.

Off-Balance Sheet Arrangements*Indemnifications*

During the normal course of business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. These include: (a) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (b) indemnities to customers in connection with losses incurred while performing services on their premises, (c) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct, (d) indemnities involving the representations and warranties in certain contracts, and (e) outstanding letters of credit which totaled \$25.0 million as of December 31, 2024. In addition, the Company has made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments, and guarantees do not provide for any limitation on the maximum potential for future payments.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. Application of these principles requires management to make estimates or judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on information available as of the date of the financial statements; accordingly, as this information changes, the financial statements could reflect different estimates or judgments. Certain accounting policies inherently have a greater reliance on the use of estimates, and, as such, have a greater possibility of producing results that could be materially different than originally reported.

Our most significant accounting policies are presented in Note 1 to the consolidated financial statements. Management views critical accounting policies to be those policies that are highly dependent on subjective or complex judgments, estimates or assumptions, and where changes in those estimates and assumptions could have a significant impact on the consolidated financial statements. We have discussed our most critical accounting policies, judgments and estimates with our Audit Committee.

The discussion below addresses major judgments used in:

- business combinations
- reviewing the carrying values of goodwill and definite-lived intangible assets;
- accounting for income taxes; and
- accounting for pension and postretirement obligations.

Business Combinations — In accounting for business combinations, we apply the accounting requirements of FASB ASC 805, “Business Combinations,” which requires the recording of net assets of acquired businesses at fair value. The Company utilizes management estimates and an independent third-party valuation firm to assist in determining the fair values of acquired assets and assumed liabilities. In developing estimates of the fair value of net assets, the Company analyzes a variety of factors including market data, estimated future cash flows of the acquired operations, industry growth rates, current replacement cost for fixed assets, and market rate assumptions for contractual obligations. Such a valuation requires management to make significant estimates and assumptions, particularly with respect to the intangible assets and network assets. The Company reports in its consolidated financial statements provisional amounts for the items for which accounting is incomplete. Goodwill is adjusted for any changes to provisional amounts made within the measurement period.

Reviewing the Carrying Values of Goodwill and Definite-lived Intangible Assets — We amortize intangible assets over their useful lives unless we determine such lives to be indefinite. We evaluate goodwill annually or whenever events or changes in circumstances indicate the carrying value may not be recoverable. For impairment testing, goodwill has been assigned to reporting units which consist of the Company’s Greater Cincinnati operations, Hawaii operations and Agile operations.

The Company adheres to the guidance under ASC 350-20 in testing goodwill for impairment. Under this guidance, the Company has the option of performing a qualitative assessment for impairment prior to performing the quantitative tests. We perform our annual impairment tests in the fourth quarter on October 1st when our long term plan is updated based on the following steps:

Step 0 or qualitative assessment - Evaluate qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The factors we consider include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance or events specific to that reporting unit. If or when we determine it is more likely than not that the fair value of a reporting unit is less than the carrying amount, including goodwill, we would perform a Step 1 quantitative test.

Step 1 or quantitative test - Compare the fair value for each reporting unit to its carrying value, including goodwill. Fair value is determined based on a combination of valuation methods, including both income-based and market-based methods. The income-based approach utilizes a discounted cash flow model using projected cash flows derived from the long term plan, adjusted to reflect market participants' assumptions. Expected future cash flows are discounted at the weighted average cost of capital applying a market participant approach. The market-based approach utilizes earnings multiples from comparable publicly-traded companies. A goodwill impairment charge is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. If a reporting unit’s fair value exceeds the carrying value, no further work is performed and no impairment charge is necessary.

The Company performed a quantitative analysis of goodwill in 2024 for all reporting units and determined that the fair value of all reporting units exceeded their carrying amounts, including goodwill and, therefore, goodwill was not impaired. In 2023, a qualitative assessment for Agile goodwill was used due to the limited amount of time that passed from the acquisition date and the testing date and concluded that it is more likely than not that the fair value exceeded the carrying value and goodwill was not impaired. For all other reporting units, a quantitative analysis was utilized for 2023. No goodwill or indefinite-lived intangible asset impairment losses were recognized in 2024, 2023 and 2022.

We use the income approach to determine the fair value of our definite-lived trade names and customer relationships intangible assets. Our projections used in the income approach to determine the fair value of our definite-lived trade names and customer relationships intangible assets include assumptions for growth rates of sales, costs, and profits, which are based on various long-range financial and operational plans. Additionally, discount rates used in the definite-lived intangible analysis are based on a weighted-average cost of capital, driven by interest rates, as well as credit ratings and financing abilities, among other factors.

Changes in certain assumptions could have a significant impact on the impairment tests for goodwill. The most critical assumptions are projected future growth rates, EBITDA margin, terminal growth rate, discount rate selection, peer group determination and market multiples. These assumptions are subject to change as the Company's long-term plans and strategies are updated each year. As of the annual testing date, each reporting unit's fair value exceeded the carrying value of the reporting unit, and as such, there is no goodwill impairment. However, the quantitative analysis of goodwill for the Hawaii reporting unit indicated that the cushion between its estimated fair value and carrying value was less than 10% as of the October 1, 2024 assessment date. Goodwill associated with the Hawaii reporting unit at December 31, 2024 is \$144.0 million. The estimated fair value determination requires judgment and is sensitive to changes in the underlying assumptions discussed above. Accordingly, if current cash flow assumptions are not realized or other macroeconomic factors adversely impact other assumptions, it is possible that an impairment charge may be recorded in the future.

Accounting for Income Taxes — The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various state and local jurisdictions. The Company's previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires. With few exceptions, the Company is no longer subject to U.S. federal, state or local examinations for years prior to 2020.

The Company has net operating loss carryforwards at the federal, state and local levels. Federal net operating loss carryforwards are available to offset taxable income in current and future periods. The next material tranche of Federal net operating loss carryforwards will expire, if not utilized, in 2031. The ultimate realization of the deferred income tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards. The Company assessed all available positive and negative evidence to determine whether it expects that sufficient future taxable income will be generated to allow it to realize its existing deferred tax assets. Based on this analysis, there are not sufficient sources of future taxable income (e.g. reversing deferred tax liabilities) for management to conclude that it is more likely than not that the Company will utilize all available federal net operating losses and federal and state carryforwards for interest expense deductions that are limited under Section 163(j) of the Internal Revenue Code and similar state provisions, so an additional partial valuation allowance was recorded in 2024. In addition, realization of certain state and local net operating losses, as well as other deferred tax assets, is not certain, so valuation allowances have been recorded against certain of those deferred assets as well. Changes in our current estimates due to such factors as unanticipated market conditions and legislative developments could have a material effect on our ability to utilize deferred tax assets. Section 382 of the Internal Revenue Code and similar state provisions place potential limitations on the Company's ability to fully utilize existing deferred tax assets related to federal and state net operating losses.

Valuation allowances of \$82.9 million and \$28.0 million have been recognized as of December 31, 2024 and 2023, respectively. These valuation allowances are against U.S. federal, state and local net operating losses, as well as federal and state carryforwards for interest expense deductions that are limited under Section 163(j) of the Internal Revenue Code and similar state provisions.

As of December 31, 2024 and 2023, the liabilities for unrecognized tax benefits were \$67.8 million and \$19.4 million, respectively. The liability is representative of tax positions taken where tax authorities' interpretation of the appropriate tax treatment may differ from the position the Company has taken. As of December 31, 2024, the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$67.2 million. Accrued interest related to unrecognized tax benefits is recognized in interest expense.

Accounting for Pension and Postretirement Obligations — In accounting for pension and postretirement expenses, we apply ASC 715, "Compensation — Retirement Benefits." A liability has been recognized on the Consolidated Balance Sheets for the unfunded status of the pension and postretirement plans. Actuarial (gains) losses and prior service costs (benefits) that arise during the period are recognized as a component of "Accumulated other comprehensive income" on the Consolidated Balance Sheets.

The Company sponsors noncontributory defined benefit pension plans for eligible management employees, non-management employees, and certain former senior executives. We also provide healthcare and group life insurance benefits for eligible retirees. The measurement date for our pension and postretirement obligations is as of December 31. When changes to the plans occur during interim periods, management reviews the changes and determines if a remeasurement is necessary. In the third quarter of 2024, an amendment was approved to transfer a portion of the Company's pension liability and related responsibility for benefit payments of certain participants and beneficiaries within the existing defined benefit plans to a group annuity contract. Effective December 31, 2023, an amendment was approved to merge the Hawaiian Telcom Management Pension Plan into the Cincinnati Bell Management Pension Plan. With the exception of the previously discussed amendments, no other amendments to the plans were made during 2024 or 2023.

The measurement of our pension and postretirement projected benefit obligations involves significant assumptions and estimates. Each time we remeasure our projected benefit obligations, we reassess the significant assumptions and estimates. The actuarial assumptions attempt to anticipate future events and are used in calculating the expenses and liabilities related to these plans. The most significant of these numerous assumptions, which are reviewed annually, include the discount rate, rate of return and healthcare cost trend rates.

Discount rate

A discount rate is used to measure the present value of projected benefit obligations. The discount rate for each plan is individually calculated based upon the timing of expected future benefit payments. Our discount rates are derived based upon a yield curve developed to reflect yields available on high-quality corporate bonds as of the measurement date. As of December 31, 2024, the average discount rate used to value the Cincinnati pension plans and postretirement plans was 5.60%. As of December 31, 2023, the average discount rate used to value the Cincinnati pension plans and postretirement plans was 5.00%. As of December 31, 2024, the average discount rate used to value the Hawaii pension plan for union employees was 5.40% while the average discount rate used to value the Hawaii postretirement plans was 5.70%. As of December 31, 2023, the average discount rate used to value the Hawaii pension plan for union employees was 5.00% while the average discount rate used to value the Hawaii postretirement plans was 5.10%. Higher rates of interest available on high-quality corporate bonds drove the increase in the discount rates in 2024.

Expected rate of return

The expected long-term rate of return on plan assets, developed using the building block approach, is based on the mix of investments held directly by the plans and the current view of expected future returns, which is influenced by historical averages. The required use of an expected versus actual long-term rate of return on plan assets may result in recognized pension expense or income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns. For the year ended December 31, 2024, the estimated long-term rate of return was 6.30% for the Cincinnati pension plan assets and 6.00% for the union Hawaii pension plan assets. For the year ended December 31, 2023, the estimated long-term rate of return was 6.00% for the Cincinnati pension plan assets, 5.50% for the union Hawaii pension plan assets and 5.00% for the nonunion Hawaii pension plan assets. The long-term rate of return on the Cincinnati and Hawaii postretirement plan assets was estimated to be zero for the disclosed periods as these plans have minimal assets with a low rate of return. Actual asset returns for the Cincinnati pension trusts were gains of 7.24% in 2024 and 13.02% in 2023. Actual asset returns for the Hawaii pension trust were gains of 4.29% in 2024 and 11.32% in 2023. In our pension calculations, the market-related value of assets is equal to the fair market value. Differences between actual and expected returns are recognized in the market-related value of plan assets over five years.

Healthcare cost trend

Our healthcare cost trend rate is developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. As of December 31, 2024 and 2023, the healthcare cost trend rate used to measure the Cincinnati postretirement health benefit obligations was 7.5% and 7.0%, respectively. As of December 31, 2024, the healthcare cost trend rate for the Cincinnati plans is assumed to decrease gradually to 4.8% by the year 2036. As of both December 31, 2024 and 2023, the Hawaii postretirement plans have exceeded the per capita cost caps, and therefore, the healthcare cost trend does not apply.

The actuarial assumptions used may differ materially from actual results due to the changing market and economic conditions and other changes. Revisions to and variations from these estimates would impact liabilities, equity, cash flow and other components of pension and postretirement benefit plans expense.

The following table represents the sensitivity of changes in certain assumptions related to the Cincinnati pension and postretirement plans as of December 31, 2024:

| (dollars in millions) | % Point Change | Pension Benefits | | Postretirement and Other Benefits | |
|---------------------------|----------------|--|---------------------------------------|--|---------------------------------------|
| | | (Decrease)/ Increase in Obligation | (Decrease)/ Increase in Expense | (Decrease)/ Increase in Obligation | (Decrease)/ Increase in Expense |
| Discount rate | +/- 0.5% | (\$14.1)/\$14.1 | \$0.7/(\$0.7) | (\$1.7)/\$1.8 | \$(0.2)/\$0.2 |
| Expected return on assets | +/- 0.5% | n/a | (\$1.3)/\$1.3 | n/a | (\$0)/\$0 |

The following table represents the sensitivity of changes in certain assumptions related to the Hawaii pension and postretirement plans as of December 31, 2023:

| (dollars in millions) | % Point Change | Pension Benefits | | Postretirement and Other Benefits | |
|---------------------------|----------------|--|---------------------------------------|--|---------------------------------------|
| | | (Decrease)/ Increase in Obligation | (Decrease)/ Increase in Expense | (Decrease)/ Increase in Obligation | (Decrease)/ Increase in Expense |
| Discount rate | +/- 0.5% | (\$1.3)/\$1.4 | \$0/(\$0.2) | (\$2.6)/\$2.9 | (\$0.5)/\$0.6 |
| Expected return on assets | +/- 0.5% | n/a | (\$0.5)/\$0.5 | n/a | n/a |

At December 31, 2024 and 2023, unrecognized actuarial net gains were \$45.6 million and \$42.5 million, respectively. The unrecognized net gains (losses) have been primarily generated by differences between assumed and actual rates of return on invested assets, changes in discount rates, healthcare costs and the amendment to the Hawaii postretirement health and life insurance plans in 2022. Because gains and losses reflect refinements in estimates, as well as real changes in economic values, and because some gains in one period may be offset by losses in another or vice versa, we are not required to recognize these gains and losses in the periods that they occur. Unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation are amortized on a straight-line basis over the average life expectancy of the participant group for the Cincinnati pension plans and Hawaii pension plans, the average future working lifetime of active employees for the Cincinnati postretirement plans and the average remaining service period of active employees for the Hawaii postretirement plans.

Regulatory Matters and Competitive Trends

Federal - The Telecommunications Act of 1996 (the "1996 Act") was enacted with the goal of establishing a pro-competitive, deregulatory framework to promote competition and investment in advanced telecommunications facilities and services to all Americans. From 1996 to 2008, federal regulators considered a multitude of proceedings aimed at promoting competition and deregulation. Although the 1996 Act called for a deregulatory framework, the FCC continued to maintain significant regulatory restraints on the traditional ILECs while increasing opportunities for new competitive entrants and new services by applying minimal regulation. Since 2009, federal regulators have devoted considerable attention to initiatives aimed at promoting investment in, and adoption of, advanced telecommunications services, particularly broadband Internet access services. Simultaneously, the FCC has been adopting measures that it believes would promote competition, protect consumers, reform universal service, and enhance public safety and national security. From 2017 through 2020, the FCC increasingly focused on eliminating burdensome and unnecessary regulations that impede broadband investment. The Biden Administration's FCC focused on a number of items including net neutrality, digital discrimination, data privacy and transparency. Some of their initiatives were implemented, such as requiring broadband labels and all-in pricing, but others have run into legal challenges. We continue to monitor the changing regulatory environment for any potential impacts, particularly on the following proceedings.

Universal Service

The federal Universal Service Fund ("USF") is funded via an assessment on the interstate end-user revenue of all telecommunications carriers and interconnected VoIP providers. The assessment is used to support high cost, low income, rural healthcare, and schools and libraries programs. During 2024, the quarterly USF assessment rate remained at historic highs, continuing to lead for calls from industry and consumer groups for the FCC to re-evaluate the USF contribution mechanism. The Company will monitor any changes made by the FCC to the program as a result of the incoming Republican controlled Congress. The 5th Circuit Court of Appeals recently ruled the Universal Service Fund unconstitutional. The Court had two main issues with the current USF structure (1) it acts as a tax, rather than a fee as the FCC asserts, which means it needs to originate in Congress, and (2) the FCC has delegated its authority to Universal Service Administration Company ("USAC"), a private company, to administer the program and effectively rubberstamps the quarterly USF assessment rate determined by USAC. Because this ruling is contrary to recent decisions of the 6th and 11th Circuit Court of Appeals, the U.S. Supreme Court has agreed to hear this matter. It is expected to be heard in late March 2025.

In August 2018, bidding concluded in the FCC's Connect America Fund Phase II auction ("Auction 903"). Under this reverse auction, up to \$2 billion in support over a 10-year period was available to expand fixed broadband service into additional unserved high-cost areas of the country. There were 103 winning bidders and the total amount of support that will be provided to these bidders over the 10-year term is \$1.5 billion. Winning bidders must build out their broadband networks within the winning geographic areas (specific census block groups covering 713,176 locations in 45 states) within the first six years of the support term. CBT and Hawaiian Telcom were both winning bidders. As a result, CBT will receive \$1.1 million to extend its broadband service to 342 unserved locations and Hawaiian Telcom will receive \$18.2 million to build to 3,936 unserved locations. CBT and Hawaiian Telcom auction support distributions began in May 2019 and will continue until May 2029. The build out to all funded auction locations must be completed by December 31, 2025.

In January 2020, the FCC adopted a Report and Order establishing the Rural Digital Opportunity Fund ("RDOF"), which will be used to distribute \$20.4 billion over ten years to expand broadband in areas that remain unserved at the conclusion of the CAF II price cap support program. The funds will be awarded via two reverse auctions. The Phase I auction ("Auction 904") began on October 29, 2020 and concluded on November 25, 2020 with 180 winning bidders for a 10-year support amount of \$9.23 billion to serve over 5 million locations. The remaining \$11 billion will be distributed via a second auction to be held at a later date when more accurate broadband availability data becomes available. Cincinnati Bell was a winning bidder for \$26.9 million of support over the 10-year period to reach 11,131 locations in Hawaii, Indiana, Kentucky and Ohio. Cincinnati Bell assigned the Hawaii winning bids (\$24.3 million for 8,049 locations) to Hawaiian Telcom and the Indiana, Kentucky and Ohio winning bids (\$2.6 million for 3,082 locations) to Cincinnati Bell Telephone. The funding is being distributed in monthly installments over a 10-year period concluding in 2029 with buildout milestones beginning in 2024.

Infrastructure Investment and Jobs Act

On November 15, 2021, President Biden signed the \$1 trillion Infrastructure Investment and Jobs Act (Public Law No. 117-58) (“IIJA”), which contains \$65 billion for various broadband initiatives.

Broadband Equity, Access, and Deployment (“BEAD”) Program: The IIJA includes \$42.5 billion which will be distributed by the National Telecommunications and Information Administration (“NTIA”) to states for awards to public and private entities to expand broadband deployment to currently unserved or underserved areas. In June 2023, the NTIA announced its allocation of funds that will be made available to each state based upon the determination of unserved and underserved areas from the FCC’s broadband map released in June 2023. The NTIA is still finalizing its rules for the BEAD grants and the individual state broadband offices are developing their plans for awarding funds within their respective states. The Company is closely monitoring the federal and state procedural rules drafting processes and continues to evaluate initiatives that will lay the foundation for potential participation within each state and will pursue opportunities for funding where it deems it to be beneficial.

Middle Mile Grants (“MMG”) Program: The IIJA appropriated \$1 billion for the MMG Program to be used to “encourage the expansion and extension of middle mile infrastructure to reduce the cost of connecting unserved and underserved areas to the backbone of the internet” and to “promote broadband connection resiliency through the creation of alternative network connection paths that can be designed to prevent single points of failure on a broadband network.” The NTIA accepted middle-mile applications through November 1, 2022 and on June 15, 2023 announced that \$930 million was awarded for projects covering 35 states and Puerto Rico. Hawaiian Telcom applied for \$37.4 million to partially fund an economically and environmentally sustainable open access middle mile infrastructure to benefit unserved and underserved communities and improve the resiliency of existing broadband services in the state of Hawaii by building new terrestrial and undersea fiber routes in the state. In June 2023, the NTIA awarded Hawaiian Telcom \$37.4 million for the project.

Broadband Consumer Labels: The IIJA contains a requirement for broadband internet access service providers to display consumer labels for stand-alone broadband Internet service plans that discloses information to consumers regarding the broadband Internet service plans available to them. The labels contain information about offered speed, price, contract requirements, expected download/upload speed, latency, etc. On April 10, 2024, the rules went into effect to have consumer labels available at points of sale for all standalone broadband internet service plans. On October 10, 2024, the requirement to have labels for all available service plans in a machine-readable format online and having the label available in consumer online accounts went into effect. altafiber and Hawaiian Telcom have been working towards making these labels a reality, and compliant broadband consumer labels are in place as of the effective date(s).

IP Transition

In late 2013, the FCC opened a proceeding to explore how to transition from the legacy circuit-switched TDM networks to Internet Protocol (“IP”) networks. Examination of the myriad of technical, legal and policy issues surrounding the IP transition moved to the forefront during 2014, and during 2015 and 2016, the FCC adopted several orders imposing additional requirements on service providers seeking to transition their networks from copper to fiber. However, during the second quarter of 2017, the FCC opened several proceedings aimed at removing barriers to wireline and wireless broadband deployment and proposed reversing several of the additional requirements imposed in 2015 and 2016. Following this review, in November 2017, the FCC revised its rules to streamline the ILEC copper retirement process and the approval process for discontinuing legacy TDM service to speed the transition from legacy copper-based TDM services to IP services. It also reformed the pole attachment rules to make it easier for providers to attach equipment necessary for next-generation networks. In 2018, the FCC adopted additional changes aimed at streamlining the pole attachment process and preempting state and local processes considered to be detrimental to broadband deployment, particularly the small cells that will be used for 5G networks. The Company does not anticipate any significant financial impact due to these proceedings, although the streamlined processes will help facilitate a smooth transition as the Company migrates from its legacy copper network to a fiber-based IP network.

Broadband Internet Access/Net Neutrality

During the October 2023 FCC meeting, the Commission proposed a net neutrality framework which would reclassify broadband Internet access as a Title II telecommunications service. Although the proposal suggested forbearing from applying certain telecommunications regulations to broadband internet access, it would have subjected broadband internet to significant regulation relative to its current unregulated status. Most notable were the proposals regarding privacy, security and outage reporting. Although outright ex ante price regulation is not proposed, the proposal clearly suggested that the Commission has the right under sections 201 and 202 of the Communications Act to determine in a subsequent period if broadband rates are just and reasonable. The Order implemented by the FCC was challenged and assigned to the 6th Circuit Court of Appeals. In December 2024, the Court, in a unanimous opinion, rejected the FCC's authority to reclassify broadband as a Title II telecommunications service.

Robocalls

During 2019, the FCC took several steps to mitigate the impact of illegal robocalls and spoofed calls on consumers and businesses, including the Chairman calling on the largest voice service providers to "voluntarily" adopt the secure telephone identity revisited signature-based handling of asserted information using tokens ("STIR/SHAKEN") call authentication standards developed by the Alliance for Telecommunications Industry Standards ("ATIS"). In addition, in December 2019, Congress passed and President Trump signed into law the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act ("Pallone-Thune TRACED Act"). Under the Pallone-Thune Traced Act, voice service providers must implement the STIR/SHAKEN framework in their IP networks and take reasonable measures to implement an effective call authentication framework in their non-IP networks. Beginning in 2020, the FCC adopted several Orders to implement the provisions of the Pallone-Thune TRACED Act that require voice service providers to take proactive steps to mitigate the origination of illegal robocalls from their networks. The Company continues to take all steps necessary to comply with the new requirements.

State – On April 4, 2023 altafiber successfully filed with the Public Utilities Commission of Ohio ("PUCO") a request for exemption of Ohio Revised Code ("ORC") Section 4927.12 requirements, per Section 4927.123. All altafiber's Ohio exchanges have been determined to qualify for alternative regulation of basic local exchange service ("BLES") by the Public Utilities Commission of Ohio and therefore removes the annual \$2 price cap increase of basic local exchange service.

In Hawaii, the legislature and the Hawaii Public Utilities Commission ("HPUC") have taken steps over the last decade to reduce rate regulation of some of the services of the Company's Hawaiian Telcom subsidiaries. In 2009 and 2010, the Hawaii State Legislature required the HPUC to treat all intrastate retail telecommunications services, including intrastate toll (*i.e.*, inter island), central exchange ("Centrex"), most residential and business local exchange services, integrated service digital network ("ISDN") private lines and special assemblies, and directory assistance, as "fully competitive" under the HPUC's rules with certain qualifications. As a result, HPUC approval and cost support filings were no longer required to establish or reduce rates or to bundle service offerings; however, all service offerings were required to be priced above the service's long run incremental cost and HPUC retained the ability to suspend and investigate any offering. In 2012, the Hawaii State Legislature passed legislation that gave Hawaiian Telcom pricing flexibility to increase tariffed intrastate rates for any retail telecommunications service without approval from the HPUC, with the exception of basic exchange service (*i.e.*, single line residential and single line business services).

In May 2019, the Hawaii State Legislature granted nearly full pricing flexibility to telecommunications carriers, including Hawaiian Telcom, for intrastate telecommunications services. Rate changes for retail telecommunications services no longer need to be filed with and approved by the HPUC except for any price increase greater than \$6.50 on an annual basis for basic exchange services in counties with a population of less than 500,000. In addition, the traditional cost-of-service regulatory framework that required cost support for retail telecommunications service offerings and pricing above a service's long run incremental cost are no longer applicable; however, the HPUC retains the ability to investigate any offering. The legislation also eliminated the requirements for providers of fully competitive retail telecommunications services to obtain HPUC approval for financing and the sale or encumbrance of regulated property and assets, except when such sale or encumbrance occurs as part of a merger or consolidation with any other public utility. Additional relief was also granted on reporting affiliated transactions and accidents.

Based on these regulatory reforms, the Company can now compete more effectively in Hawaii by making decisions based on marketplace dynamics and other economic information.

Cable Franchises – Ohio, Kentucky and Indiana - The states of Ohio and Indiana permit statewide video service authorization. The Company is now authorized by Ohio and Indiana to provide service in its self-described territory with only 10-day notification to the local government entity and other providers. The authorization can be amended to include additional territories upon notification to the state. A franchise agreement with each local franchising authority is required in Kentucky. The Company has agreements with fifty-three franchising authorities in Kentucky.

Hawaii - In Hawaii, cable franchises must be approved by the Hawaii Department of Commerce and Consumer Affairs (“DCCA”). Since 2011, the Company’s Hawaiian Telcom Services Company, Inc. (“HTSC”) subsidiary has held a cable franchise authorizing it to provide video services throughout the island of Oahu. In late 2023, HTSC applied for cable franchises for the island of Kauai and the counties of Hawaii and Maui, which were granted by DCCA in July 2024.

Recently Issued Accounting Standards

Refer to Note 2 of the consolidated financial statements for further information on recently issued accounting standards.

Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement

This Form 10-K contains "forward-looking" statements which are based on our current expectations, estimates, forecasts and projections. Statements that are not historical facts, including statements concerning plans, objectives, goals, strategies, future events, future revenues or performance, financing needs, plans or intentions relating to acquisitions and restructuring, and business trends are forward-looking statements. Words such as "expects," "anticipates," "predicts," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "endeavors," "strives," "will," "may," "proposes," "potential," "could," "should," "outlook," or variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of future financial performance, anticipated growth and trends in businesses, and other characterizations of future events or circumstances are forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this report. For a further discussion of these and other risks and uncertainties, refer to Part I, Item 1A. Risk Factors. The following important factors, among other things, could cause or contribute to actual results being materially and adversely different from those described or implied by such forward-looking statements, including, but not limited to:

- the Company operates in highly competitive industries, and customers may not continue to purchase products or services, which would result in reduced revenue and loss of market share;
- the Company may be unable to grow its revenues and cash flows despite the initiatives it has implemented;
- if the Company's goodwill, indefinite-lived intangible assets or long-lived assets become impaired, the Company may be required to record significant charges to earnings;
- failure to anticipate the need to introduce new products and services or to compete with new technologies may compromise the Company's success in our industries;
- the Company's access lines, which generate a significant portion of its cash flows and profits, are decreasing in number. If the Company continues to experience access line losses similar to the past several years, its revenues, earnings and cash flows from operations may be adversely impacted;
- negotiations with the providers of content for our video programming may not be successful, potentially resulting in our inability to carry certain programming channels, which could result in the loss of subscribers. In addition, due to the influence of some content providers, we may be forced to pay higher rates for some content resulting in increased costs;
- maintaining the Company's telecommunications networks requires significant capital expenditures, and the Company's inability or failure to maintain its telecommunications networks could have a material impact on the Company's market share and ability to generate revenue;
- the Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, leading to reduced revenues and/or increased costs;
- the Company generates a substantial portion of revenue by serving a limited geographic area;
- increases in broadband usage may cause network capacity limitations resulting in service disruptions or reduced capacity for customers;
- IT and/or network security breach or cyber-attack may lead to unauthorized use or disabling of our network, theft of customer data or other sensitive data, unauthorized use or publication of our confidential business information and could have a material adverse effect on our business;
- weather conditions, natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations;
- damaging wildfires occurring on the Hawaiian islands of Maui and Hawaii have caused damage to our infrastructure and adversely affected, and could continue to adversely affect, our operations;
- volatile geopolitical turmoil, including popular uprisings, regional conflicts, terrorism and war could result in market instability, which could negatively impact our business results;

- the widespread outbreak of an illness or any other communicable disease, or any other public health crisis, could adversely affect our business, results of operations and financial condition;
- the Company depends on a number of third-party providers and the loss of or problems with one or more of these providers may impede the Company's growth, cause it to lose customers or materially and adversely impact its business, financial condition, and results of operations;
- a failure of back-office information technology systems could adversely affect the Company's results of operations and financial condition;
- we may be liable for the material that content providers distribute over our networks;
- our ability to attract and retain qualified personnel could disrupt our business and affect the Company's ability to meet key financial and business objects;
- the Company may be unable to achieve some or all of the strategic and financial benefits that it expects to achieve from the Divestiture;
- if the Company fails to extend or renegotiate its collective bargaining agreements with its labor unions when they expire, or if the Company's unionized employees were to engage in a strike or other work stoppage, the Company's business and operating results could be materially harmed;
- the Company's debt could limit its ability to fund operations, raise additional capital, and fulfill its obligations, which, in turn, would have a material adverse effect on the Company's businesses and prospects generally;
- the Company's Credit Agreement and other indebtedness impose significant restrictions on the Company;
- the Company depends on its revolving credit facility and receivables facilities to provide for its short-term financing requirements in excess of amounts generated by operations, and the availability of those funds may be reduced or limited;
- the servicing of the Company's indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond the Company's control;
- the Company may need additional financing in the future to meet our capital needs or to make opportunistic acquisitions, and such financing may not be available on terms favorable to the Company, if at all;
- growing inflation, supply chain disruption and other increased operating costs could materially and adversely affect our results of operations;
- the uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition;
- adverse changes in the value of assets or obligations associated with the Company's employee benefit plans could negatively impact shareholders' equity and liquidity;
- the Company's future cash flows could be adversely affected if it is unable to fully realize its deferred tax assets;
- the Company has been named in litigation associated with the wildfires occurring on the Hawaiian island of Maui, which has resulted in the Company paying significant amounts in legal expenses and could require the payment of damages or settlements;
- changes in tax laws and regulations, and actions by federal, state and local taxing authorities related to the interpretation and application of such tax laws and regulations, could have a negative impact on the Company's financial results and cash flows;
- the regulation of the Company's businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict our ability to price our products and services competitively, participate in new regulatory programs and threaten our operating licenses;
- third parties may claim that the Company is infringing upon their intellectual property, and the Company could suffer significant litigation or licensing expenses or be prevented from selling products;

- third parties may infringe upon the Company's intellectual property, and the Company may expend significant resources enforcing its rights or suffer competitive injury;
- the Company could be subject to a significant amount of litigation, which could require the Company to pay significant damages or settlements;
- the Company could incur significant costs resulting from complying with, or potential violations of, environmental, health and human safety laws;

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Company does not undertake any obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk*Interest Rate Risk*

The Company borrows funds at a combination of fixed and variable rates. The Company has exposure to interest rate risk, primarily in the form of variable-rate borrowings from its Term B-1 Loans, Term B-3 Loans, Term B-4 Loans, Revolving Credit Facility, Network Receivables Facility, Paniolo fiber assets financing arrangement and Digital Access Ohio Advance, as well as changes in current rates compared to that of its fixed rate debt. Borrowings under the Credit Agreement and Network Receivables Facility use the secured overnight financing rate ("SOFR") as administered by the Federal Reserve Bank of New York as the benchmark for establishing the rate of interest. In the third quarter of 2023, the Paniolo fiber assets financing arrangement was amended to replace the use of LIBOR with SOFR. Borrowings under the Digital Access Ohio Advance use the long term applicable federal rate.

The Company's management periodically employs derivative and other financial instruments to manage exposure to interest rate risk and variable cash flows. The use of these types of instruments to hedge a portion of our exposure to changes in interest rates carries additional risks, such as counterparty credit risk and the legal enforceability of hedging contracts.

The Company had \$87.9 million principal amount of fixed-rate debt outstanding as of December 31, 2024, excluding debt with a variable rate that is effectively fixed by non-designated interest rate contracts. The estimated aggregate fair market value of this debt was \$83.3 million as of December 31, 2024. At December 31, 2024, the weighted average interest rate on fixed-rate debt was 6.3%.

At December 31, 2024, \$975.0 million of our variable-rate debt was subject to non-designated floating-to-fixed interest rate swaps and \$375.0 million of our variable-rate debt was subject to non-designated interest rate cap agreements. If the underlying SOFR rate increases or decreases by 100 basis points, the aggregate fair market value of the swaps at December 31, 2024 would increase by \$12.6 million or decrease by \$12.9 million. If the underlying SOFR rate increases or decreases by 100 basis points, the aggregate fair market value of the caps at December 31, 2024 would increase by \$4.5 million or decrease by \$3.7 million.

At December 31, 2024, the Company had variable-rate borrowings of \$1,644.3 million. The estimated aggregate fair market value of this debt was \$1,672.2 million as of December 31, 2024. At December 31, 2024, the weighted average interest rate on this variable-rate debt was 7.2%. A hypothetical increase or decrease of 100 basis to the market interest rates associated with this variable-rate debt would result in our annual interest expense increasing or decreasing by \$17.8 million.

For further information, see Footnote 11 to the accompanying consolidated financial statements contained in "Part II. Item 8. Financial Statements and Supplementary Data."

Commodity Price Risk

Certain of our operating costs are subject to price fluctuations caused by the volatility of the underlying commodity prices, such as gas utilized primarily by our field operations group, and network and building materials, such as steel, fiber and copper, used in the construction of our networks.

Item 8. Financial Statements and Supplementary Data

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Financial Statement Schedule:

For each of the three years in the period ended December 31, 2024:

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Financial statement schedules other than those listed above have been omitted because the required information is contained in the financial statements and notes thereto, or because such schedules are not required or applicable.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Cincinnati Bell Inc. and its subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company’s internal control system is designed to produce reliable financial statements in conformity with accounting principles generally accepted in the United States.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework (2013)*. Based on this assessment, management has concluded that, as of December 31, 2024, the Company’s internal control over financial reporting is effective based on those criteria.

March 18, 2025

/s/ Leigh R. Fox

Leigh R. Fox
Chief Executive Officer

/s/ Joshua T. Duckworth

Joshua T. Duckworth
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareowners of Cincinnati Bell Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cincinnati Bell Inc. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income (loss), of equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended December 31, 2024 listed in the accompanying index (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Goodwill Impairment Assessment - Hawaii Reporting Unit

As described in Notes 1 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was \$566.7 million as of December 31, 2024, and the goodwill associated with the Hawaii segment was \$144.0 million. Goodwill is tested for impairment on an annual basis or when events or changes in circumstances indicate that such assets may be impaired using either a qualitative or quantitative approach. An impairment loss is measured as the excess of the carrying value of a reporting unit over its fair value, not to exceed the carrying amount of goodwill. The fair value of a reporting unit is based on a combination of valuation methods, including both income-based and market-based methods. The income approach relies on management's estimates of future revenue growth rates, terminal growth rates, EBITDA margin assumption, and discount rates. The market approach requires the determination of an appropriate peer group, which is utilized to derive estimated fair values based on selected market multiples.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Hawaii reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the reporting unit; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to (a) future revenue growth rates, terminal growth rate, EBITDA margin assumption, and discount rate for the income approach and (b) peer group determination and market multiples selection for the market approach; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing management's process for developing the fair value estimate of the Hawaii reporting unit; (ii) evaluating the appropriateness of the valuation methods; (iii) testing the completeness and accuracy of underlying data used in the methods; and (iv) evaluating the significant assumptions used by management related to (a) future revenue growth rates, terminal growth rate, EBITDA margin assumption, and discount rate for the income approach and (b) peer group determination and market multiple selections for the market approach. Evaluating management's assumptions related to future revenue growth rates and EBITDA margin assumption involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Company's valuation methods and (ii) the reasonableness of management's assumptions related to terminal growth rate, discount rate, peer group determination, and market multiples selection.

/s/ PricewaterhouseCoopers LLP

Cincinnati, Ohio

March 18, 2025

We have served as the Company's auditor since 2022.

Cincinnati Bell Inc.
CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 460.7 | \$ 7.8 |
| Receivables, less allowances of \$15.0 and \$14.8 | 96.4 | 94.1 |
| Inventory, materials and supplies | 82.3 | 88.6 |
| Prepaid expenses | 23.1 | 25.7 |
| Other current assets | 10.3 | 20.7 |
| Current assets held for sale from discontinued operations | — | 460.0 |
| Total current assets | 672.8 | 696.9 |
| Property, plant and equipment, net | 2,625.3 | 2,385.7 |
| Operating lease right-of-use assets | 77.4 | 63.9 |
| Goodwill | 566.7 | 566.7 |
| Intangible assets, net | 353.4 | 415.7 |
| Deferred income tax assets | 0.1 | 3.5 |
| Other noncurrent assets | 166.7 | 52.9 |
| Noncurrent assets held for sale from discontinued operations | — | 570.2 |
| Total assets | \$ 4,462.4 | \$ 4,755.5 |
| Liabilities and Shareowners' Equity | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 45.6 | \$ 20.4 |
| Accounts payable | 174.8 | 188.9 |
| Unearned revenue and customer deposits | 50.6 | 46.7 |
| Accrued taxes | 10.2 | 8.9 |
| Accrued interest | 0.9 | 3.6 |
| Accrued payroll and benefits | 36.4 | 35.0 |
| Accrued restructuring | 40.4 | 10.2 |
| Other current liabilities | 26.8 | 31.8 |
| Current liabilities held for sale from discontinued operations | — | 338.5 |
| Total current liabilities | 385.7 | 684.0 |
| Long-term debt, less current portion | 1,720.2 | 1,830.1 |
| Operating lease liabilities | 77.5 | 60.2 |
| Pension and postretirement benefit obligations | 111.3 | 127.9 |
| Pole license agreement obligation | 37.8 | 40.8 |
| Deferred income tax liabilities | 20.4 | 5.4 |
| Other noncurrent liabilities | 238.5 | 127.9 |
| Noncurrent liabilities held for sale from discontinued operations | — | 85.7 |
| Total liabilities | 2,591.4 | 2,962.0 |
| Shareowners' equity | | |
| Additional paid-in capital | 2,316.1 | 2,116.1 |
| Accumulated deficit | (480.1) | (350.8) |
| Accumulated other comprehensive income | 35.0 | 28.2 |
| Total shareowners' equity | 1,871.0 | 1,793.5 |
| Total liabilities and shareowners' equity | \$ 4,462.4 | \$ 4,755.5 |

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

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions)

| | Year Ended December 31, | | |
|--|-------------------------|------------|------------|
| | 2024 | 2023 | 2022 |
| Revenue | \$ 1,096.3 | \$ 1,100.1 | \$ 1,091.5 |
| Costs and expenses | | | |
| Cost of services and products, excluding items below | 530.8 | 533.7 | 518.2 |
| Selling, general and administrative, excluding items below | 263.7 | 266.8 | 244.3 |
| Depreciation and amortization | 338.9 | 369.5 | 408.8 |
| Restructuring and severance related charges | 60.5 | 10.8 | — |
| Transaction and integration costs | 4.0 | 0.4 | 3.6 |
| Impairment of assets | 3.1 | — | 2.7 |
| Total operating costs and expenses | 1,201.0 | 1,181.2 | 1,177.6 |
| Operating loss | (104.7) | (81.1) | (86.1) |
| Interest expense | 175.5 | 160.2 | 89.5 |
| Other components of pension and postretirement benefit plans (benefit) expense | (5.5) | 0.7 | (7.8) |
| Other income, net | (37.2) | (17.9) | (11.5) |
| Loss from continuing operations before income taxes | (237.5) | (224.1) | (156.3) |
| Income tax benefit | (13.9) | (16.4) | (8.0) |
| Loss from continuing operations | (223.6) | (207.7) | (148.3) |
| Income from discontinued operations (net of tax) | 94.3 | 15.0 | 17.4 |
| Net loss | \$ (129.3) | \$ (192.7) | \$ (130.9) |

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

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)

| | Year Ended December 31, | | |
|---|-------------------------|------------|------------|
| | 2024 | 2023 | 2022 |
| Net loss | \$ (129.3) | \$ (192.7) | \$ (130.9) |
| Other comprehensive income (loss), net of tax: | | | |
| Foreign currency translation (loss) gain | (6.5) | 2.6 | (6.2) |
| Accumulated foreign currency translation loss divested of in discontinued operations | 11.5 | — | — |
| Defined benefit plans | | | |
| Net gain arising from remeasurement during the period, net of tax of \$2.6, \$0.7, \$7.8 | 8.1 | 10.5 | 25.1 |
| Amortization of prior service benefits included in net income, net of tax of (\$0.2), (\$0.2) | (0.6) | (0.6) | — |
| Amortization of net actuarial gain included in net income, net of tax of (\$1.0), (\$1.2), (\$0.2) | (3.0) | (3.8) | (0.6) |
| Reclassification adjustment for pension settlement benefits included in net income, net of tax of (\$0.8) | (2.7) | — | — |
| Total other comprehensive income | 6.8 | 8.7 | 18.3 |
| Comprehensive loss | \$ (122.5) | \$ (184.0) | \$ (112.6) |

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

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)
(in millions)

| | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Total |
|---|----------------------------------|------------------------|---|-------------------|
| Balance at December 31, 2021 | \$ 1,716.1 | \$ (27.2) | \$ 1.2 | \$ 1,690.1 |
| Net loss | — | (130.9) | — | (130.9) |
| Other comprehensive income | — | — | 18.3 | 18.3 |
| Balance at December 31, 2022 | 1,716.1 | (158.1) | 19.5 | 1,577.5 |
| Net loss | — | (192.7) | — | (192.7) |
| Other comprehensive income | — | — | 8.7 | 8.7 |
| Capital contributions by Red Fiber Parent LLC | 400.0 | — | — | 400.0 |
| Balance at December 31, 2023 | 2,116.1 | (350.8) | 28.2 | 1,793.5 |
| Net loss | — | (129.3) | — | (129.3) |
| Other comprehensive income | — | — | 6.8 | 6.8 |
| Capital contributions by Red Fiber Parent LLC | 200.0 | — | — | 200.0 |
| Balance at December 31, 2024 | <u>\$ 2,316.1</u> | <u>\$ (480.1)</u> | <u>\$ 35.0</u> | <u>\$ 1,871.0</u> |

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

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

| | Year Ended December 31, | | |
|--|-------------------------|------------|------------|
| | 2024 | 2023 | 2022 |
| Cash flows from operating activities | | | |
| Net loss | \$ (129.3) | \$ (192.7) | \$ (130.9) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | |
| Depreciation and amortization | 344.6 | 449.6 | 497.1 |
| Loss on impairment of long-lived assets | 3.1 | — | 2.7 |
| Provision for credit loss on receivables | 9.7 | 9.1 | 8.4 |
| Unrealized (gain) loss on interest rate swaps | (1.2) | 4.4 | (13.7) |
| Noncash portion of interest expense | 8.7 | 7.5 | 5.4 |
| Deferred income taxes | 15.5 | (40.6) | (42.3) |
| Pension and other postretirement payments in excess of expense | (14.4) | (7.7) | (16.1) |
| Gain on sale of discontinued operations | (93.7) | — | — |
| Other, net | (10.4) | (2.4) | (1.3) |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in receivables | 87.0 | (54.5) | (9.1) |
| Decrease (increase) in inventory, materials, supplies, prepaid expenses and other current assets | 3.9 | (14.6) | (48.1) |
| (Decrease) increase in accounts payable | (20.4) | (54.7) | 69.2 |
| Increase (decrease) in accrued and other current liabilities | 31.2 | 2.7 | (1.4) |
| Increase in other noncurrent assets | (19.2) | (5.1) | (5.2) |
| Increase in other noncurrent liabilities | 21.7 | 5.0 | 7.3 |
| Net cash provided by operating activities | 236.8 | 106.0 | 322.0 |
| Cash flows from investing activities | | | |
| Capital expenditures | (553.5) | (641.4) | (482.8) |
| Acquisition of businesses, net of cash acquired | — | (3.2) | (65.5) |
| Proceeds from sale of discontinued operations, net of cash divested | 672.2 | — | — |
| Insurance proceeds received for damage to equipment | 7.6 | 0.3 | 0.4 |
| Purchase of indefinite-lived intangibles | — | — | (6.8) |
| Acquisition of fiber and cable assets | (1.5) | (8.6) | — |
| Other, net | (0.5) | (1.3) | 1.0 |
| Net cash provided by (used in) investing activities | 124.3 | (654.2) | (553.7) |
| Cash flows from financing activities | | | |
| Capital contributions by Red Fiber Parent LLC | 200.0 | 400.0 | — |
| Proceeds from issuance of long-term debt | 331.7 | 211.4 | 2.7 |
| Net (decrease) increase in corporate credit facility with initial maturities less than 90 days | (152.5) | (70.5) | 223.0 |
| Proceeds from borrowings on receivables facilities | 1,279.9 | 1,706.5 | 1,150.8 |
| Payments on receivables facilities | (1,525.4) | (1,647.8) | (1,116.9) |
| Repayment of debt | (36.2) | (47.8) | (20.3) |
| Debt issuance costs | (5.4) | (4.0) | (0.7) |
| Net cash provided by financing activities | 92.1 | 547.8 | 238.6 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 0.1 | — | (0.1) |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 453.3 | (0.4) | 6.8 |
| Cash, cash equivalents and restricted cash at beginning of period | 12.5 | 12.9 | 6.1 |
| Cash, cash equivalents and restricted cash at end of period | \$ 465.8 | \$ 12.5 | \$ 12.9 |

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

Cincinnati Bell Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Accounting Policies

Organization — On March 13, 2020, the Company (as defined below), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Red Fiber Parent LLC, a Delaware limited liability company (“Parent”), and RF Merger Sub Inc., an Ohio corporation and directly wholly owned subsidiary of Parent (“Merger Sub”). On September 7, 2021 (the “Closing Date” or “Merger Date”), upon the terms and subject to the conditions set forth in the Merger Agreement, and in accordance with the applicable provisions of the Ohio General Corporation Law (the “OGCL”), Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation (the “Merger”). At the effective time of the Merger (the “Effective Time”), the separate corporate existence of Merger Sub ceased, and the Company survived the Merger as a wholly owned private subsidiary of Parent. As a result of the Merger, the Company has ceased to be a registrant, however due to contractual terms in certain indentures, the Company is required to voluntarily file with the U.S. Securities and Exchange Commission (“SEC”). As a result of the Merger, for accounting purposes, Parent is the acquirer and Cincinnati Bell Inc. is the acquiree.

Description of Business — Cincinnati Bell Inc. and its consolidated subsidiaries (“Cincinnati Bell,” “we,” “our,” “us” or the “Company”) provides diversified telecommunications and technology services. The Company generates a large portion of its revenue by serving customers in two distinct regions. These regions are defined by the Company as 1) Greater Cincinnati, which includes Cincinnati, Ohio, a radius of approximately 25 miles around Cincinnati, Ohio, including parts of northern Kentucky and southeastern Indiana, Dayton, Ohio, and Columbus, Ohio and 2) Hawaii, which includes the island of Oahu and the neighboring islands. An economic downturn or natural disaster occurring in these, or a portion of these, limited operating territories could have a disproportionate effect on our business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas.

As of December 31, 2024, we operate our business through one segment: Network

The Company has approximately 2,200 employees as of December 31, 2024. Approximately 44% of total employees are covered by collective bargaining agreements with the Communications Workers of America (“CWA”) and the International Brotherhood of Electrical Workers (“IBEW”) Local 1357. The effective dates for collective bargaining agreements with the CWA and IBEW range through the second quarter of 2026 and third quarter of 2028, respectively.

In August 2023, Parent committed to make capital contributions of \$600.0 million to the Company, of which \$400.0 million and \$200.0 million was received by the Company in the third quarter of 2023 and fourth quarter of 2024, respectively, and recorded to “Additional paid-in capital” on the Consolidated Balance Sheets. The capital contributions received in the third quarter of 2023 were used to repay borrowings on the Company's Revolving Credit Facility, fund capital expenditures, and fund working capital. The capital contributions received in the fourth quarter of 2024 will be used for the Company's continued capital investments that are planned for 2025.

Basis of Presentation — The consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the SEC and, in the opinion of management, include all adjustments necessary for a fair presentation of the results of operations, comprehensive income, financial position and cash flows for each period presented.

Basis of Consolidation — The consolidated financial statements include the consolidated accounts of Cincinnati Bell Inc. and its majority-owned subsidiaries over which it exercises control. Intercompany accounts and transactions have been eliminated in the consolidated financial statements.

The sale of the CBTS and OnX businesses (the “Disposal Group”) on December 2, 2024 represented a strategic shift in our business. Therefore, assets, liabilities and results of operations from the Disposal Group are reported as discontinued operations in our financial statements. Accordingly, the Company has recast its prior period financial position and results of operations to be comparable with the current discontinued operations presentation with the exception of the Consolidated Statements of Cash Flows. See Note 3 for all required disclosures.

Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates. Significant items subject to such estimates and judgments include: the carrying value of property, plant and equipment; the valuation of credit losses for receivables and deferred income taxes; reserves recorded for income tax exposures; assets and liabilities related to employee benefits; the valuation of deferred costs under Accounting Standards Codification ("ASC") 606, "Revenue Recognition"; purchase price allocation for acquired businesses; and the valuation of intangible assets and goodwill. In the normal course of business, the Company is also subject to various regulatory and tax proceedings, lawsuits, claims and other matters. The Company believes adequate provision has been made for all such asserted and unasserted claims in accordance with GAAP. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance. We periodically review our estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates are reflected in our financial statements prospectively from the date of the change in estimate.

Business Combinations — In accounting for business combinations, we apply the accounting requirements of Accounting Standards Codification 805 ("ASC 805"), "Business Combinations," which requires the recording of net assets of acquired businesses at fair value. In developing fair value estimates for acquired assets and assumed liabilities, management analyzes a variety of factors including market data, estimated future cash flows of the acquired operations, industry growth rates, current replacement cost for fixed assets, and market rate assumptions for contractual obligations. Such a valuation requires management to make significant estimates and assumptions, particularly with respect to the intangible assets. In addition, any contingent consideration is presented at fair value at the date of acquisition, and transaction costs are expensed as incurred. The Company reports in its consolidated financial statements provisional amounts for the items for which accounting is incomplete. Goodwill is adjusted for any changes to provisional amounts made within the measurement period. See Note 5 for disclosures related to mergers and acquisitions.

Variable Interest Entity — The Company holds an interest in a limited liability company, Digital Access Ohio LLC ("DAO"), that is considered a variable interest entity ("VIE") in accordance with the guidance of ASC 810 "Consolidation." DAO is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company is the primary beneficiary of DAO as it has the power over the activities that most significantly impact the economic performance of DAO and has the obligation to absorb expected losses and the right to receive expected benefits that could be significant to DAO. As a result, the Company consolidated DAO, and all significant intercompany accounts have been eliminated. For the years ended December 31, 2024 and 2023, results of operations of DAO were not considered significant.

Funding of DAO is provided in the form of cash contributions, debt issuance and grants that include a free standing warrant that allows the holder of the warrant at its option to convert the warrant into a class A-2 share of DAO at any time during the period commencing on the 2nd anniversary of the funding agreement and ending on the 10th anniversary of the funding agreement date. The Company has recorded the fair value associated with the warrant to "Other noncurrent liabilities" on the Consolidated Balance Sheets. The Company will continue to assess whether it has a controlling financial interest and whether it is the primary beneficiary at each reporting period.

Cash, Cash Equivalents and Restricted Cash — Cash consists of funds held in bank accounts. Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. Restricted cash as of December 31, 2024 and 2023 consists of funds held by DAO. Restricted cash as of December 31, 2022 consists of funds held in an escrow account related to a cost method investment and funds held by DAO. Restricted cash is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Consolidated Statements of Cash Flows. A reconciliation of cash, cash equivalents and restricted cash to the Consolidated Balance Sheets follows:

| (dollars in millions) | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|---|-------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 460.7 | \$ 7.8 | \$ 7.7 |
| Cash and cash equivalents included in Current assets held for sale from discontinued operations | — | 1.3 | 1.7 |
| Restricted cash included in Other noncurrent assets | 5.1 | 3.4 | 3.5 |
| Cash, cash equivalents and restricted cash per Consolidated Statements of Cash Flows | <u>\$ 465.8</u> | <u>\$ 12.5</u> | <u>\$ 12.9</u> |

Receivables — Receivables consist principally of trade receivables from customers and are generally unsecured and due within 21 - 90 days. Unbilled receivables arise from services rendered but not yet billed. As of December 31, 2024 and 2023, unbilled receivables totaled \$2.7 million and \$2.8 million, respectively. Expected credit losses related to trade receivables are recorded as an allowance for credit losses in the Consolidated Balance Sheets. The Company establishes the allowances for uncollectible accounts using percentages of aged accounts receivable balances to reflect the historical average of credit losses as well as specific provisions for certain identifiable, potentially uncollectible balances. When internal collection efforts on accounts have been exhausted, the accounts are written off and the associated allowance for uncollectible accounts is reduced.

Factoring Arrangements — In the second quarter of 2018, the Company executed an amendment of its Receivables Facility that includes an option for Cincinnati Bell Funding LLC (“CBF”) to sell certain receivables, on a non-recourse basis, directly to PNC Bank. The terms of the factoring arrangement provides for the factoring of certain receivables, which are purchased at the face amount of the receivable discounted at the annual rate of LIBOR plus a bank determined spread on the purchase date. In the second quarter of 2022, the Company executed an amendment of its Receivables Facility, which replaced LIBOR with SOFR, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York.

In the first quarter of 2023, the Company executed certain amendments (the “Amendments”) to the Receivables Facility to, among other things, separate the Receivables Facility into two separate facilities, with (A) the existing Receivables Facility (the “Network Receivables Facility”), as amended by the Amendments, covering receivables originated by certain U.S. subsidiaries of the Company including Cincinnati Bell Telephone Company LLC, Hawaiian Telcom Communications, Inc. and certain of their respective subsidiaries and (B) a new facility (the “CBTS Receivables Facility”) covering receivables originated by certain U.S. and Canadian subsidiaries in the Company's IT Services and Hardware segment including CBTS Technology Solutions LLC and OnX Enterprise Solutions Ltd. The Amendments also moved the receivables monetization arrangements from the Network Receivables Facility to the CBTS Receivables Facility. The CBTS Receivables Facility was terminated in conjunction with the sale of the Disposal Group.

Inventory, Materials and Supplies — Inventory, materials and supplies consists of network components, various telephony and IT equipment to be sold to customers, maintenance inventories, and other materials and supplies, which are carried at the lower of average cost or market.

Property, Plant and Equipment — Property, plant and equipment is stated at original cost and presented net of accumulated depreciation and impairment losses. Maintenance and repairs are charged to expense as incurred while improvements, which extend an asset's useful life or increase its functionality, are capitalized and depreciated over the asset's remaining life. The majority of the network property, plant and equipment used to generate its voice and data revenue is depreciated using the group method, which develops a depreciation rate annually based on the average useful life of a specific group of assets rather than for each individual asset as would be utilized under the unit method. Provision for depreciation of other property, plant and equipment, except for leasehold improvements, is based on the straight-line method over the estimated economic useful life. Depreciation of leasehold improvements is based on a straight-line method over the lesser of the economic useful life of the asset or the term of the lease, including optional renewal periods if renewal of the lease is reasonably assured.

Additions and improvements, including interest and certain labor costs incurred during the construction period, are capitalized. The Company records the fair value of a legal liability for an asset retirement obligation in the period it is incurred. The estimated removal cost is initially capitalized and depreciated over the remaining life of the underlying asset. The associated liability is accreted to its present value each period. Once the obligation is ultimately settled, any difference between the final cost and the recorded liability is recognized as gain or loss on disposition.

Accounting for Impacts of Involuntary Events and Contingencies — Assets destroyed or damaged as a result of involuntary events are written off or reduced in carrying value to their salvage value. When recovery of all or a portion of the amount of property damage loss or other covered expenses through insurance proceeds is demonstrated to be probable, a receivable is recorded and offsets the loss or expense up to the amount of the total loss or expense. Proceeds ultimately received from insurance claims for business interruption, direct expenditures and amounts for capital assets in excess of net book value will be recorded to results of operations when collected. No gain is recorded until all contingencies related to the insurance claim have been resolved.

Goodwill — Goodwill represents the excess of the purchase price consideration over the fair value of net assets acquired and recorded in connection with business acquisitions. Goodwill is allocated at the business segment level. Goodwill is tested for impairment on an annual basis or when events or changes in circumstances indicate that such assets may be impaired using either a qualitative or quantitative approach. An impairment loss is measured as the excess of the carrying value of a reporting unit over its fair value, not to exceed the carrying amount of goodwill. For the year ended in 2024, to calculate fair value of the reporting units, management used a combination of methods, including both income-based and market-based methods. The income approach relies on estimates of future revenue growth rates, terminal growth rates, EBITDA margin assumptions, and discount rates. The market approach requires the determination of an appropriate peer group, which is utilized to derive estimated fair values based on selected market multiples. No impairment losses were recognized in goodwill for the years ended in 2024, 2023 and 2022.

Indefinite-Lived Intangible Assets — Intangible assets represent purchased assets that lack physical substance but can be separately distinguished from goodwill because of contractual or legal rights, or because the asset is capable of being separately sold or exchanged. Federal Communications Commission ("FCC") licenses for wireless spectrum and other perpetual licenses represent indefinite-lived intangible assets. The Company may renew the wireless licenses in a routine manner every ten years for a nominal fee, provided the Company continues to meet the service and geographic coverage provisions required by the FCC. Intangible assets not subject to amortization are tested for impairment annually, or when events or changes in circumstances indicate that the asset might be impaired. No impairment losses were recognized on indefinite-lived intangible assets for the years ended December 31, 2024, 2023 and 2022.

Long-Lived Assets — Management reviews the carrying value of property, plant and equipment and other long-lived assets, including intangible assets with definite lives, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition is less than its carrying amount. An impairment loss is measured as the amount by which the asset's carrying value exceeds its estimated fair value. Long-lived intangible assets are amortized based on the estimated economic value generated by the asset in future years. For the year ended December 31, 2024, the Company recorded a loss on impairment of long-lived assets of \$3.1 million for the write-off of certain fixed assets and operating lease right-of-use assets that will no longer be utilized as a result of the Company's decision in the third quarter to no longer pursue an ancillary product offering. No impairment losses were recognized on long-lived assets for the year ended December 31, 2023. For the year ended December 31, 2022, the Company recorded a loss on impairment of long-lived assets of \$2.7 million related to the impairment of leasehold improvements at the Company's headquarters. In addition, amortization of the remaining leasehold improvements at the Company's headquarters was accelerated to reflect the update to management's estimate of the remaining useful life.

Cost Method Investments — Certain of our cost method investments do not have readily determinable fair values. These investments are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. The carrying value of these investments was \$10.1 million and \$10.0 million as of December 31, 2024 and 2023, respectively, and was included in "Other noncurrent assets" in the Consolidated Balance Sheets. Investments are reviewed at least annually to determine if changes in circumstances exist that would indicate the carrying value may not be recoverable. If indicators are present then an analysis is performed to determine if carrying value exceeds the estimated fair value. No impairment losses were recognized for cost method investments for the year ended December 31, 2024 and 2023. A nominal impairment was recognized for the cost method investments for the year ended December 31, 2022.

Leases — The Company adheres to lease accounting principles described in ASC 842, “Leases.” Under ASC 842, the Company determines if an arrangement is a lease at inception based on the facts and circumstances present. In lease transactions where the Company acts as the lessor, the lease component is accounted for in accordance with ASC 842, and the non-lease component is accounted for in accordance with ASC 606. Although separation of lease and non-lease components is required, certain practical expedients are available that release the Company from this requirement. Adoption of the practical expedient allows the Company to account for each lease component and the related non-lease component together as a single component provided that the timing and patterns of revenue recognition for the components are the same and the combined, single unit of account would be classified as an operating lease. The Company's operating leases for certain services that include Customer Premise Equipment, including handsets and set-top boxes, have lease and non-lease components. In these arrangements, management has concluded that the non-lease components are the predominant characteristic, and, as a result, the Company has elected to account for these arrangements as one single non-lease component recorded as "Revenue" in the Consolidated Statements of Operations in accordance with ASC 606.

Right-of-use assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received.

The Company's lease terms include options to extend, terminate or buyout the lease when it is reasonably certain that we will exercise that option. Leases that have contract prices based on variable factors, such as power usage, are recognized as variable lease expense in the period in which the obligation for those payments are incurred. Lease expense for variable lease payments is recognized on a straight-line basis over the lease term.

Revenue Recognition — The Company adheres to revenue recognition principles described in ASC 606. Under ASC 606, revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A good or service is considered to be transferred when the customer obtains control.

Revenues from local telephone, special access, internet product and video services, which are billed monthly prior to performance of service, are not recognized upon billing or cash receipt but rather are deferred until the service is provided. Consumer long distance, switched access and other usage based charges are billed monthly in arrears. The Company bills service revenue in regular monthly cycles, which are spread throughout the days of the month. As the last day of each billing cycle rarely coincides with the end of the reporting period for usage-based services such as long distance and switched access, we must estimate service revenues earned but not yet billed. These estimates are based upon historical usage, and we adjust these estimates during the period in which actual usage is determinable, typically in the following reporting period.

Pricing of local voice services is generally subject to oversight by both state and federal regulatory commissions. Such regulation also covers services, competition, and other public policy issues. Various regulatory rulings and interpretations could result in increases or decreases to revenue in future periods.

For long-term indefeasible right of use, or IRU, contracts for fiber circuit capacity, the Company may receive up-front payments for services to be delivered for a period of up to 25 years. In these situations, the Company defers the revenue and amortizes it on a straight-line basis to earnings over the term of the contract. See Note 4 for further information.

Advertising Expenses — Costs related to advertising are expensed as incurred. Advertising costs were \$21.7 million, \$25.0 million and \$23.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Legal Expenses and Contingencies — In the normal course of business, the Company is involved in various claims and legal proceedings. Legal costs incurred in connection with loss contingencies are expensed as incurred. Legal claim accruals and contingencies are recorded once determined to be both probable and estimable.

Income, Operating, and Regulatory Taxes

Income taxes — The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various state and local jurisdictions. The provision for income taxes is based upon income in the consolidated financial statements, rather than amounts reported on the income tax return. The income tax provision consists of an amount for taxes currently payable and an amount for tax consequences deferred to future periods. Deferred income taxes are provided for temporary differences between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. The Company recognizes future tax benefits, such as net operating losses and tax credits, to the extent that realizing these benefits is considered to be more likely than not. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred income tax assets depends upon the ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards.

Previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires.

Operating taxes — Certain operating taxes such as property, sales, use, and gross receipts taxes are reported as expenses in operating income primarily within cost of services. These taxes are not included in income tax expense because the amounts to be paid are not dependent on our level of income. Liabilities for audit exposures are established based on management's assessment of the probability of payment. The provision for such liabilities is recognized as either property, plant and equipment, operating tax expense, or depreciation expense depending on the nature of the audit exposure. Upon resolution of an audit, any remaining liability not paid is released against the account in which it was originally recorded.

Regulatory taxes — The Company incurs federal and state regulatory taxes on certain revenue producing transactions. We are permitted to recover certain of these taxes by billing the customer; however, collections cannot exceed the amount due to the federal regulatory agency. These federal regulatory taxes are presented in revenue and cost of services on a gross basis because, while the Company is required to pay the tax, it is not required to collect the tax from customers and, in fact, does not collect the tax from customers in certain instances. The amounts recorded as revenue totaled \$30.5 million, \$34.0 million and \$32.9 million for the years ended December 31, 2024, 2023 and 2022, respectively. The amounts recorded as expense totaled \$34.8 million, \$38.0 million and \$36.9 million for the years ended December 31, 2024, 2023, and 2022, respectively. We record all other federal taxes collected from customers on a net basis.

Deferred Compensation Plans - In September 2021, subsequent to the Merger, Parent granted officers and key employees of the Company cash-settled awards that vest ratably over a 4-year period beginning with the first anniversary of the grant date with the final 20% vesting upon the occurrence of a liquidity event, defined as a change of control or qualified public offering. In the absence of a liquidity event, the awards will expire in eight years. The ultimate payment of the awards upon the occurrence of a liquidity event is based on the i) number of vested awards and ii) an amount determined from the excess of the proceeds received from the liquidity event over the invested capital, adjusted for internal rates of return. No compensation expense was recorded in the years ended December 31, 2024, 2023 and 2022.

Prior to the Merger, the Company granted officers and key employees cash-settled awards of \$10.5 million in place of performance-based restricted awards and time-based restricted awards. Per the terms of the award, one-fourth of these cash-settled awards accelerated and vested as of the Merger Date. Subsequent to the Merger Date, one-fourth of these cash-settled awards vested at the end of six months, and the remaining awards vested at the end of 18 months. Expense incurred for cash payment awards was \$0.3 million and \$3.3 million for the years ended December 31, 2023 and 2022, respectively.

Pension and Postretirement Benefit Plans — The Company maintains qualified and non-qualified defined benefit pension plans, and also provides postretirement healthcare and life insurance benefits for eligible employees. We recognize the overfunded or underfunded status of the defined benefit pension and other postretirement benefit plans as either an asset or liability. Changes in the funded status of these plans are recognized as a component of comprehensive income (loss) in the year they occur. Pension and postretirement healthcare and life insurance benefits earned during the year and interest on the projected benefit obligations are accrued and recognized currently in net periodic benefit cost. Prior service costs and credits are amortized over the average remaining life expectancy of plan participants or remaining service period, based upon whether plan participants are mostly retirees or active employees. Net gains or losses resulting from differences between actuarial estimates or from changes in actuarial assumptions are recognized as a component of annual net periodic benefit cost. Unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation are amortized on a straight-line basis over the average life expectancy of the participant group for the Cincinnati pension plans and Hawaii pension plans, the average future working lifetime of current active plan participants for the Cincinnati postretirement plans and the average remaining service period of active employees for the Hawaii postretirement plans.

Derivative Financial Instruments — The Company accounts for derivative financial instruments by recognizing derivative instruments as either assets or liabilities in the Consolidated Balance Sheets at fair value and recognizing the resulting gains or losses as adjustments to the Consolidated Statements of Operations or "Accumulated Other Comprehensive Income." The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated and qualify as cash flow hedges, the gain or loss on the derivative instrument is reported as a component of "Accumulated Other Comprehensive Income" in stockholder's equity and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions. Derivatives that do not qualify as hedges are adjusted to fair value through earnings in the current period. All cash flows associated with the Company's derivative instruments are classified as operating activities in the Consolidated Statements of Cash Flows.

Fair Value Measurements — Fair value of financial and non-financial assets and liabilities is defined as the price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is utilized to measure certain investments on a recurring basis. Fair value measurements are also utilized to determine the initial value of assets and liabilities acquired in a business combination, to perform impairment tests, and for disclosure purposes.

Management uses quoted market prices and observable inputs to the maximum extent possible when measuring fair value. In the absence of quoted market prices or observable inputs, fair value is determined using valuation models that incorporate assumptions that a market participant would use in pricing the asset or liability.

Fair value measurements are classified within one of three levels, which prioritize the inputs used in the methodologies of measuring fair value for assets and liabilities, as follows:

Level 1 — Quoted market prices for identical instruments in an active market;

Level 2 — Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3 — Unobservable inputs that reflect management's determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including our own data.

The determination of where an asset or liability falls in the hierarchy requires significant judgment.

2. Recently Issued Accounting Standards

Accounting Standards Recently Adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The ASU is intended to provide temporary optional expedients and exceptions to the U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates. ASU 2020-04 was amended in December 2022 by the provisions of ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848. These amendments are effective as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020 and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2024. The Company adopted the standard effective January 1, 2024. The Company applied the amendment on a prospective basis, and the changes did not have a material effect on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The ASU is effective for public business entities for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The amendments within ASU 2023-07 are required to be applied on a retrospective basis. The Company adopted the new standard in the fourth quarter of 2024 and applied the amendment on a retrospective basis. The Company’s adoption of the standard provides enhanced disclosure surrounding its Chief Operating Decision Maker and the relevant measure of segment profit or loss used to assess performance and allocate resources for the Network business, the Company’s single reportable segment. The newly adopted standard also provides further clarity surrounding significant segment expenses within the Company’s Network segment, presented in Note 16 Business Segment Information.

Accounting Standards yet to be Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires reporting entities to disclose disaggregated information about the entity’s effective tax rate reconciliation as well as information on income taxes paid. The ASU is effective for public business entities for annual periods beginning after December 15, 2024, although early adoption is permitted. The amendments in this ASU will be applied on a prospective basis with the option to apply the standard retrospectively. The Company is currently evaluating the effects of this standard on its consolidated financial statements and related disclosures and will adopt the standard for the annual period beginning January 1, 2025.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses (“DISE”), which aims to increase expense reporting requirements, with enhanced disclosure surrounding the nature of expenses presented within the income statement, including selling expenses. The ASU is effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. The amendments within this ASU will be applied on a prospective basis with the option for retrospective application. The Company is currently evaluating the effects of this standard on its consolidated financial statements and related disclosures.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company’s consolidated financial statements upon adoption.

3. Discontinued Operations

On February 2, 2024, the Company entered into a definitive purchase agreement (the "Purchase Agreement") with TowerBrook Capital Partners ("TowerBrook") in which TowerBrook would acquire the Disposal Group from the Company for a purchase price of \$670.0 million. On December 2, 2024, Cincinnati Bell completed the transaction. Pursuant to terms of the Purchase Agreement, TowerBrook acquired the Divested Business for the purchase price of \$670.0 million plus an incremental \$18.4 million for certain working capital changes that occurred between the date of the Purchase Agreement and December 2, 2024.

A pre-tax gain on sale of the Disposal Group of \$93.7 million was recorded upon closing of the sale and was determined as the proceeds received (net of cash divested) less costs to sell in excess of the Disposal Group's carrying value. A post-closing selling price adjustment and completion of other Purchase Agreement provisions in connection with the sale could result in adjustments to the gain on sale amount.

Management evaluated the criteria to report a disposal group as held for sale and concluded that all of the criteria were met as of February 2024. Accordingly, the Company has reported the results of operations for the Disposal Group as discontinued operations in the Consolidated Statements of Operations through the date of sale. The related held for sale assets and liabilities have been reported as assets and liabilities of discontinued operations in the Consolidated Balance Sheets, through the date of sale. These changes have been applied to all periods presented.

The revenue and operating income contributed by Hawaii operations and certain Communications customers, as well as the associated assets and liabilities, that were previously reported in the IT Services and Hardware segment that have been retained by the continuing operation and excluded from the Disposal Group have been reported in the Network segment for the years ended December 31, 2024, 2023 and 2022.

All depreciation and amortization expense associated with intangible assets, property, plant and equipment and right of use assets associated with the Disposal Group ceased as of February 2, 2024.

Financial results of the Disposal Group for the period from January 1, 2024 through the date of sale, and the years ended December 31, 2023 and 2022 reported as Income from discontinued operations (net of tax) on the Consolidated Statements of Operations are as follows:

| (dollars in millions) | Year Ended December 31, | | |
|--|-------------------------|----------------|----------------|
| | 2024 | 2023 | 2022 |
| Revenue | \$ 669.7 | \$ 734.8 | \$ 722.3 |
| Costs and expenses | | | |
| Cost of services and products, excluding items below | 453.8 | 491.4 | 486.5 |
| Selling, general and administrative, excluding items below | 145.2 | 159.3 | 149.0 |
| Depreciation and amortization | 5.7 | 80.1 | 88.3 |
| Restructuring and severance related charges | 3.0 | 3.0 | 2.0 |
| Transaction costs | 25.1 | 2.5 | 7.7 |
| Total operating costs and expenses | 632.8 | 736.3 | 733.5 |
| Operating income (loss) | 36.9 | (1.5) | (11.2) |
| Interest expense | 1.0 | 1.0 | 0.6 |
| Other (income) expense, net | (2.4) | 0.3 | (2.1) |
| Gain on sale of disposition | 93.7 | — | — |
| Income (loss) from discontinued operations before income taxes | 132.0 | (2.8) | (9.7) |
| Income tax expense (benefit) | 37.7 | (17.8) | (27.1) |
| Net Income from discontinued operations | <u>\$ 94.3</u> | <u>\$ 15.0</u> | <u>\$ 17.4</u> |

The Disposal Group's assets and liabilities presented as held for sale as of December 31, 2023 are as follows:

| (dollars in millions) | December 31, 2023 |
|---|-------------------|
| Assets | |
| Current assets | |
| Cash and cash equivalents | \$ 1.3 |
| Receivables, less allowances of \$2.9 | 400.9 |
| Inventory, materials and supplies | 18.8 |
| Prepaid expenses | 27.6 |
| Other current assets | 11.4 |
| Total current assets from discontinued operations | 460.0 |
| Property, plant and equipment, net | 73.4 |
| Goodwill | 154.3 |
| Intangible assets, net | 300.2 |
| Deferred income tax assets | 2.8 |
| Other noncurrent assets | 39.5 |
| Total noncurrent assets from discontinued operations | 570.2 |
| Total assets from discontinued operations | \$ 1,030.2 |
| Liabilities | |
| Current liabilities | |
| Current portion of long-term debt | \$ 6.7 |
| Accounts payable | 264.9 |
| Unearned revenue and customer deposits | 25.3 |
| Accrued taxes | 4.3 |
| Accrued payroll and benefits | 16.5 |
| Other current liabilities | 20.8 |
| Total current liabilities from discontinued operations | 338.5 |
| Long-term debt, less current portion | 6.3 |
| Deferred income tax liability | 52.3 |
| Other noncurrent liabilities | 27.1 |
| Total noncurrent liabilities from discontinued operations | 85.7 |
| Total liabilities from discontinued operations | \$ 424.2 |

The following is selected operating and investing cash flow activity from discontinued operations included in the Consolidated Statements of Cash Flows:

| (dollars in millions) | Year Ended December 31, | |
|---|-------------------------|---------|
| | 2024 | 2023 |
| Depreciation and amortization | \$ 5.7 | \$ 80.1 |
| Gain on Sale of Discontinued Operations | \$ 93.7 | \$ — |
| Capital expenditures | \$ 18.7 | \$ 20.3 |

4. Revenue

The Network segment provides products and services to both residential and commercial customers that can be categorized as Strategic, Legacy, and Other. In the first quarter of 2024, the Company realigned the classification of products and services to these categories within the Network segment to better align revenue across geographies as well as reclass certain nonrecurring revenue to Other. The products and services within the Strategic and Legacy categories can be further categorized as either Data, Video or Voice. Strategic and Legacy revenue include both residential and commercial customers.

As a result of the Purchase Agreement, revenue contributed by certain Hawaii operations and Communications revenue previously reported in the IT Services and Hardware segment are now reported in the Network segment for all comparable periods.

Residential customers have implied month-to-month contracts. Commercial customers, with the exception of contracts associated with the Southeast Asia to United States ("SEA-US") trans-Pacific submarine cable system, typically have contracts with an initial duration of one to five years and automatically renew on a month-to-month basis. Customers are invoiced on a monthly basis for services rendered. Contracts for projects that are included within the Other revenue stream are typically short in duration and less than one year. Contracts associated with the SEA-US cable system typically range from 15 to 25 years and payment is prepaid.

The Company has elected the practical expedient described in ASC 606-10-32-18 that allows an entity to not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects that the period of time between the transfer of a promised good or service to the customer and when the customer pays for such good or service will be one year or less. Customers are typically billed immediately upon the rendering of services or the delivery of products. Payment terms for customers are between 30 and 120 days. Subsequent to the acquisition of Hawaiian Telcom Holdco., Inc. ("Hawaiian Telcom"), the Company began recognizing a financing component associated with the up-front payments for services to be delivered under indefeasible right of use ("IRU") contracts for fiber circuit capacity. The IRU contracts are associated with the SEA-US cable system and other dedicated fiber routes. The IRU contracts typically have a duration ranging from 15 to 25 years.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, or a series of distinct goods or services, and is the unit of account defined in ASC Topic 606. The transaction price identified in the contract is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Contract modifications for changes to services provided are routine throughout the term of our contracts. In most instances, contract modifications are for the addition or reduction of services that are distinct, and price changes are based on the stand-alone selling price of the service and, as such, are accounted for on a prospective basis as a new contract.

Goods and services are sold individually, or a contract may include multiple goods or services. For contracts with multiple goods and services, the transaction price identified in the contract is allocated to each performance obligation using the stand-alone selling price of each distinct good or service in the contract.

Performance obligations are satisfied either over time as services are performed or at a point in time. Substantially all of our service revenue is recognized over time. For services transferred over time, the Company has elected the practical expedient to recognize revenue based on amounts invoiced to the customer as the Company has concluded that the invoice amount directly corresponds with the value of services provided to the customer. Management considers this a faithful depiction of the transfer of control as services are provided evenly over the month and are substantially the same over the life of the contract. As the Company has elected the practical expedients detailed at ASC 606-10-50-13, revenue for these unsatisfied performance obligations that will be billed in future periods has not been disclosed.

As of December 31, 2024, our estimated revenue, including a financing component, expected to be recognized in the future related to performance obligations associated with customer contracts that are unsatisfied (or partially unsatisfied) is \$214.9 million. In the third quarter of 2024, the Company was awarded a contract of \$50.0 million to subsidize further broadband expansion in Southwest Ohio. The revenue is expected to be recognized in 2026 and 2027. Certain IRU contracts extend for periods of up to 30 years and are invoiced at the beginning of the contract term. The revenue from such contracts is recognized over time as services are provided over the contract term. The expected revenue to be recognized for existing customer contracts is as follows:

| (dollars in millions) | | |
|-----------------------|----|------|
| 2025 | \$ | 18.0 |
| 2026 | | 50.3 |
| 2027 | | 37.2 |
| 2028 | | 9.6 |
| 2029 | | 9.7 |
| Thereafter | | 90.1 |

The Company has identified four distinct performance obligations, namely Data, Voice, Video and Other. For each of the Data, Voice and Video services, service is delivered to the customer continuously and in a substantially similar manner for each period of the agreement, the customer takes full control over the services as the service is delivered, and as such, Data, Voice and Video are identified to be a series of distinct services. Services provided can be categorized into three main categories that include Strategic, Legacy and Other. The Strategic and Legacy categories may include one or more of the aforementioned performance obligations. Data services include internet access, digital subscriber lines, ethernet, routed network services, SONET (Synchronous Optical Network), dedicated internet access, wavelength, digital signal, IRU revenue, and revenue associated with the SEA-US cable system. Video services are offered through our fiber network to residential and commercial customers based on various standard plans with the opportunity to add premium channels. To receive video services, customers are required to use the Company's set top boxes that are billed as part of the monthly recurring service. Set top boxes are not considered a separate performance obligation from video because the equipment is necessary for the service to operate and the customer has no alternative use for the equipment. Voice services include traditional and fiber voice lines, switched access, digital trunking, consumer and business long distance calling, and, as a result of the Purchase Agreement, certain communications services including data and VoIP services, tailored solutions that include converged IP communications of data, voice and mobility applications, MPLS (Multi-Protocol Label Switching) and conferencing services.

Services and products not included in Data, Voice or Video are included in Other revenue and are comprised of wire care, time and materials projects, advertising, management of distributed antenna systems, certain pass through fees including processing, franchise and regulatory fees, subsidized fiber build projects and other fees that are generally nonrecurring in nature.

As a result of the Purchase Agreement, Other revenue also includes revenue contributed by Hawaiian Telcom for the sale of hardware and maintenance contracts as well as installation projects and cloud services which include storage, SLA-based monitoring and management, cloud computing and cloud consulting. The sale of hardware and maintenance contracts is recognized at a point in time while transfer of control of the other services and products is evaluated on an individual project basis and can occur over time or at a point in time.

The Company uses multiple methods to determine stand-alone selling prices. For Internet products categorized as Strategic, included within the Data performance obligation, and Voice, Legacy Data and Other performance obligations, stand-alone selling prices are determined based on a list price, discount off of list price, a tariff rate, a margin percentage range, or a minimum margin percentage.

For the sale of hardware, the Company evaluated whether it is the principal or the agent. The Company has concluded it acts as an agent because it does not control the inventory before it is transferred to customers, it does not have the ability to direct the product to anyone besides the purchasing customer, and it does not integrate the hardware with any of its own goods or services. Based on this assessment, the performance obligation is to arrange a sale of hardware between the vendor and the customer. In the instance where there is an issue with the hardware, the Company coordinates with the manufacturer to facilitate a return in accordance with the standard manufacturer warranty. Hardware returns are not significant to the Company.

For hardware sales, revenue is recognized net of the cost of product and is recognized when the hardware is shipped or delivered in accordance with the terms of the contract. For certain projects within Voice and Other, revenue is recognized when the customer communicates acceptance of the services performed. For contracts with freight on board shipping terms, management has elected to account for shipping and handling as activities to fulfill the promise to transfer the good, and therefore has not evaluated whether shipping and handling activities are promised services to its customers.

Contract Balances

The Company recognizes incremental fulfillment costs as an asset when installation expenses are incurred as part of performing the agreement for Data, Voice and Video product offerings in which the contract life is longer than one year. These fulfillment costs are amortized ratably over the expected life of the customer, which is representative of the expected period of benefit of the asset capitalized. The expected life of the customer is determined utilizing the average churn rate for each product. The Company calculates average churn based on the historical average customer life. We also recognize an asset for incremental fulfillment costs for certain Voice services that require us to incur installation and provisioning expenses and are amortized over the average contract term. Customer churn rates and average contract term assumptions are reviewed on an annual basis. Fulfillment costs are capitalized to "Other noncurrent assets." The related amortization expense is recorded to "Cost of services and products."

The Company recognizes an asset for the incremental costs of acquiring a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs related to Data, Voice and Video services meet the requirements to be capitalized. The contract asset established for the costs of acquiring a contract is recorded to "Other noncurrent assets." Sales incentives are amortized ratably over the period that services are delivered using either an average churn rate or average contract term, both representative of the expected period of benefit of the asset capitalized. Customer churn rates and average contract term assumptions are reviewed on an annual basis. The related amortization expense is recorded to "Selling, general and administrative."

Management has elected to use the practical expedient detailed in ASC 340-40-25-4 to expense any costs to fulfill a contract and costs to obtain a contract as they are incurred when the amortization period would be one year or less. This practical expedient has been applied to fulfillment costs that include installation costs associated with wiring projects. In addition, this practical expedient has been applied to acquisition costs associated with revenue from certain Voice projects.

The following table presents the activity for the Company's contract assets:

| <u>(dollars in millions)</u> | <u>Fulfillment Costs</u> | <u>Costs of Acquisition</u> | <u>Total</u> |
|----------------------------------|--------------------------|-----------------------------|--------------|
| Balance as of December 31, 2021* | \$ 1.0 | \$ 3.4 | \$ 4.4 |
| Additions | 2.2 | 11.3 | 13.5 |
| Amortization | (0.4) | (2.6) | (3.0) |
| Balance as of December 31, 2022 | 2.8 | 12.1 | 14.9 |
| Additions | 2.2 | 11.8 | 14.0 |
| Amortization | (0.8) | (5.5) | (6.3) |
| Balance as of December 31, 2023 | 4.2 | 18.4 | 22.6 |
| Additions | 2.2 | 12.8 | 15.0 |
| Amortization | (1.8) | (7.6) | (9.4) |
| Balance as of December 31, 2024 | \$ 4.6 | \$ 23.6 | \$ 28.2 |

*The beginning balance for December 31, 2021 includes amounts transferred from the Disposal Group for fulfillment costs and costs of acquisition of \$0.3 million and \$0.1 million, respectively.

The Company recognizes a liability for cash received up-front for IRU contracts. At December 31, 2024 and 2023, \$4.3 million and \$4.1 million, respectively, of contract liabilities were included in "Other current liabilities." At December 31, 2024 and 2023, \$89.4 million and \$79.5 million, respectively, of contract liabilities were included in "Other noncurrent liabilities."

Disaggregated Revenue

The following table presents revenues disaggregated by product and service lines:

| <u>(dollars in millions)</u> | <u>Year Ended December 31,</u> | | |
|------------------------------|--------------------------------|-------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
| Data | \$ 581.3 | \$ 552.8 | \$ 518.6 |
| Video | 178.5 | 180.8 | 179.4 |
| Voice | 228.2 | 256.4 | 278.0 |
| Other | 108.3 | 110.1 | 115.5 |
| Total Revenue | \$ 1,096.3 | \$ 1,100.1 | \$ 1,091.5 |

5. Mergers and Acquisitions

Acquisition of Bridgewired Fiber Assets

In the third quarter of 2023, the Company acquired fiber network assets from Bridgewired, LLC ("Bridgewired") for an aggregate purchase price of \$6.7 million, consisting of \$5.9 million in cash and \$0.8 million in contingent consideration. In 2024, the Company remitted the \$0.8 million of contingent consideration. The Company accounted for the Bridgewired fiber asset acquisition as an asset acquisition under ASC 805-10-55 "Business Combinations" because the assets acquired do not include an assembled workforce, and the gross value of the assets acquired meets the screen test in ASC 805-10-55-5A related to substantially all of the fair value being concentrated in a single asset or group of assets (i.e., the fiber infrastructure assets) and, thus, the assets are not considered a business. The fiber network assets will help to support and expand the Company's existing network. The assets are recorded as network equipment in "Property, plant and equipment, net" on the Consolidated Balance Sheets.

Acquisition of Ohio Transparent Telecom Inc.

On April 17, 2023 ("OTT Acquisition Date"), the Company acquired 100% of Ohio Transparent Telecom Inc. ("OTT"), a private company that provides network security, data connectivity, and unified communications solutions to commercial and enterprise customers across multiple sectors throughout Ohio and Michigan for an aggregate purchase price of \$3.3 million, consisting of \$3.2 million in cash and \$0.1 million in contingent consideration. The services and solutions provided by OTT will complement the services offered by Agile (defined below), which the Company acquired in the second quarter of 2022.

The valuation of the assets acquired and liabilities assumed was based on estimated fair values at the OTT Acquisition Date. The allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed reflects various fair value estimates and analyses, including work performed by third-party valuation specialists. The determination of the final purchase price allocation to specific assets acquired and liabilities assumed is complete.

In connection with this acquisition, the Company recorded goodwill of \$1.1 million attributable to an acquired workforce with industry expertise in addition to other expected synergies with Agile. The amount of goodwill related to this acquisition is deductible for income tax purposes.

Acquisition of Lawrenceburg Fiber Assets

In the first quarter of 2023, the Company acquired fiber network assets from the City of Lawrenceburg for an aggregate purchase price of \$3.0 million consisting of \$2.7 million in cash and \$0.3 million in contingent consideration. In 2024, \$0.2 million of the contingent consideration was remitted and \$0.1 million remains outstanding. The Company accounted for the Lawrenceburg fiber asset acquisition as an asset acquisition under ASC 805-10-55 "Business Combinations" because the assets acquired do not include an assembled workforce, and the gross value of the assets acquired meets the screen test in ASC 805-10-55-5A related to substantially all of the fair value being concentrated in a single asset or group of assets (i.e., the fiber infrastructure assets) and, thus, the assets are not considered a business. The fiber network assets will help to support and expand the Company's existing network. The assets are recorded as network equipment in "Property, plant and equipment, net" on the Consolidated Balance Sheets.

Acquisition of Agile IWG Holdings, LLC

On May 2, 2022 ("Agile Acquisition Date"), the Company acquired Agile IWG Holdings, LLC ("Agile"), based in Canton, Ohio for total cash consideration of \$65.5 million. Agile delivers customers, primarily located in Ohio and Pennsylvania, with middle mile, last mile and campus connectivity services through hybrid fiber wireless networks that are designed, built and managed by Agile.

The purchase price was funded through borrowings under the Company's former Receivables Facility and the Revolving Credit Facility (see Note 8).

The valuation of the assets acquired and liabilities assumed was based on estimated fair values at the Agile Acquisition Date. The allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed reflects various fair value estimates and analyses, including work performed by third-party valuation specialists. The determination of the final purchase price allocation to specific assets acquired and liabilities assumed is complete.

No expenses related to the Agile acquisition were recorded in the year ended December 31, 2024. The Company incurred \$0.3 million and \$2.1 million in acquisition expenses related to the Agile acquisition in the years ended December 31, 2023 and 2022, respectively. These expenses are recorded in "Transaction and integration costs" on the Consolidated Statements of Operations.

Based on fair value estimates, the purchase price has been allocated to individual assets acquired and liabilities assumed as follows:

| (dollars in millions) | Agile |
|--|----------------|
| Assets acquired | |
| Receivables and other current assets | \$ 1.8 |
| Property, plant and equipment | 10.2 |
| Operating lease right-of-use assets | 27.8 |
| Intangible assets | 19.4 |
| Goodwill | 35.0 |
| Total assets acquired | 94.2 |
| Liabilities assumed | |
| Accrued expenses and other current liabilities | 2.5 |
| Operating lease liabilities | 25.7 |
| Other noncurrent liabilities | 0.5 |
| Total liabilities assumed | 28.7 |
| Net assets acquired | \$ 65.5 |

In connection with this acquisition, the Company recorded goodwill attributable to a diversified customer base and acquired workforce with industry expertise. The amount of goodwill related to this acquisition is deductible for income tax purposes.

In the second quarter of 2023, the Company recorded a measurement period adjustment to reflect the tax impact on the fair value of property, plant and equipment and intangible assets acquired which resulted in a decrease to "Deferred income tax liability" and to "Goodwill" of \$4.4 million. In the fourth quarter of 2022, a measurement period adjustment was recorded to reflect the tax impact on the estimated fair value of property, plant and equipment and intangible assets acquired which resulted in an increase to "Deferred income tax liability" and to "Goodwill" of \$4.4 million. In addition, the Company recorded a measurement period adjustment considered to be immaterial in nature which impacted "Receivables and other current assets" and "Goodwill" in the fourth quarter of 2022. During the third quarter of 2022, the Company recorded measurement period adjustments for Agile to reflect refinements in fair value estimates in addition to a working capital adjustment of \$0.4 million that increased the purchase price to \$65.5 million. Most significant adjustments recorded were related to the acquired operating leases included in "Operating lease right-of-use assets" and "Operating lease liabilities," deferred tax liabilities included in "Other noncurrent liabilities" and "Intangible assets." The offset to these adjustments were recorded as a net decrease to "Goodwill." Measurement period adjustments related to the acquisition of Agile were applied retrospectively to the Agile Acquisition Date.

Based on fair value estimates, the identifiable intangible assets acquired are as follows:

| (dollars in millions) | Fair Value | Useful Lives |
|--------------------------------------|-------------------|---------------------|
| Customer relationships | \$ 16.0 | 15 years |
| Trade names | 2.3 | 10 years |
| Technology | 1.1 | 7 years |
| Total identifiable intangible assets | <u>\$ 19.4</u> | |

6. Property, Plant and Equipment

Property, plant and equipment is comprised of the following:

| (dollars in millions) | December 31, | | Depreciable Lives (Years) |
|---|--------------|------------|------------------------------|
| | 2024 | 2023 | |
| Land and rights-of-way | \$ 136.3 | \$ 133.5 | 20 – Indefinite |
| Buildings and leasehold improvements | 240.2 | 218.3 | 5 – 40 |
| Network equipment | 2,821.1 | 2,412.5 | 3 – 50 |
| Office software, furniture, fixtures and vehicles | 207.2 | 130.6 | 3 – 17 |
| Construction in process | 149.4 | 139.4 | n/a |
| Gross value | 3,554.2 | 3,034.3 | |
| Accumulated depreciation | (928.9) | (648.6) | |
| Property, plant and equipment, net | \$ 2,625.3 | \$ 2,385.7 | |

Depreciation expense on Property, plant, and equipment, including assets accounted for as finance leases, totaled \$276.3 in 2024, \$300.3 million in 2023, and \$335.9 million in 2022. The portion of depreciation expense associated with cost of providing services was 86%, 90% and 94% in 2024, 2023 and 2022, respectively. There are numerous assets included within network equipment resulting in a range of depreciable lives between 3 and 50 years, the majority of which fall within the range of 7 to 22 years.

The Company recorded a loss on impairment of long-lived assets of \$2.9 million in 2024 related to a write-off of certain fixed assets that will no longer be utilized as a result of the Company's decision to no longer pursue an ancillary product offering. No asset impairment losses were recognized on Property, plant, and equipment in the year ended December 31, 2023. The Company recorded a loss on impairment of long-lived assets of \$2.7 million in the third quarter of 2022 related to the impairment of leasehold improvements at the Company's headquarters.

7. Goodwill and Intangible Assets

Goodwill

The changes in the Company's goodwill consisted of the following:

| (dollars in millions) | Network |
|--|----------|
| Goodwill, balance as of December 31, 2022 | \$ 570.0 |
| Activity during the year: | |
| Adjustments to prior year acquisition of Agile | (4.4) |
| Acquisition of OTT | 1.1 |
| Goodwill, balance as of December 31, 2023 and 2024 | \$ 566.7 |

The goodwill balance for all comparable periods is adjusted to reflect the goodwill reclassified to the Network segment from the Disposal Group based on the relative fair value of the retained operations.

During 2023, goodwill decreased by \$4.4 million due to an adjustment made to the prior year acquisition of Agile and increased by \$1.1 million due to the acquisition of OTT. See Note 5 for further information related to the Agile and OTT acquisitions.

No impairment losses were recognized in goodwill for the years ended December 31, 2024, 2023 and 2022. During the annual review performed in the fourth quarter of 2024, we completed a Quantitative assessment and determined that the fair value of all of our reporting units exceeded their carrying amounts, including goodwill and, therefore, goodwill was not impaired.

Intangible Assets

The Company's intangible assets consisted of the following:

| | December 31, 2024 | | | December 31, 2023 | | |
|---|-----------------------|--------------------------|------------|-----------------------|--------------------------|------------|
| (dollars in millions) | Gross Carrying Amount | Accumulated Amortization | Net Amount | Gross Carrying Amount | Accumulated Amortization | Net Amount |
| Intangible assets subject to amortization | | | | | | |
| Customer relationships | \$ 545.0 | \$ (208.2) | \$ 336.8 | \$ 545.0 | \$ (150.6) | \$ 394.4 |
| Trade names | 22.4 | (20.6) | 1.8 | 22.4 | (15.8) | 6.6 |
| Technology | 1.1 | (0.5) | 0.6 | 1.1 | (0.3) | 0.8 |
| Total | 568.5 | (229.3) | 339.2 | 568.5 | (166.7) | 401.8 |
| Intangible assets not subject to amortization | | | | | | |
| FCC licenses and spectrum usage rights | 7.4 | — | 7.4 | 7.1 | — | 7.1 |
| Perpetual licenses | 6.8 | — | 6.8 | 6.8 | — | 6.8 |
| Total intangible assets | \$ 582.7 | \$ (229.3) | \$ 353.4 | \$ 582.4 | \$ (166.7) | \$ 415.7 |

As a result of the acquisition of OTT, the Company recorded a nominal finite-lived intangible asset representing the preliminary fair value at the OTT Acquisition Date. Due to the acquisition of Agile, the Company recorded \$19.4 million of finite-lived intangible assets representing the fair values at the Agile Acquisition Date. See Note 5 for additional information regarding the acquisitions of OTT and Agile. The finite-lived intangible assets are amortized over their useful lives based on a number of assumptions including the estimated period of economic benefit and utilization.

During the fourth quarter of 2022, the Company purchased perpetual licenses for a block of IP addresses to be used as the Company continues to extend our fiber network and add internet subscribers.

The amortization expense for finite-lived intangible assets was \$62.6 million in 2024, \$69.2 million in 2023, and \$72.9 million in 2022. No impairment losses were recognized on intangible assets for the years ended December 31, 2024, 2023 and 2022.

The estimated useful lives for each finite-lived intangible asset class are as follows:

| | |
|------------------------|---------------|
| Customer relationships | 15 years |
| Trade names | 3 to 10 years |
| Technology | 7 years |

The annual estimated amortization expense for future years is as follows:

| | | |
|------------------------------|----|--------------|
| (dollars in millions) | | |
| Year ended December 31, | | |
| 2025 | \$ | 53.4 |
| 2026 | | 48.9 |
| 2027 | | 44.4 |
| 2028 | | 39.8 |
| 2029 | | 35.2 |
| Thereafter | | 117.5 |
| Total | \$ | <u>339.2</u> |

8. Debt and Other Financing Arrangements

The Company's debt consists of the following:

| (dollars in millions) | December 31, | |
|--|--------------|------------|
| | 2024 | 2023 |
| Current portion of long-term debt: | | |
| Credit Agreement - Term B-1 Loans | \$ 5.0 | \$ 5.0 |
| Credit Agreement - Term B-2 Loans | — | 6.5 |
| Credit Agreement - Term B-3 Loans | 2.0 | 2.0 |
| Credit Agreement - Term B-4 Loans | 9.3 | — |
| Other bank debt | 18.9 | — |
| Paniolo Fiber Assets Financing Arrangement | 0.5 | 0.5 |
| Finance lease liabilities | 9.9 | 6.4 |
| Current portion of long-term debt | 45.6 | 20.4 |
| Long-term debt, less current portion: | | |
| Network Receivables Facility | — | 36.1 |
| CBTS Receivables Facility | — | 209.9 |
| Credit Agreement - Revolving Credit Facility | — | 152.5 |
| Credit Agreement - Term B-1 Loans | 480.0 | 485.0 |
| Credit Agreement - Term B-2 Loans | — | 630.5 |
| Credit Agreement - Term B-3 Loans | 195.0 | 197.0 |
| Credit Agreement - Term B-4 Loans | 921.3 | — |
| Various Cincinnati Bell Telephone notes ⁽¹⁾ | 93.8 | 95.1 |
| Paniolo Fiber Assets Financing Arrangement | 20.9 | 21.4 |
| Digital Access Ohio Advance | 10.3 | 6.3 |
| Finance lease liabilities | 37.7 | 36.4 |
| | 1,759.0 | 1,870.2 |
| Net unamortized discount | (5.8) | (5.5) |
| Unamortized note issuance costs | (33.0) | (34.6) |
| Long-term debt, less current portion | 1,720.2 | 1,830.1 |
| Total debt | \$ 1,765.8 | \$ 1,850.5 |

- (1) As of December 31, 2024 and December 31, 2023, the net carrying amount of the Various Cincinnati Bell Telephone notes included an unamortized fair value adjustment recorded on the Company's merger date, September 7, 2021, of \$5.9 million and \$7.2 million, respectively. The adjustment is amortized over the life of the notes and is recorded as a reduction of interest expense.

Credit Agreement

In connection with the Merger Agreement, at the Effective Time (the date on which the Effective Time occurred, the “Closing Date”), the Company entered into a new Credit Agreement (the “Credit Agreement”) and terminated the former Corporate Credit Agreement. The Credit Agreement initially provided for (i) a five-year \$275 million senior secured revolving credit facility, including both a letter of credit subfacility of up to \$40 million and a swingline loan subfacility of up to \$10 million (the “Revolving Credit Facility”) and (ii) a seven-year \$150 million senior secured term loan facility (the “Term B-1 Loans”). The Revolving Credit Facility matures in September 2026 and the Term B-1 Loans mature in September 2028. Borrowings under the Term B-1 Loans were used to refinance existing company indebtedness, finance a portion of the fees and expenses relating to the acquisition of the Company and the establishment of the Credit Agreement, and for working capital and general corporate purposes. Borrowings under the Revolving Credit Facility may be used to provide ongoing working capital as well as for other general corporate purposes of the Company.

The Company (i) incurred deferred financing costs of \$32.0 million related to the issuance of the Term B-1 Loans and capitalized as a reduction to the outstanding debt balances as of the Merger Date and (ii) incurred deferred financing costs of \$6.1 million related to the issuance of the Revolving Credit Facility and capitalized to “Other noncurrent assets” on the Consolidated Balance Sheets as of the Merger Date.

In November 2021, the Company entered into an Amendment (the “Amendment No. 1”) to the Credit Agreement to provide for, among other things, (i) a \$125.0 million upside to the Revolving Credit Facility, increasing the total commitments under the Revolving Credit Facility to \$400.0 million, (ii) a \$350.0 million incremental increase to the Term B-1 Loans (the “Incremental Term B-1 Loans Increase”), increasing the aggregate principal amount of Term B-1 Loans to \$500.0 million, and (iii) the incurrence of a new tranche of \$650.0 million aggregate principal amount of senior secured term loans (the “Term B-2 Loans”). The proceeds of the Incremental Term B-1 Loans Increase and the Term B-2 Loans were used by the Company to redeem in full all of the Company’s existing 7.000% Senior Notes due 2024 (the “2024 Notes”) and 8.000% Senior Notes due 2025 (the “2025 Notes”), and to pay fees and expenses in connection thereto. The Term B-2 Loans mature in November 2028. The Amendment No. 1 also extended the maturity of all Term B-1 Loans to November 2028 and reduced the interest applicable to the Term B-1 Loans and the Revolving Credit Facility. The Amendment No. 1 also provided for the transition of the benchmark rate of interest under the Credit Agreement from LIBOR to Term SOFR. At December 31, 2024, there were no borrowings under the Revolving Credit Facility, leaving \$400 million available.

As a result of the Amendment No. 1 in 2021, the Company incurred deferred financing costs of \$4.3 million and \$9.7 million related to the Incremental Term B-1 Loans Increase and the Term B-2 Loans, respectively, and capitalized the amounts as a reduction to the outstanding debt balances in 2021. In addition, the Company incurred deferred financing costs of \$1.3 million related to increasing the capacity of the Revolving Credit Facility and capitalized the amount to “Other noncurrent assets” on the Consolidated Balance Sheets in 2021.

In May 2023, the Company entered into an Incremental Amendment to the Credit Agreement (the “Incremental Amendment”) to provide for the incurrence of a new tranche of \$200.0 million senior secured term loans (the “Term B-3 Loans”). The proceeds of the Term B-3 Loans were used to repay a portion of the loans outstanding under the Revolving Credit Facility, repay in full the remaining 7 ¹/₄% Notes due 2023 upon maturity in the second quarter of 2023, and for other general corporate purposes. The Term B-3 Loans will mature in November 2028. All other material terms, conditions and covenants of the Credit Agreement were unchanged by the Incremental Amendment.

The Company incurred deferred financing costs of \$1.9 million related to the issuance of the Term B-3 Loans and capitalized the amount as a reduction to the outstanding debt balance in 2023.

In May 2024, the Company entered into an amendment (the “Amendment No. 3”) to the Credit Agreement to provide for (i) a \$300 million incremental increase to the existing Term B-2 Loans (as defined in the Credit Agreement) (the “Incremental Term B-2 Loans”) and (ii) the extension of the maturity date for the commitments under the Company’s Revolving Credit Facility to August 2028. The Incremental Term B-2 Loans are part of the same class of Loans as the existing Term B-2 Loans and have the same terms as such Term B-2 Loans. The proceeds of the Incremental Term B-2 Loans were used (a) to repay the outstanding loans under the Revolving Credit Facility, (b) to repay a portion of borrowings under the Company’s accounts receivable securitization facility, (c) to pay fees, expenses and other transaction costs related to Amendment No. 3 and the transactions contemplated thereby and (d) for working capital and other general corporate purposes. The other material terms, conditions and covenants of the Credit Agreement were unchanged by Amendment No. 3.

As a result of Amendment No.3, the Company incurred deferred financing costs of \$2.4 million related to the Incremental Term B-2 Loans and capitalized the amounts as a reduction to the outstanding debt balance. In addition, the Company incurred deferred financing costs of \$0.6 million related to the extension of the maturity date of the Revolving Credit Facility to August 2028 and capitalized the amounts to "Other noncurrent assets" on the Consolidated Balance Sheets in 2024.

In June 2024, the Company entered into an amendment (the "Amendment No. 4") to the Credit Agreement to provide for a reduction in the interest rate margin applicable to the Term B-3 Loans under the Credit Agreement. The other material terms, conditions and covenants of the Credit Agreement were unchanged by Amendment No. 4.

As a result of Amendment No. 4, the Company incurred deferred financing costs of \$0.7 million related to the Term B-3 Loans and capitalized the amounts as a reduction to the outstanding debt balance in 2024.

In December 2024, the Company entered into an amendment (the "Amendment No. 5") to the Credit Agreement to provide for (i) a reduction in the interest rate margin applicable to the Term B-1 Loans and the Term B-3 Loans under the Credit Agreement and (ii) the incurrence of a new tranche of \$930,590,472 senior secured term loans (the "Term B-4 Loans"). The proceeds of the Term B-4 Loans were used to refinance in full the outstanding aggregate principal amount of the Term B-2 Loans and to pay fees and expenses in connection with the refinancing of the Term B-2 Loans.

The Company incurred deferred financing costs of \$0.9 million related to the issuance of the Term B-4 Loans and capitalized the amount as a reduction to the outstanding debt balance in 2024. In addition, the Company incurred deferred financing costs of \$0.7 million and \$0.3 million related to Term B-1 Loans and Term B-3 Loans, respectively, related to the reduction in the interest rate margin and capitalized the amounts as a reduction to the outstanding debt balance in 2024.

The May and June 2024 amendments were accounted for as modifications of the original Term Loan B-2, Term Loan B-3 and Revolving Credit Facility. Accordingly, no loss was recorded and new financing costs deferred are being amortized over the new and amended maturities of the term loan and revolver. The December 2024 amendment was also accounted for as a modification of the Term Loans. Accordingly, no loss was recorded and new financing costs deferred are being amortized over the new and amended maturities of the term loan.

Borrowings under the Term B-1 and Term B-3 Loans will, following the Amendment No. 5, bear interest, initially, at a rate equal to, at the Company's option, either:

- a base rate determined by reference to the highest of (i) the Federal Funds Rate (determined for any day as the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the business day next succeeding such day) plus 1/2 of 1%, (ii) the rate of interest in effect for such day as publicly announced from time to time by Goldman Sachs as its "prime rate" in effect at its principal office in New York City and notified to the Company, and (iii) to the extent ascertainable, one month Adjusted Term SOFR (determined as set forth below) plus 1.00%, plus, in any such case, 2.00%; or
- Adjusted Term SOFR determined by reference to the forward-looking term rate based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York plus 3.00%.

Borrowings under the Term B-4 Loans will bear interest, initially, at a rate equal to, at the Company's option, either:

- a base rate determined by reference to the highest of (i) the Federal Funds Rate (determined for any day as the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the business day next succeeding such day) plus 1/2 of 1%, (ii) the rate of interest in effect for such day as publicly announced from time to time by Goldman Sachs as its "prime rate" in effect at its principal office in New York City and notified to the Company, and (iii) to the extent ascertainable, one month Adjusted Term SOFR (determined as set forth below) plus 1.00%, plus, in any such case, 1.75%; or
- Adjusted Term SOFR determined by reference to the forward-looking term rate based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York plus 2.75%.

Borrowings under the Revolving Credit Facility will, following the Amendment No. 1, bear interest, initially, at a rate equal to, at the Company's option, either:

- a base rate determined by reference to the highest of (i) the Federal Funds Rate (determined for any day as the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the business day next succeeding such day) plus 1/2 of 1%, (ii) the rate of interest in effect for such day as publicly announced from time to time by Goldman Sachs as its "prime rate" in effect at its principal office in New York City and notified to the Company, and (iii) to the extent ascertainable, one month Adjusted Term SOFR (determined as set forth below) rate plus 1.00%, plus, in any such case, 2.00%; or
- Adjusted Term SOFR determined by reference to the forward-looking term rate based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York, plus a credit spread adjustment equal to 0.10%, 0.15% or 0.25% for interest periods of one month, three months and six months, respectively, plus, in each case, 3.00%.

From and after the delivery by the Company to the administrative agent for the Credit Agreement of financial statements for the first fiscal quarter ended after the effective date of the Amendment No. 1, the applicable margin over the base rate or Adjusted Term SOFR for the Revolving Credit Facility will be in the range of 2.75% and 3.00% (for SOFR loans) and 1.75% and 2.00% (for base rate loans) based on a pricing grid as determined by reference to the applicable Secured Net Leverage Ratio for the most recent four fiscal quarter period for which financial statements have been delivered.

The base rate is subject to a 0.00% floor. The Adjusted Term SOFR is subject to a floor equal to (i) for the Revolving Credit Facility, 0.00%, (ii) for the Term B-1 Loans, 0.25%, and (iii) for the Term B-3 Loans, 0.25% and (iv) for the Term B-4 Loans, 0.50%.

In addition, the Company will be required to pay a commitment fee on any unused portion of the Revolving Credit Facility at a rate of 0.50% per annum, or, if the Secured Net Leverage Ratio for the most recent four fiscal quarter period for which financial statements have been delivered is equal to or less than 3.25 to 1.00, 0.375% per annum. The Company will also pay customary letter of credit fees, including a fronting fee equal to 0.125% per annum of the dollar equivalent of the maximum amount available to be drawn under all outstanding letters of credit, as well as customary issuance and administration fees.

One of the syndicated lenders of the Term B-1 Loans and Term B-3 Loans is a cooperative bank owned by its customers. Annually, this bank distributes patronage in the form of cash and stock in the cooperative based on the Company's average outstanding loan balance. The Company will recognize the patronage, generally as declared, in "Other income, net." The stock component will be recognized at its stated cost basis.

The Company may voluntarily repay and reborrow outstanding loans under the Revolving Credit Facility at any time without a premium or a penalty, other than customary "breakage" costs with respect to SOFR revolving loans.

Guarantors and Security Interests, Credit Agreement

All obligations under the Term B-1 Loans, Term B-3 Loans, Term B-4 Loans and Revolving Credit Facility are unconditionally guaranteed by the direct parent of the Company and each of the existing and future direct and indirect material, wholly-owned domestic subsidiaries of the Company, subject to certain exceptions (including for Cincinnati Bell Funding LLC (and any other similar special purpose receivables financing subsidiary), the Company's joint ventures, subsidiaries prohibited by applicable law or contractual obligation from becoming guarantors, immaterial subsidiaries, unrestricted subsidiaries, foreign subsidiaries, and other customary exceptions as more fully described in the Credit Agreement). Obligations outstanding under the Credit Agreement are secured by perfected first priority pledges of and security interests in (i) the equity interests of the Company held by its direct parent and (ii) substantially all of the assets of the Company and each subsidiary guarantor (subject to customary exceptions as more fully described in the Credit Agreement), including equity interests of each subsidiary guarantor under the Credit Agreement.

Accounts Receivable Securitization Facility

Cincinnati Bell Inc. and certain of its subsidiaries have an accounts receivable securitization facility ("Receivables Facility"). In the first quarter of 2023, the Company executed certain amendments (the "Amendments") to the Receivables Facility to, among other things: (i) increase the total maximum borrowing capacity to \$280.0 million, (ii) separate the Receivables Facility into two separate facilities, with (A) the existing Receivables Facility (the "Network Receivables Facility"), as amended by the Amendments, covering receivables originated by certain U.S. subsidiaries of the Company including Cincinnati Bell Telephone Company LLC, Hawaiian Telcom Communications, Inc. and certain of their respective subsidiaries having a maximum borrowing capacity of \$55.0 million and (B) a new facility (the "CBTS Receivables Facility") covering receivables originated by certain U.S. and Canadian subsidiaries in the Company's IT Services and Hardware segment including CBTS Technology Solutions LLC and OnX Enterprise Solutions Ltd. having a maximum borrowing capacity of \$225.0 million, (iii) move the receivables monetization arrangements from the Network Receivables Facility to the CBTS Receivables Facility, and (iv) make applicable technical and conforming changes thereto. In addition, the Amendments extend the renewal dates of each facility to January 2025 and the termination dates of each facility to January 2026. The CBTS Receivables Facility was terminated in conjunction with the sale of the Disposal Group in December 2024.

As of December 31, 2024, the Company had no borrowings and \$25.0 million of letters of credit outstanding under the Network Receivables Facility, leaving \$30.0 million remaining availability on the total borrowing capacity of \$55.0 million. The maximum borrowing limit for loans and letters of credit under the Network Receivables Facility is \$55.0 million, in the aggregate. The available borrowing capacity on the facility is calculated monthly based on the quantity and quality of outstanding accounts receivable, and thus may be lower than the maximum borrowing limit.

In the fourth quarter of 2024, the Company executed an amendment to the Network Receivables Facility to extend the renewal date to April 9, 2025. The other material terms and conditions of the Network Receivables Facility were unchanged by the amendment.

Interest on the Network Receivables Facility is based on the SOFR rate plus 1.4% for borrowings. The average interest rate on the Network Receivables Facility in 2024 was 6.2%. The Company pays letter of credit fees on letters of credit drawn under the securitization facility and also pays commitment fees on the unused portions of the total facility.

Under the Network Receivables Facility, certain U.S. subsidiaries, as originators, sell their respective trade receivables on a continuous basis to Cincinnati Bell Funding LLC ("CBF"), wholly-owned consolidated subsidiaries of the Company. Although CBF is a wholly-owned consolidated subsidiary of the Company, CBF is legally separate from the Company and each of the Company's other subsidiaries. Upon and after the sale or contribution of the accounts receivable to CBF, such accounts receivable are legally assets of CBF and, as such, are not available to creditors of other subsidiaries or the parent company.

The transferors sell their respective trade receivables on a continuous basis to CBF. In turn, CBF grants, without recourse, a senior undivided interest in the pooled receivables to various purchasers, including commercial paper conduits, in exchange for cash while maintaining a subordinated undivided interest in the form of over-collateralization in the pooled receivables. The transferors have agreed to continue servicing the receivables for CBF at market rates; accordingly, no servicing asset or liability has been recorded.

For the purposes of consolidated financial reporting, the Network Receivables Facility and the CBTS Receivables Facility, prior to the termination date, are accounted for as secured financing. Because CBF has the ability to prepay the Network Receivables Facility and CBFC and CBTSF have the ability to prepay the CBTS Receivables Facility at any time by making a cash payment, the transfers do not qualify for "sale" treatment on a consolidated basis under ASC 860, "Transfers and Servicing."

Cincinnati Bell Telephone Notes

In 1998, CBT's predecessor issued \$150.0 million in aggregate principal of 6.30% unsecured senior notes due 2028 (the "CBT Notes"), which are guaranteed on a subordinated basis by the Company but not its subsidiaries. The indenture related to the CBT Notes does not subject the Company or CBT to restrictive financial covenants, but it does contain a covenant providing that if CBT incurs certain liens on its property or assets, CBT must secure the outstanding CBT Notes equally and ratably with the indebtedness or obligations secured by such liens. The liens under the Credit Agreement resulted in the CBT Notes being secured equally and ratably with the collateral granted by CBT that secures the obligations under the Credit Agreement.

The maturity date of the CBT notes is in 2028, and the CBT Notes may be redeemed at any time at a redemption price equal to the greater of 100% of the principal amount of the CBT Notes to be redeemed or the sum of the present values of the remaining scheduled payments of principal and interest to maturity, plus accrued interest to the redemption date. The indenture governing the CBT Notes provides for customary events of default, including for failure to make any payment when due and for one or more defaults of any other existing debt instruments of the Company or CBT that exceeds \$20.0 million, in the aggregate.

Other Bank Debt

The Company operates multiple bank accounts that are funded and swept daily. On December 31, 2024, the Company experienced a temporary overdraft of \$18.9 million in one of its bank accounts as a result of a miscommunication on payroll dates and the associated funding requirements related to the holiday. Sufficient cash reserves were available at another financial institution to fully cover the amount. The issue was promptly identified and the account was subsequently funded on January 2, 2025, resulting in full payment of the outstanding debt.

Paniolo Fiber Assets Financing Arrangement

In connection with the acquisition of the assets of Paniolo in the third quarter of 2021, the Company's wholly-owned subsidiary, Hawaiian Telcom Inc. ("HTI"), entered into a purchase money financing agreement to finance a portion of the Paniolo Acquisition. The Paniolo fiber assets financing arrangement provides for a five-year \$23.0 million loan secured by the Paniolo assets acquired in the transaction.

In the third quarter of 2023, the Company executed an amendment to the Paniolo fiber assets financing arrangement to replace LIBOR, the benchmark rate of interest, with Adjusted Term SOFR which is defined in the amendment as Term SOFR plus 0.1%. As a result of the amendment, borrowings under the Paniolo fiber assets financing arrangement bear interest at a rate per annum equal to Adjusted Term SOFR plus 3.0%. All other material terms and conditions of the Paniolo fiber assets financing arrangement were unchanged by the amendment. The Company guarantees HTI's borrowings under the Paniolo fiber assets financing arrangement.

In February 2025, the Company extinguished the debt associated with the financing arrangement at a discounted rate of 99.25%. The Company paid the outstanding debt balance as well as the accrued and unpaid interest as of the extinguishment date. As a result of the debt extinguishment, a nominal gain was recorded.

Digital Access Ohio Advance

The Company holds an interest in DAO (Note 1), which entered into a secured promissory note ("Digital Access Ohio Advance") to finance a portion of DAO's operations. The Digital Access Ohio Advance matures in July 2033, and the total borrowings shall not exceed \$20.0 million in the aggregate. Borrowings under the Digital Access Ohio Advance bear interest at a rate per annum equal to the long term applicable federal rate plus 1.0%. The interest will continue to accrue and is due either upon maturity in July 2033 or upon repayment if that occurs prior to the maturity date. The Company guarantees DAO's borrowings under the Digital Access Ohio Advance. As of December 31, 2024, borrowings under the Digital Access Ohio Advance totaled \$10.3 million.

Finance Lease Liabilities

Finance lease liabilities represent our obligation for certain leased assets, including vehicles and various equipment. These leases generally contain renewal or buyout options.

Debt Maturity Schedule

The following table summarizes our annual principal maturities of debt and other financing arrangements, excluding lease obligations, for the five years subsequent to December 31, 2024, and thereafter:

| (dollars in millions) | | Debt |
|---------------------------------|----|---------|
| Year ended December 31, | | |
| 2025 | \$ | 35.7 |
| 2026 | | 37.2 |
| 2027 | | 16.3 |
| 2028 | | 1,651.6 |
| 2029 | | — |
| Thereafter | | 10.3 |
| | | 1,751.1 |
| Net unamortized discount | | (5.8) |
| Unamortized note issuance costs | | (33.0) |
| Total debt | \$ | 1,712.3 |

Deferred Financing Costs

Deferred financing costs are costs incurred in connection with obtaining long-term financing and renewing revolving credit agreements. Deferred financing costs are amortized on the effective interest method. In 2024, the Company incurred deferred financing costs of \$2.4 million related to the Incremental Term B-2 Loans, \$0.6 million related to the extension of the maturity date of the Revolving Credit Facility, \$0.7 million related to the Term B-3 Loans amendment for a reduction in the interest rate margin, \$0.9 million related to the issuance of the Term B-4 Loans, and \$0.7 million and \$0.3 million related to the reduction in the interest rate margin for Term B-1 Loans and Term B-3 Loans. In 2023, the Company incurred deferred financing costs of \$0.4 million and \$1.7 million related to amendments to the Network Receivables Facility and CBTS Receivables Facility, respectively, and \$1.9 million related to the issuance of the Term B-3 loans. The Company incurred deferred financing costs of \$0.1 million related to amending the Receivables Facility in 2022.

The Company records costs incurred in connection with obtaining revolving credit agreements as an asset. As of December 31, 2024 and 2023, deferred financing costs recorded to "Other non-current assets" totaled \$3.3 million and \$4.9 million, respectively. Amortization of deferred financing costs, included in "Interest expense" in the Consolidated Statements of Operations, totaled \$9.1 million in 2024, \$8.4 million in 2023, and \$7.1 million in 2022.

Debt Covenants*Credit Agreement*

The Credit Agreement has a financial covenant that requires the Company to maintain a Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) of 5.75 to 1.00 when the utilization under the Revolving Credit Facility exceeds 35%. In addition, the Credit Agreement contains customary affirmative and negative covenants, including but not limited to, restrictions on the Company's ability to incur additional indebtedness, create liens, pay dividends, make certain investments, and prepay other indebtedness, sell, transfer, lease, or dispose of assets and enter into, or undertake, certain liquidations, mergers, consolidations or acquisitions.

The Credit Agreement contains customary events of default (which are in some cases subject to certain exceptions, thresholds and grace periods), including, but not limited to, nonpayment of principal or interest, failure to perform or observe covenants, breaches of representations and warranties, cross-defaults with certain other indebtedness, certain bankruptcy-related events or proceedings, final monetary judgments or orders, ERISA defaults, invalidity of loan documents or guarantees, and certain change of control events. If the Company was to violate any of its covenants and was unable to obtain a waiver, it would be considered a default. If the Company was in default under the Credit Agreement, no additional borrowings under the Revolving Credit Facility would be available until the default was waived or cured.

The Term B-1 Loans, Term B-3 Loans and Term B-4 Loans are subject to the same affirmative and negative covenants and events of default as the Revolving Credit Facility, except that a breach of the financial covenants will not result in an event of default under the Term B-4 Loans unless and until the agent or a majority in interest of the lenders under the Revolving Credit Facility have terminated their commitments under the Revolving Credit Facility and accelerated the loans then outstanding under the Revolving Credit Facility in response to such breach in accordance with the terms and conditions of the Credit Agreement.

9. Leases

Lessee Disclosures

The Company primarily leases real estate for offices, retail stores and central offices, as well as equipment, cell towers, designated space on third party towers and fleet vehicles. The Company leases its real estate for terms between 1 and 70 years, its equipment for terms between 3 and 10 years, its cell towers for terms between 5 and 21 years, its designated space on third party cell towers for terms between 4 and 55 years and its vehicles for terms of 5 years. Our leases have various expiration dates through 2094, some of which include options to extend the leases for up to 15 years.

Upon adoption of ASC 842 on January 1, 2019, the Company elected not to recognize leases with terms of one-year or less on the balance sheet. The Company's leases generally do not provide an implicit rate, and therefore the Company uses its incremental borrowing rate as the discount rate when measuring operating lease liabilities. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease.

Supplemental balance sheet information related to the Company's leases was as follows:

| (dollars in millions) | Balance Sheet Location | December 31, | |
|---|--------------------------------------|--------------|---------|
| | | 2024 | 2023 |
| Operating lease assets, net of amortization | Operating lease right-of-use assets | \$ 77.4 | \$ 63.9 |
| Finance lease assets, net of amortization | Property, plant and equipment, net | 19.8 | 9.2 |
| Operating lease liabilities: | | | |
| Current operating lease liabilities | Other current liabilities | 6.4 | 9.5 |
| Noncurrent operating lease liabilities | Operating lease liabilities | 77.5 | 60.2 |
| Total operating lease liabilities | | 83.9 | 69.7 |
| Finance lease liabilities: | | | |
| Current finance lease liabilities | Current portion of long-term debt | 9.9 | 6.4 |
| Noncurrent finance lease liabilities | Long-term debt, less current portion | 37.7 | 36.4 |
| Total finance lease liabilities | | \$ 47.6 | \$ 42.8 |

The components of lease expense were as follows:

| (dollars in millions) | Year Ended December 31, | | |
|-------------------------------|-------------------------|---------|---------|
| | 2024 | 2023 | 2022 |
| Operating lease cost | \$ 12.7 | \$ 10.1 | \$ 8.2 |
| Short-term lease cost | 0.7 | 0.5 | 0.3 |
| Variable lease cost | — | 0.2 | 0.6 |
| Finance lease cost: | | | |
| Depreciation on leased assets | 2.2 | 0.7 | 0.4 |
| Interest on lease liabilities | 3.4 | 3.1 | 3.0 |
| Total lease cost | \$ 19.0 | \$ 14.6 | \$ 12.5 |

Supplemental cash flow information related to leases was as follows:

| (dollars in millions) | Year Ended December 31, | | |
|---|-------------------------|---------|---------|
| | 2024 | 2023 | 2022 |
| Supplemental Cash Flows Information * | | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | | |
| Operating cash flows from finance leases | \$ 3.9 | \$ 3.9 | \$ 3.4 |
| Operating cash flows from operating leases | \$ 10.7 | \$ 13.4 | \$ 11.1 |
| Financing cash flows from finance leases | \$ 14.2 | \$ 12.4 | \$ 8.3 |
| Right-of-use assets obtained in exchange for lease obligations: | | | |
| New operating leases | \$ 23.1 | \$ 15.7 | \$ 12.2 |
| New finance leases | \$ 14.0 | \$ 14.4 | \$ 12.3 |

*Supplemental cash flows information includes cash flows from discontinued operations through the disposal date of December 2, 2024.

Additional quantitative information related to leases was as follows:

| Weighted Average Remaining Lease Term | December 31, | |
|--|--------------|-------------|
| | 2024 | 2023 |
| Operating leases | 16.72 years | 15.80 years |
| Finance leases | 5.18 years | 5.68 years |
| Weighted Average Discount Rate | | |
| Operating leases | 7.90 % | 7.65 % |
| Finance leases | 7.40 % | 7.60 % |

Future minimum lease payments under non-cancellable leases as of December 31, 2024 are as follows:

| (dollars in millions) | Operating Leases | Finance Leases |
|-------------------------------------|------------------|----------------|
| Year ended December 31, | | |
| 2025 | \$ 11.9 | \$ 13.5 |
| 2026 | 11.4 | 11.7 |
| 2027 | 10.6 | 11.8 |
| 2028 | 10.4 | 10.5 |
| 2029 | 9.5 | 8.8 |
| Thereafter | 112.8 | 0.2 |
| Total future minimum lease payments | 166.6 | 56.5 |
| Less imputed interest | (81.6) | (8.6) |
| Total | \$ 85.0 | \$ 47.9 |

As of December 31, 2024, we have additional future payments on operating leases that have not yet commenced for \$1.1 million. These leases will commence in 2025 and have lease terms of 3-55 years. As of December 31, 2024, we have additional future payments for a finance lease that has not yet commenced for \$0.3 million. This lease will commence in 2025 and has a lease term of 5 years.

Lessor Disclosures

The Company has operating leases related to its dark fiber arrangements for terms between 1 and 30 years. Our leases have various expiration dates through 2048, some of which include options to extend the lease. The Company recorded lease income, inclusive of sublease income, related to operating lease payments of \$4.3 million in 2024, \$3.4 million in 2023, and \$3.0 million in 2022.

The Company recorded \$0.8 million as lessor revenue in 2024 for the sublease of its corporate headquarter office space in Cincinnati, Ohio and a warehouse space in Hawaii.

The Company owns the underlying assets associated with its operating leases, excluding the office and warehouse space that the Company subleases, and records them in "Property, plant and equipment, net" on the Consolidated Balance Sheets.

Future minimum lease payments to be received under non-cancellable leases as of December 31, 2024 are as follows:

| <u>(dollars in millions)</u> | | <u>Operating Leases</u> |
|-------------------------------------|----|-------------------------|
| Year ended December 31, | | |
| 2025 | \$ | 4.6 |
| 2026 | | 4.3 |
| 2027 | | 4.3 |
| 2028 | | 4.1 |
| 2029 | | 3.7 |
| Thereafter | | 11.6 |
| Total future minimum lease payments | | 32.6 |
| Less imputed interest | | (8.7) |
| Total | \$ | <u>23.9</u> |

10. Commitments and Contingencies

Other Installment Financing Arrangements

Prior to the acquisition of Hawaiian Telcom in July 2018, Hawaiian Telcom had an open dispute related to jointly-owned utility poles. Each of the electric utilities for the four counties in the State of Hawaii had separate agreements with Hawaiian Telcom for the joint ownership and maintenance of utility poles along with other third parties, such as the State of Hawaii. The agreements set forth various circumstances requiring pole removal, installation and replacement and the sharing of costs among the joint pole owners. The agreements allowed for the cost of work done by one joint pole owner to be shared by the other joint pole owners based on the apportionment of costs in the agreements. Generally, the electric utilities had maintained, replaced and installed the majority of the jointly-owned poles and had billed the other joint pole owners for their respective share of the costs. Hawaiian Telcom had a disagreement with the common owner of the utilities in three of the counties in Hawaii regarding the amount the utilities were requesting for their share of the capitalized costs.

The agreement approved by the Hawaii Public Utilities Commission in October 2018 provided for the transfer of Hawaiian Telcom's ownership responsibility of the poles to Hawaiian Electric Company ("HEC") and Hawaiian Telcom to pay a fixed annual fee to HEC for continued use of the poles. The agreement, referred to as the Pole License Agreement, has a duration of 10 years at a fixed rate with two renewal options each for five year terms. Due to the continuing involvement by the Company, this transaction does not meet the requirements to be accounted for as a sale-leaseback, and therefore it has been treated as a financing obligation. In connection with the Merger, the carrying value of the financing obligation was remeasured and includes a fair value step-up of \$12.2 million recorded as of the Merger Date. As of December 31, 2024, the Company has a liability recorded of \$40.8 million related to the payments for the use of the poles, of which \$3.0 million is recognized within "Other current liabilities" in the Consolidated Balance Sheets. As of December 31, 2023, the Company had a liability recorded of \$43.6 million related to the payments for the use of the poles, of which \$2.8 million is recognized within "Other current liabilities" in the Consolidated Balance Sheets.

The future minimum payments under the base agreement, as well as the renewal options for the arrangement which the Company expects to exercise, are as follows:

| <u>(dollars in millions)</u> | | |
|--|----|--------|
| Year ended December 31, | | |
| 2025 | \$ | 5.1 |
| 2026 | | 5.1 |
| 2027 | | 5.0 |
| 2028 | | 4.0 |
| 2029 | | 4.0 |
| Thereafter | | 32.0 |
| Total future minimum financing obligation payments | | 55.2 |
| Less imputed interest | | (14.4) |
| Total | \$ | 40.8 |

Trans-Pacific Submarine Cable

Commensurate with the acquisition of Hawaiian Telcom, the Company gained access to the SEA-US cable. In August 2014, Hawaiian Telcom joined several other telecommunication companies to form a consortium to build and operate the SEA-US cable. The total system cost was \$235.0 million and was primarily composed of a supply contract with the lead contractor. The Company has a fractional ownership in the system and recognizes its fractional share at cost. In addition, the Company constructed a cable landing station in Hawaii and provides cable landing services. The system was completed in August 2017.

The Company has excess capacity on its share of the SEA-US cable that it makes available to other carriers for a fee. The Company has contracted and expects to enter into additional IRU agreements with other carriers for use of this excess fiber circuit capacity. The Company may receive up-front payments for services to be delivered over a period of up to 25 years. The Company has a remaining obligation related to the sale of capacity and other services of \$17.1 million and \$18.8 million at December 31, 2024 and 2023, respectively, recorded in "Other noncurrent liabilities" and \$1.7 million and \$1.6 million at December 31, 2024 and 2023, respectively, recorded in "Other current liabilities" in the Consolidated Balance Sheets, which was previously received in up-front payments. The Company is recognizing revenue for the cable on a straight-line basis over the contract term. The Company recognizes a financing component in accordance with ASC 606 associated with the up-front payments as the contract terms range up to 25 years.

Dedicated Fiber Agreement

In 2021, the Company entered into an IRU agreement to provide dedicated fiber routes for a period of 20 years. During 2024, 2023 and 2022, the Company incurred costs of \$4.7 million, \$16.3 million and \$2.2 million, respectively, related to the dedicated fiber route build, with all such costs capitalized. As of December 31, 2024, the Company has a liability of \$65.7 million for services to be delivered related to up-front payments previously received, of which \$2.2 million is recorded in "Other current liabilities" and \$63.5 million is recorded in "Other noncurrent liabilities" in the Consolidated Balance Sheets. As of December 31, 2023, the Company has a liability of \$58.6 million for services to be delivered related to up-front payments previously received, of which \$2.1 million is recorded in "Other current liabilities" and \$56.5 million is recorded in "Other noncurrent liabilities" in the Consolidated Balance Sheets. The Company will receive additional up-front payments for the remaining contract revenue upon completing certain milestones related to the build of the dedicated fiber routes. Revenue for the IRU agreement will be recognized on a straight-line basis over the contract term. The Company recognizes a financing component in accordance with ASC 606 associated with the up-front payments as the contract term is 20 years.

Involuntary Events and Contingencies

In August 2023, wildfires ignited on Maui and Hawaii islands and spread rapidly due to extreme wind conditions caused in part by Hurricane Dora which traveled 800 miles offshore west of Maui. The fires caused widespread damage to Lahaina town on the island of Maui and the surrounding area, including physical loss and damage to certain of the Company's fiber and copper assets and Company owned equipment located on customer premises. The Company experienced the loss of business income immediately following the fires and is expected to continue to experience loss of business income for an unknown amount of time. The Company has filed insurance claims for the physical loss and damages experienced in Lahaina and for business income losses resulting from the matter. In 2024, the Company received insurance reimbursements of \$7.0 million that exceeded the net book value related to the physical loss and damage claims, and recorded the amount to "Other income, net" on the Consolidated Statements of Operations.

The Company's Hawaiian Telcom subsidiary, along with many other parties, including governmental entities, landowners, utilities and other telecommunication providers, has been named as a defendant in multiple civil lawsuits brought by individual plaintiffs, a putative class, and subrogation plaintiffs in state and federal court in Hawaii arising out of the August 2023 windstorm and wildfires on the island of Maui. Among other things, the lawsuits allege that the defendants were responsible for, and/or were negligent in failing to prevent, the wildfires that led to severe destruction of property and loss of life. Hawaiian Telcom has denied any responsibility for the damages caused by the wildfires.

The parties to the litigations, including Hawaiian Telcom, have engaged in confidential mediation and discussions regarding a global settlement of the litigations. On August 2, 2024, the defendants, individual plaintiffs, and class plaintiffs entered into a term sheet that contemplates a global resolution of all claims arising out of the August 2023 windstorm and wildfires on Maui that does not include any admission of liability in which the defendants would collectively pay an aggregate of \$4.037 billion. The settlement also would resolve all claims among the defendants. Hawaiian Telcom's contribution is a total of \$100.0 million and includes the \$2.5 million previously contributed for the One 'Ohana Fund. Settlement payments are expected to be made no earlier than the fourth quarter of 2025 following necessary judicial review and approvals. However, until final settlement documents are signed by all the parties to the term sheet, there can be no assurances that a settlement will be completed, or that Hawaiian Telcom will be able to settle the lawsuits against it on the terms set forth in the term sheet. If the settlement is not completed, Hawaiian Telcom intends to vigorously defend the lawsuits in which it is named as defendant.

As a result, the Company concluded that, with the agreement to the term sheet related to the August 2023 wildfires on Maui, the global settlement was probable, and the related loss was reasonably estimable. Accordingly, the Company recognized an incremental liability of \$93.5 million recorded to "Other Noncurrent liabilities" in the Condensed Consolidated Balance Sheets offset by an insurance receivable included in "Other noncurrent assets" as of December 31, 2024.

As of December 31, 2024, the general liability of \$97.5 million related to this matter remains recorded in "Other noncurrent liabilities" in the Consolidated Balance Sheets. As of December 31, 2023, the Company had a general liability recorded related to this matter of \$4.0 million, of which \$2.0 million was recorded in "Other current liabilities" and \$2.0 million was recorded in "Other noncurrent liabilities" in the Consolidated Balance Sheets. As of December 31, 2024 an offsetting receivable of \$96.6 million associated with amounts expected to be reimbursed by insurance has been recorded in "Other noncurrent assets," in the Consolidated Balance Sheets. As of December 31, 2023, the Company had recorded \$2.0 million to "Other noncurrent assets" on the Consolidated Balance Sheets.

The Company incurred legal fees related to this matter of \$11.6 million in 2024. The Company has recorded a \$8.4 million insurance receivable to "Receivables, Net" on the Consolidated Balance Sheets as a result of agreement by the Company's insurance provider to reimburse a portion of professional fees incurred. Accordingly, in 2024, net expense of \$3.2 million was recorded to "Selling, General and Administrative" in the Consolidated Statements of Operations.

Asset Retirement Obligations

Asset retirement obligations exist for certain assets. In conjunction with the acquisition of Hawaiian Telcom, the Company recognized certain asset retirement obligations related to underground tanks and environmental remediation that will occur prior to the retirement of certain assets. These obligations are recorded in "Other noncurrent liabilities" in the Consolidated Balance Sheets.

The following table presents the activity for the Company's asset retirement obligations:

| (dollars in millions) | Year Ended December 31, 2024 | Year Ended December 31, 2023 |
|------------------------------|---------------------------------|---------------------------------|
| Balance, beginning of period | \$ 7.3 | \$ 7.2 |
| Liabilities incurred | | |
| Liabilities settled | (0.3) | (0.2) |
| Accretion expense | 0.3 | 0.3 |
| Balance, end of period | \$ 7.3 | \$ 7.3 |

Indemnifications

During the normal course of business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. These include (a) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (b) indemnities to customers in connection with losses incurred while performing services on their premises, (c) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct of the Company, (d) indemnities involving the representations and warranties in certain contracts, and (e) outstanding letters of credit which totaled \$25.0 million as of December 31, 2024. In addition, the Company has made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments, and guarantees do not provide for any limitation on the maximum potential for future payments that the Company could be obligated to make.

As permitted under Ohio law, the Company has agreements whereby the Company indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The term of the indemnification period is for the lifetime of the officer or director. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits the Company's exposure and enables the Company to recover a portion of any future amounts paid. As a result of the Company's insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2024 or 2023.

Purchase Commitments

The Company primarily has purchase commitments and blanket purchase requisitions related to certain goods and services and generally has the right to cancel open purchase orders prior to delivery and to terminate the contracts without cause. These agreements typically range from one to three years. In 2024, as part of its fiber network expansion efforts the Company entered into a noncancellable purchase commitment with a strategic vendor for approximately \$84 million to purchase capital materials for network construction over a three-year period.

Litigation

Cincinnati Bell and its subsidiaries are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe the liabilities accrued for legal contingencies in our consolidated financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2024, cannot be reasonably determined.

11. Financial Instruments and Fair Value Measurements**Cash Flow Hedging***Cash Flow Hedges Not Designated as Hedging Instruments*

The Company uses non-designated cash flow hedges including interest rate swap agreements and interest rate cap agreements to minimize its exposure to interest rate fluctuations on variable rate debt borrowings. Interest rate swaps involve the exchange of fixed and variable rate interest payments and do not represent an actual exchange of the underlying notional amounts between parties. Interest rate caps provide that the counterparty will pay the purchaser at the end of each contractual period in which the index interest rate exceeds the contractually agreed upon cap rate.

In the first quarter of 2024, the Company entered into a forward starting non-amortizing interest rate swap to convert variable rate debt to fixed rate debt. The interest rate swap has a notional amount of \$200.0 million resulting in interest payments based on an average fixed rate per swap of 4.3030%, plus the applicable margin per the requirements in the Credit Agreement. The interest rate swap expires in July 2025.

In the first quarter of 2023, the Company entered into three forward starting non-amortizing interest rate swaps to convert variable rate debt to fixed rate debt. The interest rate swaps have notional amounts of \$150.0 million, \$150.0 million and \$100.0 million resulting in interest payments based on an average fixed rate per swap of 3.6875%, 3.6500% and 3.5095%, respectively, plus the applicable margin per the requirements in the Credit Agreement. The interest rate swaps expire in March 2027.

In the second quarter of 2022, the Company entered into two interest rate cap agreements to limit exposure to interest rate risk on variable rate debt. The interest rate caps each have a cap rate of 3.0% with notional amounts of \$200.0 million and \$175.0 million and deferred premiums of \$6.7 million and \$5.3 million, respectively. The deferred premiums will be paid on a monthly basis over the term of the respective interest rate cap. The interest rate caps expire in May 2026.

In the second quarter of 2022, the Company entered into three forward starting non-amortizing interest rate swaps to convert variable rate debt to fixed rate debt. The interest rate swaps have notional amounts of \$175.0 million, \$115.0 million and \$85.0 million resulting in interest payments based on an average fixed rate per swap of 2.9185%, 2.8520% and 2.8605%, respectively, plus the applicable margin per the requirements in the Credit Agreement. The interest rate swaps expire in May 2026.

The fair value of the Company's interest rate swaps and interest rate caps are impacted by the credit risk of both the Company and its counterparties. The Company has agreements with its derivative financial instrument counterparties that contain provisions providing that if the Company defaults on the indebtedness associated with its derivative financial instruments, then the Company could also be declared in default on its derivative financial instruments obligations. In addition, the Company minimizes nonperformance risk on its derivative instruments by evaluating the creditworthiness of its counterparties, which are limited to major banks and financial institutions.

The Company does not apply hedge accounting to the interest rate swaps and interest rate caps and records all mark-to-market adjustments directly to "Other income, net" in the Consolidated Statements of Operations. The fair values of the interest rate swaps and interest rate caps are categorized as Level 2 in the fair value hierarchy as they are based on well-recognized financial principles and available market data.

As of December 31, 2024, the fair values of the interest rate swaps and interest rate caps are recorded in the Consolidated Balance Sheets as follows:

| (dollars in millions) | Balance Sheet Location | December 31, 2024 | Quoted Prices in Active Markets Level 1 | Significant Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|-----------------------|---------------------------|----------------------|---|---|---|
| Assets: | | | | | |
| Interest Rate Swap | Other current assets | \$ 6.5 | \$ — | \$ 6.5 | \$ — |
| Interest Rate Swap | Other noncurrent assets | \$ 2.8 | \$ — | \$ 2.8 | \$ — |
| Interest Rate Cap | Other current assets | \$ 1.1 | \$ — | \$ 1.1 | \$ — |
| Interest Rate Cap | Other noncurrent assets | \$ 0.2 | \$ — | \$ 0.2 | \$ — |
| Liabilities: | | | | | |
| Interest Rate Swap | Other current liabilities | \$ 0.1 | \$ — | \$ 0.1 | \$ — |

As of December 31, 2023, the fair values of the interest rate swaps and interest rate caps are recorded in the Consolidated Balance Sheets as follows:

| (dollars in millions) | Balance Sheet Location | December 31, 2023 | Quoted Prices in Active Markets Level 1 | Significant Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|-----------------------|------------------------------|----------------------|---|---|---|
| Assets: | | | | | |
| Interest Rate Swap | Other current assets | \$ 10.7 | \$ — | \$ 10.7 | \$ — |
| Interest Rate Swap | Other noncurrent assets | \$ 1.8 | \$ — | \$ 1.8 | \$ — |
| Interest Rate Cap | Other current assets | \$ 3.2 | \$ — | \$ 3.2 | \$ — |
| Liabilities: | | | | | |
| Interest Rate Swap | Other noncurrent liabilities | \$ 3.8 | \$ — | \$ 3.8 | \$ — |
| Interest Rate Cap | Other noncurrent liabilities | \$ 2.6 | \$ — | \$ 2.6 | \$ — |

The following table summarizes the location of gains in the Consolidated Statements of Operations that were recognized during the years ended December 31, 2024 and 2023, in addition to the derivative contract type:

| (dollars in millions) | Statement of Operations Location | Year ended December 31, | |
|-----------------------|----------------------------------|-------------------------|----------|
| | | 2024 | 2023 |
| Interest Rate Swap | Other income, net | \$ (17.0) | \$ (9.3) |
| Interest Rate Cap | Other income, net | \$ (6.1) | \$ (3.8) |

Disclosure on Financial Instruments

The carrying values of the Company's financial instruments approximate the estimated fair values as of December 31, 2024 and December 31, 2023, except for the Company's long-term debt and other financing arrangements. The carrying and fair values of these items are as follows:

| (dollars in millions) | December 31, 2024 | | December 31, 2023 | |
|--|-------------------|------------|-------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Long-term debt, including current portion* | \$ 1,751.2 | \$ 1,755.5 | \$ 1,842.3 | \$ 1,815.1 |
| Other financing arrangements | 40.8 | 39.2 | 43.6 | 37.7 |

* Excludes finance leases, other financing arrangements and note issuance costs

In connection with the Merger, the carrying values of the Company's long-term debt and other financing arrangements include fair value adjustments as of the Merger Date. The fair value of our long-term debt was based on closing or estimated market prices of the Company's debt at December 31, 2024 and December 31, 2023, which is considered Level 2 of the fair value hierarchy. The fair value of the other financing arrangements was calculated using a discounted cash flow model that incorporates current borrowing rates for obligations of similar duration, which is considered Level 3 of the fair value hierarchy. As of December 31, 2024, the current borrowing rate was estimated by applying the Company's credit spread to the risk-free rate for a similar duration borrowing.

12. Pension and Postretirement Plans**Savings Plans**

The Company sponsors several defined contribution plans covering substantially all employees. The Company's contributions to the plans are based on matching a portion of the employee contributions. Both employer and employee contributions are invested in various investment funds at the direction of the employee. Employer contributions to the defined contribution plans were \$8.3 million in 2024, \$8.0 million in 2023, and \$7.6 million in 2022.

Pension and Postretirement Plans

Unrecognized actuarial net gains and losses for the Cincinnati Plans (defined below) and the Hawaii Plans (defined below) are primarily generated by differences between assumed and actual rates of return on invested assets, changes in discount rates and healthcare costs. Additionally, in Hawaii, a favorable amendment to the postretirement health and life insurance plan generated unrecognized gains in the twelve months ended December 31, 2022. Because gains and losses reflect refinements in estimates, as well as real changes in economic values, and because some gains in one period may be offset by losses in another or vice versa, we are not required to recognize these gains and losses in the periods that they occur. Instead, if the gains and losses exceed a 10% corridor defined in the accounting literature, the excess is amortized over a defined term. Unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation are amortized on a straight-line basis over the average life expectancy of the participant group for the Cincinnati pension plans and Hawaii pension plans, the average future working lifetime of active employees for the Cincinnati postretirement plans and the average remaining service period of active employees for the Hawaii postretirement plans. Additionally, the market-related value of assets is equal to the fair market value.

In 2024, the Company purchased a group annuity contract to transfer a portion of its pension liability and related responsibility for benefit payments of certain participants and beneficiaries within our existing defined benefit plans. Additionally, lump sum payments of \$16.4 million resulting in a reduction of the benefit obligation of \$16.4 million were made in the year ended December 31, 2024. The Company recorded a pension settlement gain of \$3.5 million in 2024 as a result of the annuity purchases and the lump sum payments to the plan participants exceeding the sum of the service cost and the interest cost component of the net pension cost for each of the pension plans.

Cincinnati Plans

The Company sponsors three noncontributory defined benefit pension plans: one for eligible management employees, one for non-management employees, and one supplemental, nonqualified, unfunded plan for certain former senior executives (collectively the "Cincinnati Plans"). The management pension plan ("CBMPP") is a cash balance plan in which the pension benefit is determined by a combination of compensation-based credits and annual guaranteed interest credits. The non-management pension plan ("CBPP") is also a cash balance plan in which the combination of service and job-classification-based credits and annual interest credits determine the pension benefit. Benefits for the supplemental plan are based on eligible pay, adjusted for age and service upon retirement. We fund both the management and non-management plans in an irrevocable trust through contributions, which are determined using the traditional unit credit cost method. We also use the traditional unit credit cost method for determining pension cost for financial reporting purposes.

The Company also provides healthcare and group life insurance benefits for eligible retirees. As of October 1, 2023, healthcare benefits and other group life insurance benefits are funded through general funds of the Company. Prior to October 1, 2023, we funded healthcare benefits and other group life insurance benefits using Voluntary Employee Benefit Association ("VEBA") trusts. It is our practice to fund amounts as deemed appropriate from time to time. Contributions are subject to Internal Revenue Service ("IRS") limitations developed using the traditional unit credit cost method. The actuarial expense calculation for our postretirement health plan is based on numerous assumptions, estimates, and judgments including healthcare cost trend rates and cost sharing with retirees. Retiree healthcare benefits were phased out as of December 31, 2018 for all employees, with the exception of a small group of grandfathered employees. The postretirement health plan also includes liabilities associated with employees who have special death benefits only.

Hawaii Plans

The Company sponsors one noncontributory defined benefit plan for union employees, one cash balance pension plan for nonunion employees, and two postretirement health and life insurance plans for Hawaiian Telcom employees (collectively the "Hawaii Plans").

On December 31, 2023, the cash balance pension plan for nonunion employees ("HTMPP") under the Hawaii plans was merged into the management pension plan ("CBMPP") under the Cincinnati Plans. Pension plan assets and liabilities in the HTMPP were transferred to the CBMPP and remeasured at December 31, 2023.

During 2022, Hawaiian Telcom's pension plans made lump sum payments of \$7.5 million resulting in a reduction of the plan benefit obligation of \$7.5 million and a nominal pension settlement cost.

The postretirement health and life insurance plan was amended in the fourth quarter of 2022 to limit the amount of Medicare Part-B premium reimbursements to the standard amount resulting in an actuarial gain of \$4.7 million recorded to "Accumulated other comprehensive income."

Components of Net Periodic Cost

The following information relates to noncontributory defined benefit pension plans, postretirement healthcare plans, and life insurance benefit plans for the years ended December 31, 2024, 2023 and 2022 for the Cincinnati Plans and the Hawaii Plans. In accordance with ASU 2017-07, only the service cost component of net benefit cost is eligible for capitalization, which was immaterial for the years ended December 31, 2024, 2023 and 2022.

Pension and postretirement costs (benefits) for these plans were comprised of:

| (dollars in millions) | Pension Benefits | | | Postretirement and Other Benefits | | |
|---|------------------|---------------|------------------|-----------------------------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Service cost | \$ — | \$ — | \$ — | \$ 0.4 | \$ 0.5 | \$ 0.8 |
| Other components of pension and postretirement benefit plans expense: | | | | | | |
| Interest cost on projected benefit obligation | 18.8 | 22.0 | 16.3 | 5.0 | 5.2 | 4.2 |
| Expected return on plan assets | (21.0) | (20.8) | (27.5) | — | — | — |
| Amortization of: | | | | | | |
| Prior service benefit | — | — | — | (0.8) | (0.7) | (0.2) |
| Actuarial gain | (0.2) | (0.3) | — | (3.8) | (4.7) | (0.6) |
| Pension settlement gain | (3.5) | — | — | — | — | — |
| Pension/postretirement (benefit) cost | <u>\$ (5.9)</u> | <u>\$ 0.9</u> | <u>\$ (11.2)</u> | <u>\$ 0.8</u> | <u>\$ 0.3</u> | <u>\$ 4.2</u> |

Amortization of prior service benefit and actuarial (gain) loss in the years ended December 31, 2024, 2023 and 2022 represent reclassifications from accumulated other comprehensive income.

The following are the weighted-average assumptions used in measuring the net periodic cost of the pension and postretirement benefits:

| Cincinnati Plans | Pension Benefits | | | Postretirement and Other Benefits | | |
|-----------------------------------|------------------|--------|--------|-----------------------------------|--------|--------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Discount rate | 5.00 % | 5.40 % | 2.70 % | 5.00 % | 5.40 % | 2.80 % |
| Expected long-term rate of return | 6.30 % | 6.00 % | 5.80 % | — | — | — |
| Cash balance interest credit rate | 4.00 % | 4.00 % | 4.00 % | — | — | — |

| Hawaii Plans | Pension Benefits | | | Postretirement and Other Benefits | | |
|-----------------------------------|------------------|--------|--------|-----------------------------------|--------|--------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Discount rate | 5.00 % | 5.40 % | 3.90 % | 5.10 % | 5.50 % | 3.70 % |
| Expected long-term rate of return | 6.00 % | 5.50 % | 5.00 % | — | — | — |
| Cash balance interest credit rate | — | 5.10 % | 1.90 % | — | — | — |

The expected long-term rate of return on plan assets, developed using the building block approach, for each of the plans is based on the mix of investments held directly by the plans and the current view of expected future returns, which is influenced by historical averages. Changes in actual asset return experience and discount rate assumptions can impact the Company's operating results, financial position and cash flows.

The Company utilized the Pri-2012/MP-2021 mortality tables published by the Society of Actuaries to measure the benefit obligations as of December 31, 2024 and 2023.

Benefit Obligation and Funded Status

Changes in the plans' benefit obligations and funded status are as follows:

| (dollars in millions) | Pension Benefits | | Postretirement and Other Benefits | |
|--|------------------|-----------|-----------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Change in benefit obligation: | | | | |
| Benefit obligation at beginning of period | \$ 433.7 | \$ 439.5 | \$ 102.1 | \$ 102.4 |
| Service cost | — | — | 0.4 | 0.5 |
| Interest cost | 18.8 | 22.0 | 5.0 | 5.2 |
| Plan Amendment | — | 0.1 | — | — |
| Actuarial (gain) loss (a) (b) | (13.0) | 8.8 | (6.2) | 1.1 |
| Benefits paid | (28.3) | (36.7) | (8.8) | (9.1) |
| Settlements (c) | (112.9) | — | — | — |
| Other | — | — | 1.9 | 2.0 |
| Benefit obligation at end of period | \$ 298.3 | \$ 433.7 | \$ 94.4 | \$ 102.1 |
| Change in plan assets: | | | | |
| Fair value of plan assets at beginning of period | \$ 397.8 | \$ 390.6 | \$ 3.1 | \$ 3.2 |
| Actual return (loss) on plan assets | 12.4 | 41.7 | — | — |
| Employer contributions | 2.7 | 2.2 | 6.4 | 6.9 |
| Benefits paid | (28.3) | (36.7) | (6.6) | (7.0) |
| Settlements (c) | (112.9) | — | — | — |
| Fair value of plan assets at end of period | 271.7 | 397.8 | 2.9 | 3.1 |
| Unfunded status | \$ (26.6) | \$ (35.9) | \$ (91.5) | \$ (99.0) |

- (a) The actuarial (gain) recorded for the year ended December 31, 2024 for the pension plans was primarily driven by an increase in the discount rate. The actuarial loss recorded during the year ended December 31, 2023 for the pension plans was primarily driven by a decrease in the discount rate.
- (b) The actuarial (gain) recorded for the year ended December 31, 2024 for the postretirement plans was primarily driven by an increase in the discount rate. The actuarial loss recorded for the year ended December 31, 2023 for the postretirement plans was primarily driven by a decrease in the discount rate.
- (c) Group annuity contracts and participant elections to take lump sum payments that exceeded the settlement accounting threshold and have been categorized as settlements.

The following are the weighted-average assumptions used in accounting for and measuring the projected benefit obligations:

| Cincinnati Plans | Pension Benefits | | | Postretirement and Other Benefits | | |
|-----------------------------------|------------------|--------|--|-----------------------------------|--------|--|
| | December 31, | | | December 31, | | |
| | 2024 | 2023 | | 2024 | 2023 | |
| Discount rate | 5.60 % | 5.00 % | | 5.60 % | 5.00 % | |
| Cash balance interest credit rate | 4.00 % | 4.00 % | | — | — | |
| Hawaii Plans | | | | | | |
| | Pension Benefits | | | Postretirement and Other Benefits | | |
| | December 31, | | | December 31, | | |
| | 2024 | 2023 | | 2024 | 2023 | |
| Discount rate | 5.40 % | 5.00 % | | 5.70 % | 5.10 % | |
| Cash balance interest credit rate | — | — | | — | — | |

The assumed healthcare cost trend rate used to measure the postretirement health benefit obligation is shown below:

| Cincinnati Plans | December 31, | |
|--|--------------|--------|
| | 2024 | 2023 |
| Healthcare cost trend | 7.50 % | 7.00 % |
| Rate to which the cost trend is assumed to decline (ultimate trend rate) | 4.80 % | 4.80 % |
| Year the rates reach the ultimate trend rate | 2036 | 2033 |

The unfunded balance of the projected benefit obligation is recognized in the Consolidated Balance Sheets as follows:

| (dollars in millions) | Pension Benefits | | | Postretirement and Other Benefits | | |
|--|------------------|---------|--|-----------------------------------|---------|--|
| | December 31, | | | December 31, | | |
| | 2024 | 2023 | | 2024 | 2023 | |
| Other noncurrent assets | \$ 2.1 | \$ 2.1 | | \$ — | \$ — | |
| Accrued payroll and benefits | 1.4 | 1.5 | | 7.7 | 7.9 | |
| Pension and postretirement benefit obligations | 27.3 | 36.5 | | 83.8 | 91.1 | |
| Total | \$ 26.6 | \$ 35.9 | | \$ 91.5 | \$ 99.0 | |

Amounts recognized in "Accumulated other comprehensive income" in the Consolidated Balance Sheets which have not yet been recognized in net pension costs consisted of the following:

| (dollars in millions) | Pension Benefits | | | Postretirement and Other Benefits | | |
|--|------------------|--------|--|-----------------------------------|----------|--|
| | December 31, | | | December 31, | | |
| | 2024 | 2023 | | 2024 | 2023 | |
| Prior service cost, net of tax of (\$0.6), (\$0.4) | \$ — | \$ — | | \$ (1.8) | \$ (1.2) | |
| Actuarial gain, net of tax of (\$0.6), (\$0.8), \$9.5, \$8.9 | 6.3 | 5.8 | | 30.5 | 28.6 | |
| Total | \$ 6.3 | \$ 5.8 | | \$ 28.7 | \$ 27.4 | |

Amounts recognized in "Accumulated other comprehensive income" on the Consolidated Statements of Equity (Deficit) and the Consolidated Statements of Comprehensive Income (Loss) are shown below:

| (dollars in millions) | Pension Benefits | | | Postretirement and Other Benefits | | |
|---|------------------|-------|--|-----------------------------------|----------|--|
| | December 31, | | | December 31, | | |
| | 2024 | 2023 | | 2024 | 2023 | |
| Prior service cost recognized: | | | | | | |
| Reclassification adjustments | \$ — | \$ — | | \$ (0.8) | \$ (0.8) | |
| Actuarial gain (loss) recognized: | | | | | | |
| Reclassification adjustments | (3.7) | (0.3) | | (3.8) | (4.7) | |
| Actuarial gain (loss) arising during the period | 4.4 | 12.0 | | 6.3 | (0.8) | |

Plan Assets, Investment Policies and Strategies

Cincinnati and Hawaii Plans

The primary investment objective for the trusts holding the assets of the pension and postretirement plans is preservation of capital with a reasonable amount of long-term growth and income without undue exposure to risk. The investment follows a glide path approach toward liability-driven investing that shifts a higher portfolio weighting to fixed income as the plan's funded status increases. The current target allocations are 20% equity securities and 80% investment grade fixed income securities for the CBMPP assets, 30% equity securities and 70% investment grade fixed income securities for the CBPP assets, and 10% equity securities and 90% investment grade fixed income securities for the Hawaii union pension plan assets as a result of each plan's funded status. Equity securities are primarily held in the form of passively managed funds that seek to track the performance of a benchmark index. Equity securities include investments in growth and value common stocks of companies located in the United States, which represents approximately 50% of the equity securities held by the pension plans at December 31, 2024, as well as stock of international companies located in both developed and emerging markets around the world. Fixed income securities primarily include holdings of funds, which generally invest in a variety of intermediate and long-term investment grade corporate bonds from diversified industries and U.S. Treasuries. The postretirement plan assets held by the Cincinnati plan are currently invested in a group insurance contract.

The fair values of the pension plan assets at December 31, 2024 and 2023 by asset category are as follows:

| (dollars in millions) | December 31, 2024 | Quoted prices in active markets Level 1 | Significant observable inputs Level 2 | Significant unobservable inputs Level 3 |
|--|----------------------|--|--|--|
| Mutual funds | | | | |
| U.S. equity index funds | \$ 29.7 | \$ 29.7 | \$ — | \$ — |
| International equity index funds | 28.9 | 28.9 | — | — |
| Fixed income bond funds | 212.0 | 212.0 | — | — |
| Fixed income short-term money market funds | 1.1 | 1.1 | — | — |
| Group insurance contract | 2.9 | — | — | — |
| Total | \$ 274.6 | \$ 271.7 | \$ — | \$ — |

| (dollars in millions) | December 31, 2023 | Quoted prices in active markets Level 1 | Significant observable inputs Level 2 | Significant unobservable inputs Level 3 |
|--|----------------------|--|--|--|
| Mutual funds | | | | |
| U.S. equity index funds | \$ 72.9 | \$ 72.9 | \$ — | \$ — |
| International equity index funds | 72.6 | 72.6 | — | — |
| Fixed income bond funds | 252.0 | 252.0 | — | — |
| Fixed income short-term money market funds | 0.3 | 0.3 | — | — |
| Group insurance contract | 3.1 | — | — | — |
| Total | \$ 400.9 | \$ 397.8 | \$ — | \$ — |

The fair values of Level 1 investments are based on quoted prices in active markets.

The group insurance contract is valued at contract value plus accrued interest and has not been included in the fair value hierarchy but is included in the totals above.

Contributions to our qualified pension plans were \$0.8 million in 2024, \$0.2 million in 2023 and there were no contributions to our qualified pension plans in 2022. Contributions to our non-qualified pension plans were \$1.9 million in 2024, \$2.0 million in 2023, and \$2.2 million in 2022.

Based on current assumptions, contributions are expected to be approximately \$2 million to both the qualified plans and the non-qualified plans in 2025. Management expects to make cash payments of approximately \$7 million related to its postretirement health plans in 2025.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next ten years:

| (dollars in millions) | Pension Benefits | Postretirement and Other Benefits | Medicare Subsidy Receipts |
|-----------------------|------------------|-----------------------------------|---------------------------|
| 2025 | \$ 37.9 | \$ 7.8 | \$ (0.1) |
| 2026 | 33.0 | 7.7 | (0.1) |
| 2027 | 31.1 | 7.7 | (0.1) |
| 2028 | 29.3 | 7.5 | (0.1) |
| 2029 | 26.1 | 7.4 | — |
| Years 2030 - 2034 | 114.9 | 34.9 | (0.1) |

13. Equity

Accumulated Other Comprehensive Income (Loss)

Shareowners' equity includes accumulated other comprehensive income (loss) that is comprised of pension and postretirement unrecognized prior service benefit (cost) and unrecognized actuarial gain (loss), and foreign currency translation gain (loss).

The changes in accumulated other comprehensive income (loss) by component were as follows:

| (dollars in millions) | Unrecognized Net Periodic Pension and Postretirement Benefit (Cost) | Foreign Currency Translation Gain (Loss) | Total |
|--|---|--|----------------|
| Balance as of December 31, 2022 | \$ 27.1 | \$ (7.6) | \$ 19.5 |
| Remeasurement of benefit obligations | 10.5 | — | 10.5 |
| Reclassifications, net | (4.4) ^(a) | — | (4.4) |
| Foreign currency gain | — | 2.6 | 2.6 |
| Balance as of December 31, 2023 | \$ 33.2 | \$ (5.0) | \$ 28.2 |
| Remeasurement of benefit obligations | 8.1 | — | 8.1 |
| Reclassifications, net | (6.3) ^(a) | — | (6.3) |
| Foreign currency loss | — | (6.5) | (6.5) |
| Accumulated foreign currency translation loss divested of in discontinued operations | — | 11.5 ^(b) | 11.5 |
| Balance as of December 31, 2024 | <u>\$ 35.0</u> | <u>\$ —</u> | <u>\$ 35.0</u> |

- (a) These reclassifications are included in the other components of net periodic pension and postretirement benefit plans expense and represent amortization of prior service benefit and actuarial gain, net of tax. The other components of net periodic pension and postretirement benefit plans expense are recorded in "Other components of pension and postretirement benefit plans expense (benefit)" on the Consolidated Statements of Operations. See Note 12 for further disclosures.
- (b) The accumulated foreign currency translation loss represents the cumulative translation adjustment included in accumulated other comprehensive income that was adjusted as a result of the sale of the Disposal Group. See Note 3 for further disclosures.

14. Income Taxes

Income tax expense (benefit) for continuing operations consisted of the following:

| (dollars in millions) | Year ended December 31, | | |
|-----------------------|-------------------------|-----------|----------|
| | 2024 | 2023 | 2022 |
| Current: | | | |
| Federal | \$ — | \$ — | \$ — |
| State and local | 0.1 | — | — |
| Foreign | — | — | — |
| Total current | 0.1 | — | — |
| Deferred: | | | |
| Federal | (47.0) | (48.3) | (31.0) |
| State and local | (11.8) | (7.0) | (6.6) |
| Foreign | — | — | — |
| Total deferred | (58.8) | (55.3) | (37.6) |
| Valuation allowance | 44.8 | 38.9 | 29.6 |
| Total | \$ (13.9) | \$ (16.4) | \$ (8.0) |

The following is a reconciliation of the statutory federal income tax rate with the effective tax rate for each period:

| | Year ended December 31, | | |
|--|-------------------------|--------|--------|
| | 2024 | 2023 | 2022 |
| U.S. federal statutory rate | 21.0 % | 21.0 % | 21.0 % |
| State and local income taxes, net of federal income tax | 2.9 | 3.2 | 3.1 |
| Non-Deductible meals and entertainment | (0.2) | (0.2) | (0.2) |
| State net operating loss adjustments | 1.1 | (0.7) | 0.4 |
| Change in valuation allowance, net of federal income tax | (18.9) | (17.4) | (19.0) |
| Change in uncertain tax positions | — | 0.2 | — |
| Research and development credits | 0.5 | 1.1 | — |
| Other differences, net | (0.6) | — | (0.2) |
| Effective tax rate | 5.8 % | 7.2 % | 5.1 % |

The income tax (benefit) provision was charged to continuing operations or accumulated other comprehensive income as follows:

| (dollars in millions) | Year ended December 31, | | |
|---|-------------------------|-----------|----------|
| | 2024 | 2023 | 2022 |
| Income tax (benefit) provision related to: | | | |
| Continuing operations | \$ (13.9) | \$ (16.4) | \$ (8.0) |
| Accumulated other comprehensive (loss) income | 0.6 | (0.7) | 7.6 |

The components of our deferred tax assets and liabilities were as follows:

| (dollars in millions) | December 31, | |
|---|--------------|------------|
| | 2024 | 2023 |
| Deferred tax assets: | | |
| Net operating loss carryforwards | \$ 177.6 | \$ 206.4 |
| Finance and operating lease obligations | 17.1 | 18.9 |
| Pension and postretirement benefits | 28.3 | 32.8 |
| Employee benefits | 3.3 | 3.8 |
| Interest limitation | 76.1 | 41.5 |
| State tax credit | 1.6 | 1.6 |
| Deferred revenue | 26.0 | 9.1 |
| Other | 13.5 | 13.2 |
| Total deferred tax assets | 343.5 | 327.3 |
| Valuation allowance | (82.9) | (28.0) |
| Total deferred tax assets, net of valuation allowance | \$ 260.6 | \$ 299.3 |
| Deferred tax liabilities: | | |
| Property, plant and equipment and intangibles | \$ (270.9) | \$ (293.0) |
| Other | (10.0) | (8.2) |
| Total deferred tax liabilities | (280.9) | (301.2) |
| Net deferred tax liabilities | \$ (20.3) | \$ (1.9) |

As of December 31, 2024, the Company had \$776.7 million of federal net operating loss carryforwards with a deferred tax asset value of \$163.1 million and \$14.5 million in deferred tax assets related to state and local net operating loss carryforwards. The next remaining material tranche of Federal net operating loss carryforwards will expire in 2031, if unused before then. U.S. tax laws limit the annual utilization of net operating loss carryforwards of acquired entities.

The Company assessed all available positive and negative evidence to determine whether it expects that sufficient future taxable income will be generated to allow it to realize its existing deferred tax assets. Based on this analysis, there are not sufficient sources of future taxable income (e.g. reversing deferred tax liabilities) for management to conclude that it is more likely than not that the Company will utilize all available federal net operating losses and federal and state carryforwards for interest expense deductions that are limited under Section 163(j) of the Internal Revenue Code and similar state provisions, so an additional partial valuation allowance was recorded in 2024. In addition, realization of certain state and local net operating losses, as well as other deferred tax assets, is not certain, so valuation allowances have been recorded against certain of those deferred assets as well.

As of December 31, 2024 and 2023, the Company had valuation allowances of \$82.9 million and \$28.0 million, respectively, recorded against other deferred tax assets consisting primarily of federal, state and local net operating loss carryforwards, as well as federal and state carryforwards for interest expense deductions that are limited under Section 163(j) of the Internal Revenue Code and similar state provisions. Management has concluded that it is more likely than not that it will realize all other deferred tax assets.

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$67.2 million at December 31, 2024 and \$18.9 million at December 31, 2023. Accrued interest and penalties on income tax uncertainties were immaterial as of December 31, 2024 and 2023.

A reconciliation of the unrecognized tax benefits is as follows:

| (dollars in millions) | Year ended December 31, | | |
|--|-------------------------|---------|---------|
| | 2024 | 2023 | 2022 |
| Balance, beginning of year | \$ 19.4 | \$ 19.3 | \$ 19.3 |
| Change in tax positions for the current year | 48.4 | 0.1 | — |
| Balance, end of year | \$ 67.8 | \$ 19.4 | \$ 19.3 |

The change in positions for the current year represents a tax benefit reserve recorded related to the Company's tax basis in the Disposal Group, in connection with the CBTS and OnX businesses disposal transaction. The tax impact of the reserve is recorded in Income from discontinued operations (net of tax).

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. With a few exceptions, the Company is no longer subject to U.S. federal, state or local examinations for years before 2020.

15. Restructuring and Severance

Liabilities have been established for employee separations and contract terminations. A summary of activity in the restructuring and severance liability is shown below:

| <u>(dollars in millions)</u> | <u>Employee Separation</u> | <u>Contract Terminations</u> | <u>Total</u> |
|---------------------------------|----------------------------|------------------------------|----------------|
| Balance as of December 31, 2021 | \$ 0.1 | \$ — | \$ 0.1 |
| Charges | — | — | — |
| Utilizations | (0.1) | — | (0.1) |
| Balance as of December 31, 2022 | \$ — | \$ — | \$ — |
| Charges | 10.8 | — | 10.8 |
| Utilizations | (0.6) | — | (0.6) |
| Balance as of December 31, 2023 | \$ 10.2 | \$ — | \$ 10.2 |
| Charges | 59.9 | 0.6 | 60.5 |
| Utilizations | (29.9) | (0.4) | (30.3) |
| Balance as of December 31, 2024 | <u>\$ 40.2</u> | <u>\$ 0.2</u> | <u>\$ 40.4</u> |

In the fourth quarter of 2024, management undertook a review of the business operations of the Company including departments supporting the operations and contrasted those with the Company's strategic priorities and requirements for 2025 and beyond. Based on that review, the Company's management approved a plan to centralize its management of certain functions and systems, deprioritize certain product offerings and cease sales and support for certain product lines.

The Company executed a restructuring plan consisting of an organizational restructuring to centralize the Company's management, align resources with strategic product lines and reduce costs associated with certain functions (the "Organizational Restructuring"). Certain employees were offered enhanced severance benefits under the 2024 voluntary severance program ("2024 VSP"). The Organizational Restructuring has resulted in the elimination of certain positions and termination of employment for certain employees in the Network segment and the Corporate function. These charges were recorded in the fourth quarter of 2024 at the time management resolved to undertake the Organizational Restructuring and are expected to be paid in the first half of 2025. Severance charges of \$54.2 million were recorded related to the 2024 VSP and \$5.7 million were recorded related to an involuntary severance program in the twelve months ended December 31, 2024.

Restructuring and severance charges recorded in 2023 in the Network segment and for certain Corporate employees are related to a severance program as the Company continues to reduce costs and identify efficiencies that can be achieved by further integrating operations between Cincinnati and Hawaii. In the fourth quarter of 2023, severance charges of \$7.3 million were recorded related to a 2023 voluntary severance program and severance charges of \$3.5 million were recorded related to an involuntary severance program.

Contract termination costs consist of payments due to vendors to exit contractual agreements that will no longer be utilized as a result of the Company's decision to cease operations of an ancillary business as part of its ongoing integration. Contract termination costs in 2024 consisted of amounts due to vendors to terminate contractual agreements. Contract termination costs are expected to be paid out in the first quarter of 2025.

A summary of restructuring activity is presented below:

| (dollars in millions) | Network | Corporate | Total |
|---------------------------------|----------------|------------------|----------------|
| Balance as of December 31, 2021 | \$ 0.1 | \$ — | \$ 0.1 |
| Charges | — | — | — |
| Utilizations | (0.1) | — | (0.1) |
| Balance as of December 31, 2022 | \$ — | \$ — | \$ — |
| Charges | 10.3 | 0.5 | 10.8 |
| Utilizations | (0.6) | — | (0.6) |
| Balance as of December 31, 2023 | \$ 9.7 | \$ 0.5 | \$ 10.2 |
| Charges | 59.3 | 1.2 | 60.5 |
| Utilizations | (29.8) | (0.5) | (30.3) |
| Balance as of December 31, 2024 | <u>\$ 39.2</u> | <u>\$ 1.2</u> | <u>\$ 40.4</u> |

At December 31, 2024 and 2023, \$40.4 million and \$10.2 million, respectively, are disclosed as "Accrued restructuring" on the Consolidated Balance Sheet as all amounts accrued are expected to be paid in 2025.

16. Business Segment Information

The Company's operations are managed and reported to its Chief Executive Officer ("CEO"), the Company's chief operating decision maker ("CODM"). The CODM evaluates the performance of two regions, Greater Cincinnati, which services customers through the altafiber brand, and Hawaii, which services customers through our Hawaiian Telcom brand, and allocates resources based on geography. These operating segments are aggregated into one reportable segment, Network, due to similarities in the nature and economics of the regions, suppliers utilized, operating processes, and long-term financial performance. The accounting policies for the Network segment are consistent with those described in the Summary of Significant Accounting Policies.

The CODM uses Operating Income to evaluate income or loss generated from each region and to guide decisions on capital investments. These decisions may include capital expenditures and/or acquisitions. See Note 4 for a description of the Company's disaggregated revenues by product line. Significant segment expenses are presented in the Company's consolidated statements of operations. Additional disaggregated significant segment expenses that are reviewed by the CODM, that are not separately presented on the Company's consolidated statements of operations, are presented below. Segment asset information is not used by the CODM to allocate resources.

Certain corporate administrative expenses have been allocated to the Network segment based upon the nature of the expense.

Our business segment information is as follows:

| (dollars in millions) | Year ended December 31, | | |
|--|-------------------------|-------------------|-------------------|
| | 2024 | 2023 | 2022 |
| Revenue | | | |
| Network | \$ 1,096.3 | \$ 1,100.1 | \$ 1,091.5 |
| Total revenue | <u>\$ 1,096.3</u> | <u>\$ 1,100.1</u> | <u>\$ 1,091.5</u> |
| Operating loss | | | |
| Network | \$ (71.5) | \$ (54.9) | \$ (59.7) |
| Corporate | (33.2) | (26.2) | (26.4) |
| Total operating loss | <u>\$ (104.7)</u> | <u>\$ (81.1)</u> | <u>\$ (86.1)</u> |
| Expenditures for long-lived assets* | | | |
| Network | \$ 534.8 | \$ 632.7 | \$ 532.8 |
| Corporate | 1.8 | 0.2 | 0.1 |
| Total expenditures for long-lived assets | <u>\$ 536.6</u> | <u>\$ 632.9</u> | <u>\$ 532.9</u> |
| Depreciation and amortization | | | |
| Network | \$ 338.7 | \$ 369.2 | \$ 408.4 |
| Corporate | 0.2 | 0.3 | 0.4 |
| Total depreciation and amortization | <u>\$ 338.9</u> | <u>\$ 369.5</u> | <u>\$ 408.8</u> |

*Includes cost of acquisitions in the years ended December 31, 2023 and 2022 and the purchase of perpetual licenses in the year ended December 31, 2022.

The following table provides information about the Network segment significant expenses that are reviewed by the CODM, that are not separately presented on the Company's consolidated statements of operations:

| (dollars in millions) | Year ended December 31, | | |
|--|-------------------------|------------|------------|
| | 2024 | 2023 | 2022 |
| Network Revenue | \$ 1,096.3 | \$ 1,100.1 | \$ 1,091.5 |
| Less: Significant and other segment expenses | | | |
| Employee and related costs | 225.0 | 228.9 | 224.7 |
| Programming expense | 150.2 | 151.6 | 146.2 |
| Network expense | 33.7 | 47.6 | 53.1 |
| Contract services | 92.9 | 97.3 | 89.9 |
| Other expenses | 268.0 | 250.1 | 228.9 |
| Depreciation and amortization expense | 338.7 | 369.2 | 408.4 |
| Restructuring and severance related charges | 59.3 | 10.3 | — |
| Network operating costs and expenses | 1,167.8 | 1,155.0 | 1,151.2 |
| Network operating loss | \$ (71.5) | \$ (54.9) | \$ (59.7) |

Programming expense and Network expense are recorded to Cost of services and products. Employee and related costs, Contract services and Other expenses are recorded to Cost of services and products and Selling, general and administrative. All costs and expenses not specifically identified in the table above have been aggregated as Other expenses.

17. Supplemental Cash Flow Information

| (dollars in millions) | Year ended December 31, | | | | | |
|---|-------------------------|-------|------|-------|------|------|
| | 2024 | | 2023 | | 2022 | |
| Capitalized interest expense | \$ | 9.8 | \$ | 8.2 | \$ | 3.1 |
| Cash paid for: | | | | | | |
| Interest | | 175.7 | | 157.0 | | 84.6 |
| Income taxes, net of refunds | | 6.9 | | 6.6 | | 6.4 |
| Noncash investing and financing activities: | | | | | | |
| Acquisition of property by assuming debt and other financing arrangements | | 3.7 | | 7.4 | | 10.5 |
| Acquisition of property on account | | 71.1 | | 93.7 | | 79.1 |

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

No reportable information under this item.

Item 9A. Controls and Procedures

- (a) Evaluation of disclosure controls and procedures.

Cincinnati Bell Inc.'s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in SEC Rule 13a-15(e)) as of the end of the period covered by this report. Based on this evaluation, Cincinnati Bell Inc.'s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective.

- (b) Management's annual report on internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting is set forth in Part II, Item 8 of this Annual Report on Form 10-K.

- (c) Changes in internal control over financial reporting.

There were no changes to Cincinnati Bell Inc.'s internal control over financial reporting during the fourth quarter of 2024 that materially affect, or are reasonably likely to materially affect, Cincinnati Bell Inc.'s internal control over financial reporting.

Item 9B. Other Information

No reportable information under this item.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance****Board of Directors**

There are currently eight directors on the Company's Board of Directors. The directors are elected in accordance with the terms of the Red Fiber Holdings limited liability company agreement, which gives certain investors in Red Fiber Holdings LLC ("Red Fiber Holdings") the right to designate managers of Red Fiber Holdings, who then also serve as directors of the Company. Parent is an indirect wholly-owned subsidiary of Red Fiber Holdings. Two directors of the Company must be independent directors domiciled in Hawaii. The Chief Executive Officer of the Company does not serve on the Board.

Scott L. Graves served as a director of the Company from September 7, 2021 until his resignation effective February 29, 2024.

F. Gregory Guerra served as a director of the Company from October 18, 2021 until his resignation effective March 31, 2024.

Douglas C. Wiest served as a director of the Company from September 7, 2021 until his resignation effective February 1, 2024.

Christina M. Wire served as a director of the Company from September 30, 2021 until her resignation effective October 24, 2024.

The directors of the Company as of December 31, 2024 were:

Kelly C. Atkinson

Ms. Atkinson resigned from Brinks Home Security in 2022 as Chief Commercial Officer of Brinks Home Security, a security company that offers home security systems. Prior positions include Head of Marketing, Consumer and SMB for Charter Communications (2018-2020), a broadband connectivity company and cable operator; and Executive Vice President of Consumer Cable and Content for Rogers Communications (2015-2018), a communications and media company. Ms. Atkinson was appointed a Director of Rise Broadband, Inc., a fixed wireless broadband service provider, in 2023. Age: 58; Director since 2021.

Felix A. Bernshteyn

Mr. Bernshteyn joined Ares Management in 2017 and continues to serve as a Partner in the Opportunistic Group. Ares Management is a global alternative investment manager operating in the credit, private equity and real estate markets. Age: 41; Director since 2021.

Mikhail Y. Dyadyuk

Mr. Dyadyuk joined Macquarie Asset Management in 2013 and serves as Regional Head of Financing Strategy for Macquarie Asset Management's Real Assets division. Macquarie Asset Management is a global asset manager, integrated across public and private markets. Mr. Dyadyuk was appointed as a Director effective February 12, 2024. Age: 40,

Colleen W. Hanabusa

Ms. Hanabusa currently serves as an attorney at law in her private law practice since 2019. Previously, she served as a U.S. Congresswoman, representing the First Congressional District of the State of Hawaii from 2017-2018. Age: 74; Director since 2021.

John T. Komeiji

Mr. Komeiji resigned from Kamehameha Schools as Vice President and General Counsel in 2022. Kamehameha Schools is a private school system that offers a variety of educational programs and scholarship services for Hawaiian learners of all ages in Hawaii. Prior positions at Hawaiian Telcom, Inc. include President and General Manager (2018-2020) and Senior Vice President, Chief Administrative Officer and General Counsel (2016-2018). Hawaiian Telcom, Inc. is a telecommunications company that provides high-speed internet, phone, wireless and other services for homes and businesses. Age: 71; Director since 2021.

Steven R. Kutos

Mr. Kutos joined Ares Management in 2017 and serves as a Principal in the Opportunistic Credit Group. Ares Management is a global alternative investment manager operating in the credit, private equity and real estate markets. Mr. Kutos was appointed as a Director effective February 29, 2024. Age: 33.

Anton Z. Moldan

Mr. Moldan joined Macquarie Asset Management in 2006 and serves as Senior Managing Director. Macquarie Asset Management is a global asset manager, integrated across public and private markets. Age: 40; Director since 2021.

John L. Scarano

Mr. Scarano is a communications infrastructure services executive. He currently serves on several non-public company boards. Previously, he served as an adjunct professor at the University of Colorado Boulder's Graduate Engineering School (2016-2020). Mr. Scarano was appointed as a Director effective April 1, 2024. Age: 59.

None of the directors have any familial relationships with any other directors or executives of the Company.

Executive Officers of the Registrant

The names, ages and positions of the executive officers of the Company as of December 31, 2024 were as follows:

| Name | Age | Title |
|---------------------|-----|---------------------------------------|
| Leigh R. Fox | 52 | President and Chief Executive Officer |
| Joshua T. Duckworth | 46 | Chief Financial Officer |
| Christi H. Cornette | 69 | Chief Administrative Officer |
| Mary E. Talbott | 56 | Chief Legal Officer |

Officers are elected annually but are removable in accordance with the Red Fiber Holding's limited liability company agreement.

LEIGH R. FOX, President and Chief Executive Officer of the Company since May 31, 2017; President and Chief Operating Officer of the Company from September 2016 to May 2017; Chief Financial Officer of the Company from October 2013 to September 2016; Chief Administrative Officer of the Company from July 2013 to October 2013; Senior Vice President of Finance and Operations from December 2012 to July 2013; Vice President of Finance at Cincinnati Bell Technology Solutions Inc. (CBTS) from October 2008 to December 2012.

JOSHUA T. DUCKWORTH, Chief Financial Officer of the Company since December 1, 2021; Vice President of Treasury, Corporate Finance and Investor Relations of the Company from October 2017 to December 1, 2021; Vice President, Investor Relations and Controller of the Company from July 2013 to October 2017; Assistant Treasurer and Director of Investor Relations for the Company from August 2012 to July 2013; Assistant Controller for the Company from August 2010 to August 2012; Deloitte & Touche LLP's audit practice from October 2004 to August 2010.

CHRISTI H. CORNETTE, Chief Administrative Officer of the Company since March 2023; Chief Culture Officer of the Company from June 2017 to March 2023; Senior Vice President, Marketing of the Company from August 2013 to June 2017; Vice President, Marketing of the Company from October 2008 to August 2013; Director of CBTS Marketing from October 2002 to October 2008.

MARY E. TALBOTT, Chief Legal Officer of the Company since March 2023; Deputy General Counsel of the Company from September 2022 to March 2023; Chief Legal Officer and Secretary for Gravity Diagnostics from September 2020 to May 2021; Senior Vice President, General Counsel and Corporate Secretary for Tennant Company from January 2019 to July 2020.

Code of Ethics

The Company's Code of Ethics for Senior Financial Officers that applies to its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer is posted on the Company's website at <http://www.altafiber.com>. Within the period of time required by the SEC, the Company will post on its website any amendment to its Code of Ethics for Senior Financial Officers and any waiver of such code relating to such senior financial officers.

Other

Following the Merger, certain oversight functions with respect to the business and affairs of the Company were assumed by Red Fiber Holdings, including functions previously performed by the Audit and Finance and Compensation Committees of the Company's Board of Directors, which were discontinued.

Since the Company's Board is elected in accordance with the requirements of the Red Fiber Holdings limited liability company agreement, the Company does not maintain procedures by which security holders may recommend nominees to the Company's Board. Since the Board does not have an Audit Committee and the functions formerly performed by its Audit Committee have been assumed by the Audit Committee of Red Fiber Holdings, the Board has not made a determination as to whether it has an "audit committee financial expert" (as defined in rules adopted by the SEC).

The Company has not adopted insider trading policies and procedures governing the purchase, sale and/or other dispositions of its securities by its directors, officers and employees, or by the Company itself, because all of the equity securities of the Company are owned by Red Fiber Parent LLC and are not traded.

Item 11. Executive Compensation**Compensation Discussion and Analysis**

This Compensation Discussion and Analysis describes the 2024 compensation program established by the Compensation Committee, the Board and the Red Fiber Holdings shareholders (the "Compensation Approvers") for our named executive officers ("NEOs"). Our named executive officers for 2024 were:

| Name | Position |
|---------------------|---------------------------------------|
| Leigh R. Fox | President and Chief Executive Officer |
| Joshua T. Duckworth | Chief Financial Officer |
| Christi H. Cornette | Chief Administrative Officer |
| Mary E. Talbott | Chief Legal Officer |

Compensation Program Objectives

Our executive compensation program's primary objectives are:

- To attract and retain high-quality executives by offering competitive compensation packages; and
- To motivate and reward executives for the attainment of financial and strategic goals, both short-term and long-term, thereby increasing the Company's value while at the same time discouraging unnecessary or excessive risk-taking.

Elements of Compensation*Base Salary*

Base salaries are provided to the Company's NEOs for performing their day-to-day responsibilities. The base salaries of our NEOs are based on a review of the competitive market data for comparable executive positions by the Compensation Approvers. NEOs received merit increases equivalent to 3% of their current base salary on May 19, 2024.

Annual Incentives

Annual incentives are intended to motivate and reward senior executives for achieving the short-term business objectives of the Company.

Each year the Compensation Approvers establish a target annual incentive award opportunity for each NEO. The 2024 target of 100% of each officer's annual base salary was prorated to reflect the change in base salary in May, 2024.

Annual incentives are payable for the achievement of annual financial performance goals established by the Compensation Approvers. Payouts, if any, could range from 0% to 200% of the total target annual incentive, depending on the level of achievement of financial goals between threshold and superior levels of performance.

For 2024, the financial performance goals include Adjusted EBITDA (see below for a definition) and Capital Expenditures for the Network segment of the Company, which were key measures of profitability of the Company. The Compensation Approvers established the target Adjusted EBITDA goal at \$346 million and the Capital Expenditures goal at \$474 million.

| Financial Objective | Threshold (50% Payout) | Adjusted Target (100% Payout) | Superior (200% Payout) | 2024 Actual Results |
|----------------------|------------------------|-------------------------------|------------------------|---------------------|
| Adjusted EBITDA | 50% | \$ 346 M | 200% | \$ 349 M |
| Capital Expenditures | 50% | \$ 474 M | 200% | \$ 481 M |

For purposes of the annual incentive plan, Adjusted EBITDA was defined as operating loss (calculated in accordance with GAAP), plus depreciation, amortization, restructuring and severance related charges, transaction and integrations costs, transaction related employee retention agreements, employee contract termination costs, Hawaii wildfire costs, network expansion related costs, financial transformation project expenses and other special items.

Long-Term Incentives

Upon the closing of the Merger, Red Fiber Holdings established the Red Fiber Holdings LLC Long-Term Incentive Plan (the “LTIP”), which replaced the restricted cash award granted in 2021. Each LTIP award generally vests as follows: (i) 80% of the award vests in four equal annual installments, subject to accelerated vesting on a qualified public offering or a change in control (collectively a “liquidity event”), and (ii) 20% of the award vests only upon a liquidity event, in each case subject to continued employment. The LTIP provides for the funding of an award pool upon a liquidity event, provided that the liquidity event occurs prior to the 8th anniversary of the closing of the Merger. The amount of the award pool would be based on the extent to which certain investment return hurdles were satisfied in connection with the applicable liquidity event. Assuming that a liquidity event occurs within the designated time period, each participating employee (including each of the NEOs) would be entitled to a cash payment from Red Fiber Holdings equal to a percentage of the funded award pool. Neither the Company nor any of its subsidiaries is obligated to fund the payments, if any, earned under the LTIP. In exchange for these awards, each participating employee agreed to comply with certain non-competition, non-solicitation, non-disparagement, and confidentiality covenants. A participant would forfeit all of his or her award under the LTIP (whether vested or unvested) upon a violation of any of these restrictive covenants.

Benefits

NEOs hired prior to January 1, 2009 participate in the Cincinnati Bell Management Pension Plan (the “Management Pension Plan”) on the same basis as all other eligible salaried and certain non-union hourly employees. The Management Pension Plan is a qualified defined benefit plan with a nonqualified provision that applies to the extent that eligible earnings or benefits exceed the applicable Internal Revenue Code limits for qualified plans. The Company makes all required contributions to this plan. The Management Pension Plan was frozen in 2009 and no further credits, other than interest, are made to the plan. The executives, along with all other salaried employees, also participate in a 401(k) savings plan, which includes a Company matching contribution feature that vests 100% of such matching contributions in the employee’s account as they are made to the plan.

The value of the Company’s retirement program is not considered in any of the compensation decisions made with respect to other elements of NEO compensation, because the Company believes that the alignment of the interests of executives and shareholders is most effectively accomplished through its short- and long-term incentive compensation programs.

Determination of the Target Compensation Levels

The Compensation Approvers determine target compensation levels based on competitive market data.

Other Compensation Policies*Employment Agreements, Severance and Change in Control Payments and Benefits*

The Company generally enters into employment agreements with the NEOs for several reasons. Employment agreements give the Company flexibility to make changes in key executive positions with or without a showing of cause, if terminating the executive is determined by the Company or the Board to be in the best interests of the Company. The agreements also minimize the potential for litigation by establishing separation terms in advance and requiring that any dispute be resolved through an arbitration process. The severance, change in control ("CIC") payments and benefits provided under the employment agreements as described in more detail in Potential Payments upon Termination of Employment or a Change in Control are important to ensure the retention of the NEOs.

Depending on the circumstances of their termination, the NEOs are eligible to receive severance benefits in the form of a multiple of annual base salary as a lump sum payment, continued access to Company-provided healthcare benefits for a defined period post-employment, and accelerated vesting of all equity as determined by the provisions in their employment agreements, which are discussed in detail in Potential Payments upon Termination of Employment or a Change in Control. Under a dismissal without cause or constructive discharge following a CIC, the Company provides the severance benefits because it serves the best interest of the Company and its shareholders to have executives focus on the business merits of possible change in control situations without undue concern for their personal financial outcome. In the case of a termination without cause or constructive discharge absent a CIC, the Company believes it is appropriate to provide severance at these levels to ensure the financial security of these executives, particularly in view of the non-compete provisions which state that, for 12 months (24 months in the case of the Chief Executive Officer) following termination, the executive will not compete with the Company or solicit customers or employees of the Company. Because these potential payments are triggered under very specific circumstances, such payments are not considered in setting pay or other elements of executive compensation. The Compensation Approvers have a policy that the Company will not enter into any new or materially amended employment agreements with NEOs providing for excise tax gross-up provisions with respect to payments contingent upon a CIC, and no NEO has an excise tax gross-up provision.

Compensation Committee Report

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis included in this report on Form 10-K with management. Based on our review and discussions with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this report on Form 10-K for the fiscal year ended December 31, 2024.

COMPENSATION COMMITTEE of Red Fiber Holdings

Kelly C. Atkinson
Mikhail Y Dyadyuk
Anton Z. Moldan

Compensation Tables
Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs for the 2022, 2023 and 2024 fiscal years.

| Name, Principal Position | Year | Salary (\$) | Bonus (\$)(a) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (\$)(b) | Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)(c) | All Other Compensation (\$)(d) | Total (\$) |
|------------------------------|------|----------------|------------------|-------------------------|--------------------------|--|---|--------------------------------------|---------------|
| Leigh R. Fox | | | 1,764,013 | — | — | | | | |
| | 2024 | 702,840 | 3 | — | — | 843,523 | — | 12,060 | 3,322,436 |
| President and | 2023 | 690,100 | — | — | — | 2,260,113 | 13,552 | 9,900 | 2,973,665 |
| Chief Executive Officer | 2022 | 690,100 | — | — | — | 1,479,765 | — | 12,200 | 2,182,065 |
| Joshua T. Duckworth | 2024 | 387,015 | 529,204 | — | — | 464,482 | — | 10,350 | 1,391,051 |
| Chief Financial Officer | 2023 | 380,000 | — | — | — | 516,020 | — | 9,900 | 905,920 |
| | 2022 | 380,000 | — | — | — | 450,575 | — | 12,200 | 842,775 |
| Christi H. Cornette | 2024 | 410,585 | 458,643 | — | — | 492,768 | 5,383 | 13,197 | 1,380,576 |
| Chief Administrative Officer | 2023 | 403,142 | — | — | — | 554,833 | 42,949 | 13,200 | 1,014,124 |
| | 2022 | 403,142 | — | — | — | 481,709 | — | 7,735 | 892,586 |
| Mary E. Talbott | 2024 | 397,766 | — | — | — | 476,705 | — | 13,800 | 888,271 |
| Chief Legal Officer | 2023 | 372,692 | — | — | — | 359,868 | — | 7,808 | 740,368 |

- (a) The 2024 amounts reflect the cash payments made to certain NEOs upon completion of the sale of CBTS LLC. The amounts were established by the Compensation Approvers at the time of the sale based on each executive's contribution to the sale process.

- (b) Non-equity incentive plan compensation represents amounts earned under the Company's annual incentive plan for the applicable year. In connection with the closing of the Merger, the 2023 amounts also reflect the payment of 50% of the 2020-2022 restricted cash award upon the 18-month anniversary of the closing of the Merger. The 2022 amounts also reflect the payment of 25% of the 2020-2022 restricted cash award upon the six-month anniversary of the closing of the Merger. The restricted cash awards are payable as follows: (i) 25% within 15 days following the closing of the Merger, (ii) 25% on the six-month anniversary of the closing of the Merger, and (iii) 50% on the 18-month anniversary of the closing of the Merger, generally subject to the executive's continued employment on each payment date.
- (c) The amounts shown in this column for Mr. Fox and Ms. Cornette represent the one-year change in the value of their qualified defined benefit plan and nonqualified excess plan for 2024, 2023 and 2022, respectively, projected forward to age 65 for each executive with interest credited at 4.0%, and then discounted back to the respective year at the discount rate (5.6% for 2024, 5.0% for 2023, and 5.4% for 2022) required under Accounting Standards Codification Topic ("ASC") 960. The Company froze participation in its qualified pension plan for management employees in 2009; therefore, Mr. Duckworth and Ms. Talbott are not entitled to any benefits under this plan. As a result of the higher discount rate in 2024, the 2024 actuarial present value of the qualified defined benefit plan decreased by \$8,480 for Mr. Fox and increased by \$5,383 for Ms. Cornette versus 2023. Pursuant to SEC rules, we are not permitted to report negative changes in pension value in the Summary Compensation Table. Thus, the negative change in pension value is reported in the table above as \$0. None of the executives receive any preferential treatment or above-market interest under the Company's retirement plans.
- (d) For each NEO, the amount includes the Company's 401(k) match. Under the terms of the Cincinnati Bell Inc. Retirement Savings Plan, the Company's matching contribution is equal to 100% on the first 3% and 50% on the next 2% of contributions made to the plan by the participant. Eligible compensation generally includes base wages plus any annual incentive paid to eligible participants.

Grants of Plan-Based Awards

The following table sets forth information concerning annual incentive plan awards to the NEOs during the year ended December 31, 2024:

| Name | Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a) | | |
|-----------------------|---|----------------|-----------------|
| | Threshold (\$) | Target (\$) | Maximum (\$) |
| Leigh R. Fox | | | |
| Annual cash incentive | 351,468 | 702,936 | 1,405,872 |
| Joshua T. Duckworth | | | |
| Annual cash incentive | 193,534 | 387,068 | 774,136 |
| Christi H. Cornette | | | |
| Annual cash incentive | 205,320 | 410,640 | 821,280 |
| Mary E. Talbott | | | |
| Annual cash incentive | 198,627 | 397,254 | 794,508 |

Discussion of Summary Compensation Table and Grants of Plan-Based Awards Table

During 2024, all of the NEOs were employed pursuant to agreements with the Company. Each employment agreement sets forth, among other things, the NEO's base salary, annual incentive opportunities, entitlement to participate in the Company's benefit and pension plans and to receive equity awards and post-termination benefits and obligations.

In connection with the Merger, each NEO received a new employment agreement, which is summarized below:

Each employment agreement has a term of one year, which automatically renews on the anniversary date for a period of one year, until termination of the NEO's employment. Under certain termination scenarios, the NEO may be entitled to additional compensation as follows:

- Disability – a payment equal to the sum of the NEO's accrued but unpaid base salary plus accrued but unused vacation to date of termination
- Death – a payment equal to the NEO's accrued but unpaid compensation will be paid to NEO's estate
- Termination for Cause – a payment equal to the NEO's accrued but unpaid compensation
- Termination without Cause – a payment equal to accrued but unpaid compensation plus two times' the NEO's then current base salary plus a lump sum payment equal to the employer's portion of the NEO's current elections under medical, dental and vision benefit plans for a period of 18 months

The agreement provides that the executive will not compete with the Company, nor solicit customers or employees of the Company, nor interfere with the Company's business in any other way for a period of two years following termination. Because these potential payments are triggered under very specific circumstances, such payments are not considered in setting pay or other elements of executive compensation.

The payments to the NEOs upon termination, including termination following a CIC as of December 31, 2024 are described in Potential Payments upon Termination of Employment or a Change in Control.

Outstanding Equity Awards at Fiscal Year-End

Our NEOs did not hold any equity awards as of December 31, 2024 and therefore we have omitted this table.

Option Exercises and Stock Vested

Our NEOs did not hold any equity awards as of December 31, 2024 and therefore we have omitted this table.

Pension Benefits

In February 2009, the Company made significant changes to the Management Pension Plan. The Company froze pension benefits for plan participants who were not grandfathered participants (as previously described in *Discussion of Summary Compensation Table and Grants of Plan-Based Awards Table*). Thereafter, the Company amended the Management Pension Plan to stop accruals based upon compensation paid after June 30, 2013 or services after the pay period ended June 29, 2013 for all participants, including grandfathered participants. Mr. Fox is not a grandfathered participant and no longer accrues additional benefits under such plan based on current compensation or service. Ms. Cornette is a grandfathered participant but no longer accrues additional benefits under such plan based on current compensation or service. In addition, any employee hired on or after January 1, 2009 was not eligible to participate in the Management Pension Plan. As a result, Mr. Duckworth and Ms. Talbott are not eligible to participate in the Management Pension Plan.

The following table sets forth information regarding pension benefits:

| Name | Plan Name | Number of Years Credited Service (#) (a) | Present Value of Accumulated Benefit (\$)(b)(c) | Payments During Last Fiscal Year (\$) |
|---------------------|------------------------------------|---|--|---|
| Leigh R. Fox | Qualified Defined Benefit Plan (d) | 9 | 91,926 | — |
| | Non-Qualified Excess Plan (e) | — | — | — |
| | Total | | <u>91,926</u> | — |
| Christi H. Cornette | Qualified Defined Benefit Plan (d) | 12 | 535,785 | — |
| | Non-Qualified Excess Plan (e) | 12 | 29,057 | — |
| | Total | | <u>564,842</u> | — |

- (a) This column reflects the years of credited service under the plans rather than actual years of service with the Company, which are higher for each of the NEOs noted. Participants were no longer credited years of service upon the freezing of pension benefits.
- (b) Amounts in this column represent the accumulated benefit obligations computed using the same assumptions as used for financial reporting purposes, described in more detail in Note 12 to the accompanying consolidated financial statements contained in “Part II. Item 8. Financial Statements and Supplementary Data.”
- (c) If any of the above-identified executive officers had retired on December 31, 2024, they would have been entitled to a benefit based on the balance then credited to them, without any reduction, under the Management Pension Plan (both the tax-qualified defined benefit plan portion and the non-qualified excess plan portion) as of that date. They may elect a lump-sum or equivalent annuity form of payment subject to any payment restrictions in place due to the funding status.
- (d) Management Pension Plan.
- (e) Nonqualified ERISA Excess Provisions of the Management Pension Plan.

A participant’s account under the Management Pension Plan is also generally credited with assumed interest for each calendar year at a certain interest rate. Such interest rate for 2024 was 4.0% per annum.

Potential Payments upon Termination of Employment or a Change in Control

The following table shows potential payments to the NEOs directly and indirectly on their behalf under existing contracts, agreements, plans or arrangements, whether written or unwritten, for various scenarios involving a CIC or termination of employment, assuming a December 31, 2024 termination.

| Name | Executive Payment on Termination | Involuntary Not for Cause Termination (\$) | Change in Control (\$) | Death (\$) | Disability (\$) |
|---------------------|----------------------------------|--|------------------------------|---------------|--------------------|
| Leigh R. Fox | Base Salary | 1,421,606 | — | — | — |
| | Annual Incentive (a) | 843,523 | — | — | — |
| | Long-Term Incentive (b) | — | — | — | — |
| | Basic Benefits (c) | 38,372 | — | — | — |
| | Total | 2,303,501 | — | — | — |
| Joshua T. Duckworth | Base Salary | 782,800 | — | — | — |
| | Annual Incentive (a) | 464,482 | — | — | — |
| | Long-Term Incentive (b) | — | — | — | — |
| | Basic Benefits (c) | 38,372 | — | — | — |
| | Total | 1,285,654 | — | — | — |
| Christi H. Cornette | Base Salary | 830,472 | — | — | — |
| | Annual Incentive (a) | 492,768 | — | — | — |
| | Long-Term Incentive (b) | — | — | — | — |
| | Basic Benefits (c) | 14,688 | — | — | — |
| | Total | 1,337,928 | — | — | — |
| Mary E. Talbott | Base Salary | 803,400 | — | — | — |
| | Annual Incentive (a) | 476,705 | — | — | — |
| | Long-Term Incentive (b) | — | — | — | — |
| | Basic Benefits (c) | 24,235 | — | — | — |
| | Total | 1,304,340 | — | — | — |

- (a) NEOs employed as of December 31, 2024 are eligible to receive the annual incentive payment on the same terms and timing as actively employed participants. There is no forfeiture and no acceleration of any benefit. The amount shown reflects the actual amount earned under the 2024 incentive plan for NEOs.
- (b) If a sale of CBI occurred on December 31, 2024, the units under the LTIP would have no value because the investment return hurdles would not have been satisfied.
- (c) Basic benefits represent the lump sum value of the COBRA cost for medical, dental and vision benefits for 18 months.

If any of the executives elects to voluntarily terminate employment with the Company, or if they are terminated by the Company for cause, they are entitled to no payments from the Company other than those benefits which they have a non-forfeitable vested right to receive (the “vested amounts”), which include vested amounts under the Company’s pension and savings plans.

In addition to any applicable “vested amounts,” an executive will be entitled to receive certain additional benefits under their employment agreements described on page 118 above. If one of the four termination scenarios detailed in the above table and discussed below occurs, regardless of the termination scenario, the NEOs will continue to be bound by the non-disclosure, non-compete and non-solicitation provisions of their employment agreements.

If an executive is terminated by the Company without cause (an involuntary not for cause termination), the executive will be entitled to the following:

- A lump-sum cash payment equal to 2.0 times the executive's base salary;
- Access to medical, dental and vision benefits following the executive's termination of employment for a maximum period of 18 months. Employer will subsidize the cost of coverage at the same rate as was in effect for the employee until such time as the employee begins coverage under another employer's plan or 18 months, whichever occurs first. Employer may elect to provide a lump sum payment, less applicable withholding taxes in lieu of a monthly subsidy.
- Accelerated vesting to the next tranche vesting date under the Red Fiber Holdings LLC Long-Term Incentive Plan.

If an executive is terminated following a CIC, the executive will be not be entitled to any payments beyond compensation accrued to the date of termination.

If an executive is "terminated" because of his or her death, the executive's beneficiary will be entitled to unpaid compensation accrued to the date of death.

If an executive is terminated by reason of disability, the executive will be entitled to the following:

- Accrued but unpaid base salary to the date of termination;
- Payment for accrued but unused vacation to the date of termination;
- Accrued and earned annual incentive for the year prior to the year of termination; and
- Earned and vested benefits under any Employer benefit plan to the date of termination subject to offset for any amounts received pursuant to the disability plans

Receipt of the above-described payments (other than the "vested amounts") is conditioned upon the executive executing a release of claims in favor of the Company.

CEO Pay Ratio

As required by the SEC, we are providing the following information about the relationship between the annual total compensation (“ATC”) of our employees and the ATC of Mr. Fox, our President and Chief Executive Officer (the “PEO”).

For 2024, our last completed fiscal year,

- The ATC of the median employee of the Company was \$91,192; and
- The ATC for our PEO was \$3,322,436

Based on this information, for 2024 the resulting pay ratio between the ATC of the PEO to the ATC of the median employee was 36:1.

To identify the median employee, we took the following steps:

1. We determined the median employee by analyzing annual total compensation data for all active employees as of December 31, 2024.
2. Once we identified the median employee, we determined the ATC for the median employee in the same manner used to determine Mr. Fox’s ATC as reflected in the Summary Compensation Table in Compensation Tables.

Director Annual Compensation Program

The Director Annual Compensation Program provides for an annual retainer of \$100,000 per director and is only payable to Colleen W. Hanabusa and John T. Komeiji. None of the other directors received compensation from the Company for their service on the board.

2024 Director Compensation

The following table shows the compensation paid to our non-employee directors for the 2024 fiscal year:

| Name | DIRECTOR COMPENSATION | | | Total (\$) |
|------------------|-------------------------------------|----------------------|-----------------------|------------|
| | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | Option Awards (\$) | |
| Colleen Hanabusa | 100,000 | — | — | 100,000 |
| John T. Komeiji | 100,000 | — | — | 100,000 |

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

As of December 31, 2024, there were 100 common shares of the Company issued and outstanding, all of which were held by Red Fiber Parent. Red Fiber Parent is an indirect wholly-owned subsidiary of Red Fiber Holdings. Directors and executive officers of the Company do not beneficially own any of the Company’s common shares.

As of December 31, 2024, the Company did not maintain any compensation plans (including any individual compensation arrangements) under which equity securities of the Company were authorized for issuance.

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

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present a heightened risk of potential or actual conflicts of interest. Accordingly, as a general matter, it is the Company's preference to avoid related party transactions. Current SEC rules define a related party transaction to include any transaction, arrangement or relationship: (i) in which the Company is a participant, (ii) in which the transaction has an aggregate value greater than \$120,000, and (iii) in which any of the following persons has or will have a direct or indirect material interest:

- an executive officer, director or director nominee of the Company;
- any person who is known to be the beneficial owner of more than 5% of the Company's common shares;
- any person who is an immediate family member (as defined under Item 404 of Regulation S-K) of an executive officer or director;
- nominee or beneficial owner of more than 5% of the Company's common shares; or
- any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person, together with any other of the foregoing persons, has a 10% or greater beneficial ownership interest.

The Company's Code of Business Conduct and Code of Ethics for Senior Financial Officers require officers and all other members of the workforce to avoid any relationship, influence or activity that would cause or even appear to cause a conflict of interest. The Company's Corporate Guidelines, Code of Business Conduct and Code of Ethics for Senior Financial Officers generally require (i) a director to promptly disclose any potential or actual conflict of interest involving him or her and (ii) an employee, including the executive officers, to promptly disclose a conflict of interest to the Chief Legal Counsel. The Chief Legal Counsel determines an appropriate resolution to actual or potential conflicts of interest on a case-by-case basis. All directors are expected to recuse themselves from any discussion or decision affecting their personal, business or professional interests.

In 2024, there were no related party transactions requiring disclosure under applicable SEC rules.

Director Independence

Since the Merger, the Company is no longer subject to the director independence requirements of the federal securities laws or the rules of any stock exchange. Accordingly, the Board has not made any determination that any director who has served on the Board since the Merger is independent under any such requirements. Further, since the Merger, the Board no longer has an audit, nominating or compensation committee (the functions of which have been assumed by Red Fiber Holdings) and, therefore, is no longer subject to any director independence requirement of the federal securities laws or the rules of any stock exchange with respect to any such committee.

Item 14. Principal Accountant Fees and Services

PricewaterhouseCoopers LLP (“PwC”) was the Company’s Independent Registered Public Accounting Firm for the 2024 and 2023 fiscal years. Aggregate fees for professional services rendered by PwC for the years ended December 31, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|----------------|---------------------|---------------------|
| Audit fees | \$ 3,105,000 | \$ 2,044,000 |
| Tax fees | 224,000 | 151,000 |
| All other fees | 2,200 | 4,000 |
| Total | <u>\$ 3,331,200</u> | <u>\$ 2,199,000</u> |

Audit Fees

For the years ended December 31, 2024 and 2023, the Company incurred audit fees from PwC of \$3,105,000 and \$2,044,000, respectively. The audit fees for the years ended December 31, 2024 and 2023 were in connection with the audit of the Company’s annual financial statements and review of quarterly financial statements included in the Company’s reports filed with the SEC. The audit of the Company’s 2024 financial statements also included work related to the divestiture of the Disposal Group completed December 2, 2024 and the audit of stand-alone financial statements to support the financing of the transaction by TowerBrook.

Tax Fees

Tax fees for the years ended December 31, 2024 and 2023 were incurred for services rendered by PwC related to the preparation of various tax filings and tax consultations.

All Other Fees

All other fees incurred in the years ended December 31, 2024 and 2023 were related to software license fees.

Engagement of the Independent Registered Public Accounting Firm and Pre-Approval Policy

In accordance with its charter, the Audit Committee has the sole authority and responsibility to select, evaluate and, if necessary, replace the Independent Registered Public Accounting Firm. The Audit Committee has the sole authority to approve all audit engagement fees and terms. In addition, the Audit Committee, or the chair of the Audit Committee between regularly scheduled meetings, must pre-approve all services provided to the Company by the Company’s Independent Registered Public Accounting Firm.

Pursuant to Section 202 of the Sarbanes-Oxley Act of 2002, the Audit Committee pre-approved every engagement of PwC to perform audit or non-audit services on behalf of the Company or any of its subsidiaries during the years ended December 31, 2024 and 2023.

PART IV**Item 15. Exhibits and Financial Statement Schedules****Financial Statements**

Consolidated financial statements are included in Part II, Item 8.

Financial Statement Schedules

Financial Statement Schedule II — Valuation and Qualifying Accounts. All other schedules are not required under the related instructions or are not applicable.

Exhibits

Exhibits identified in parenthesis below, on file with the Securities and Exchange Commission, are incorporated herein by reference as exhibits hereto.

| Exhibit Number | Description |
|---------------------------|---|
| (2.1) | Agreement and Plan of Merger, dated as of March 13, 2020, by and among Cincinnati Bell Inc., Red Fiber Parent LLC and RF Merger Sub Inc. (Exhibit 2.1 to Current Report on Form 8-K, date of Report March 13, 2020, File No. 1-8519). |
| (2.2) | Equity Purchase Agreement dated as of February 2, 2024 among Cincinnati Bell Inc., CBTS Borrower, LLC, and CBTS LLC (Exhibit 2.1 to Current Report on Form 8-K, date of Report December 2, 2024, File No. 1-8519). |
| (3.1) | Second Amended Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to Annual Report on Form 10-K for the year ended December 31, 2021, File No. 1-8519). |
| (3.2) | Fourth Amended and Restated Regulations of Cincinnati Bell Inc. (Exhibit 3.2 to Current Report on Form 8-K, date of Report September 19, 2024, File No. 1-8519). |
| (4.1) | Indenture dated July 1, 1993, between Cincinnati Bell Inc., as Issuer, and The Bank of New York, as Trustee, relating to Cincinnati Bell Inc.'s 7 ¹ / ₄ % Notes Due June 15, 2023 (Exhibit 4-A to Current Report on Form 8-K, date of Report July 12, 1993, File No. 1-8519). (P) |
| (4.2) | Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4-A to Current Report on Form 8-K, date of Report November 30, 1998, File No. 1-8519). |
| (4.3) | First Supplemental Indenture dated as of December 31, 2004 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4(c)(iii)(2) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519). |
| (4.4) | Second Supplemental Indenture dated as of January 10, 2005 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company LLC (as successor entity to Cincinnati Bell Telephone Company), as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit (4)(c)(ii)(3) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519). |
| (4.5) | Indenture, dated September 22, 2016, among Cincinnati Bell Inc., the guarantor parties thereto and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report September 22, 2016, File No. 1-8519). |

- (4.6) First Supplemental Indenture dated April 3, 2017 among Cincinnati Bell Inc., SunTel Services LLC and Regions Bank, as trustee (Exhibit 99.1 to Current Report on Form 8-K, date of Report April 3, 2017, File No. 1-8519).
- (4.7) Second Supplemental Indenture dated May 31, 2017 among Cincinnati Bell Inc., Cincinnati Bell Telephone Company LLC, Cincinnati Bell Extended Territories LLC, and Regions Bank, as trustee (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 31, 2017, File No. 1-8519).
- (4.8) Third Supplemental Indenture dated October 2, 2017 among Cincinnati Bell Inc., Cincinnati Bell Shared Services LLC, Data Center South Holdings, LLC, Twin Acquisition Corp. and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 2, 2017, File No. 1-8519).
- (4.9) Fourth Supplemental Indenture dated as of December 22, 2017 among Cincinnati Bell Inc., CBTS Holdco LLC, and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report December 22, 2017, File No. 1-8519).
- (4.10) Fifth Supplemental Indenture, dated as of July 2, 2018, by and among Cincinnati Bell Inc., the guarantors party thereto and Regions Bank, as Trustee. (Exhibit 4.2 to Current Report on Form 8-K, date of Report July 2, 2018, File No. 1-8519).
- (4.11) Sixth Supplemental Indenture, dated as of July 2, 2020, among Cincinnati Bell Inc., as Issuer, each subsidiary of the Issuer identified as a Guarantor, and Regions Bank, as Trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report July 6, 2020, File No. 1-8519).
- (4.12) Indenture, dated October 6, 2017, between CB Escrow Corp. and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 6, 2017, File No. 1-8519).
- (4.13) Assumption Supplemental Indenture, dated as of July 2, 2018, by and among Cincinnati Bell Inc., the guarantors party thereto and Regions Bank, as Trustee. (Exhibit 4.1 to Current Report on Form 8-K, date of Report July 2, 2018, File No. 1-8519).
- (4.14) Second Supplemental Indenture, dated as of July 2, 2020, among Cincinnati Bell Inc., as Issuer, each subsidiary of the Issuer identified as a Guarantor, and Regions Bank, as Trustee. (Exhibit 4.2 to Current Report on Form 8-K, date of Report July 6, 2020, File No. 1-8519).
- (4.15) Escrow Agreement, dated October 6, 2017, by and among CB Escrow Corp., Regions Bank, as trustee, and Regions Bank, as Escrow Agent (Exhibit 4.2 to Current Report on Form 8-K, date of Report October 6, 2017, File No. 1-8519).
- (4.16) No other instrument which defines the rights of holders of long term debt of the registrant is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the registrant hereby agrees to furnish a copy of any such instrument to the SEC upon request.
- (10.1) Credit Agreement, dated as of September 7, 2021, among Red Fiber Parent LLC, RF Merger Sub Inc., Goldman Sachs Bank USA, as administrative and collateral agent, each L/C Issuer and Swing Line Lender, each other Lender, Cincinnati Bell Inc. (and as successor in interest to RF Merger Sub Inc.) and the other parties thereto from time to time. (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 7, 2021, File No. 1-8519).

- [\(10.2\)](#) Amendment No. 1 to Credit Agreement, dated as of November 23, 2021, among Red Fiber Parent LLC, RF Merger Sub Inc., Goldman Sachs Bank USA, as administrative and collateral agent, each L/C Issuer and Swing Line Lender, each other Lender, Cincinnati Bell Inc. (and as successor in interest to RF Merger Sub Inc.) and the other parties thereto from time to time. (Exhibit 10.1 to Current Report on Form 8-K, date of Report November 23, 2021, File No. 1-8519).
- [\(10.3\)](#) Incremental Amendment to Credit Agreement dated as of May 3, 2023, by and among Red Fiber Parent LLC, Cincinnati Bell Inc., Goldman Sachs Bank USA, as administrative agent, and CoBank ACB, as the Term B-3 Lender (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 3, 2023, File No. 1-8519).
- [\(10.4\)](#) Amendment No. 3 to Credit Agreement dated as of May 30, 2024, by and among Red Fiber Parent LLC, Cincinnati Bell Inc., each of the Guarantors party hereto, Goldman Sachs Bank USA, as administrative agent for the Lenders, the Incremental Term B-2 Lender and each of the 2024 Extended Revolving Credit Lenders (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 30, 2024, File No. 1-8519).
- [\(10.5\)](#) Amendment No. 4 to Credit Agreement dated as of June 14, 2024, by and among Red Fiber Parent LLC, Cincinnati Bell Inc., each of the Guarantors party hereto, and the Term B-3 Lender, and acknowledged by Goldman Sachs Bank USA, as administrative agent for the Lenders (Exhibit 10.1 to Current Report on Form 8-K, date of Report June 14, 2024, File No. 1-8519).
- [\(10.6\)](#) Amendment No. 5 to Credit Agreement dated as of December 19, 2024, by and among Red Fiber Parent LLC, Cincinnati Bell Inc., each of the Guarantors party hereto, Goldman Sachs Bank USA, as administrative agent for the Lenders, the Term B-1 Lender, the Term B-3 Lender and the Term B-4 Lenders (Exhibit 10.1 to Current Report on Form 8-K, date of Report December 19, 2024, File No. 1-8519).
- [\(10.7\)](#) Third Amended and Restated Purchase and Sale Agreement, dated as of January 31, 2023, among the Various Entities list on Schedule I thereto, as Originators, Cincinnati Bell Funding LLC and Cincinnati Bell Inc., as Servicer (Exhibit 99.1 to Current Report on Form 8-K, date of Report January 31, 2023, File No. 1-8519).
- [\(10.8\)](#) Receivables Financing Agreement dated as of May 10, 2018, among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.3 to Current Report on Form 8-K, date of Report May 10, 2018, File No. 1-8519).
- [\(10.9\)](#) First Amendment to the Receivables Financing Agreement, dated as of November 21, 2018, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.2 to Current Report on Form 8-K, date of Report November 21, 2018, File No. 1-8519).
- [\(10.10\)](#) Second Amendment to Receivables Financing Agreement, dated as of May 9, 2019, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time parties thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent. (Exhibit 99.3 to Current Report on Form 8-K, date of Report May 9, 2019, File 1-8519).

- [\(10.11\)](#) Third Amendment to the Receivables Financing Agreement, dated as of May 7, 2020, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent. (Exhibit 99.2 to Current Report on Form 8-K, date of Report May 7, 2020, File No. 1-8519).
- [\(10.12\)](#) Fourth Amendment to the Receivables Financing Agreement, dated as of April 9, 2021, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank Canada Branch as issuer of Letters of Credit and Lender, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent. (Exhibit 99.2 to Current Report on Form 8-K, date of Report April 9, 2021, File No. 1-8519).
- [\(10.13\)](#) Fifth Amendment to the Receivables Financing Agreement, dated as of November 12, 2021, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank Canada Branch as issuer of Letters of Credit and Lender, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent. (Exhibit 99.2 to Current Report on Form 8-K, date of Report November 15, 2021, File No. 1-8519).
- [\(10.14\)](#) Sixth Amendment to the Receivables Financing Agreement, dated as of June 3, 2022, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank Canada Branch as issuer of Letters of Credit and Lender, PNC Bank, National Association, as Administrator and issuer of Letters of Credit, and PNC Capital Markets, as Structuring Agent. (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, File No. 1-8519).
- [\(10.15\)](#) Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023, among Cincinnati Bell Funding LLC as Borrower, Cincinnati Bell Inc., as Servicer, the various Lenders, LC Participants and Group Agents from time to time party thereto, PNC Bank, National Association as the Administrator and LC Bank, and PNC Capital Markets LLC as Structuring Agent (Exhibit 99.2 to Current Report on Form 8-K, date of Report January 31, 2023, File No. 1-8519).
- [\(10.16\) +](#) First Amendment to Receivables Financing Agreement, dated as of October 10, 2024, among Cincinnati Bell Funding LLC as Borrower, Cincinnati Bell Inc., as Servicer, the various Lenders, LC Participants and Group Agents from time to time party thereto, PNC Bank, National Association as the Administrator and LC Bank, and PNC Capital Markets LLC as Structuring Agent.
- [\(10.17\)](#) Receivables Purchase Agreement dated as of May 10, 2018 among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, PNC Bank, National Association, as Buyer, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.4 to Current Report on Form 8-K, date of Report May 10, 2018, File No. 1-8519).
- [\(10.18\)](#) First Amendment to Receivables Purchase Agreement, dated as of May 9, 2019, by and among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 99.2 to Current Report on Form 8-K, date of Report May 9, 2019, File 1-8519).
- [\(10.19\)](#) Second Amendment to the Receivables Purchase Agreement, dated as of May 7, 2020, by and among Cincinnati Bell Funding LLC as Seller, Cincinnati Bell Inc. as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 99.1 to Current Report on Form 8-K, date of Report May 7, 2020, File No. 1-8519).
- [\(10.20\)](#) Third Amendment to the Receivables Purchase Agreement, dated as of April 9, 2021, by and among Cincinnati Bell Funding LLC as Seller, Cincinnati Bell Inc. as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 99.1 to Current Report on Form 8-K, date of Report April 9, 2021, File No. 1-8519).

- [\(10.21\)](#) Fourth Amendment to the Receivables Purchase Agreement, dated as of November 12, 2021, by and among Cincinnati Bell Funding LLC as Seller, Cincinnati Bell Inc. as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 99.1 to Current Report on Form 8-K, date of Report November 15, 2021, File No. 1-8519).
- [\(10.22\)](#) Fifth Amendment to the Receivables Purchase Agreement, dated as of June 3, 2022, by and among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc. as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, File No. 1-8519).
- [\(10.23\)](#) Purchase and Sale Agreement, dated as of January 31, 2023, the Various Entities listed on Schedule I thereto, as Originators, CBTS Funding LLC, and CBTS Technology Solutions LLC, as Servicer (Exhibit 99.3 to Current Report on Form 8-K, date of Report January 31, 2023, File No. 1-8519).
- [\(10.24\)](#) Receivables Financing Agreement, dated as of January 31, 2023, CBTS Funding LLC and Cincinnati Bell Funding Canada LTD., as Borrowers, CBTS Technology Solutions LLC and OnX Enterprise Solutions Ltd, as Servicers, the Lenders and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and LC Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.4 to Current Report on Form 8-K, date of Report January 31, 2023, File No. 1-8519).
- [\(10.25\)](#) Amended and Restated Canadian Purchase and Sale Agreement, dated as of January 31, 2023, among the Various Entities listed on Schedule I thereto, Cincinnati Bell Funding Canada Ltd., OnX Enterprise Solutions Ltd., as Servicer, and PNC Bank, National Association, as Administrator (Exhibit 99.5 to Current Report on Form 8-K, date of Report January 31, 2023, File No. 1-8519).
- [\(10.26\)](#) Receivables Purchase Agreement, dated as of January 31, 2023, by and among CBTS Funding LLC, as Seller, CBTS Technology Solutions LLC, as Servicer, PNC Bank, National Association, as Buyer, and PNC Capital Markets, LLC, as Structuring Agent (Exhibit 99.6 to Current Report on Form 8-K, date of Report January 31, 2023, File No. 1-8519).
- [\(10.27\)*](#) Cincinnati Bell Inc. Pension Program, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(3) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- [\(10.28\)*](#) Amendment to Cincinnati Bell Inc. Pension Program, effective December 31, 2011 (Exhibit 10.12 to Annual Report on Form 10-K for the year ended December 31, 2011, File No. 1-8519).
- [\(10.29\)*](#) Restatement of the Cincinnati Bell Management Pension Plan executed December 22, 2016 (Exhibit 10.28 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
- [\(10.30\)*](#) Restatement of the Cincinnati Bell Pension Plan executed December 22, 2016 (Exhibit 10.29 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
- [\(10.31\)*](#) Amendment to Cincinnati Bell Management Pension Plan executed December 22, 2016 (Exhibit 10.30 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
- [\(10.32\)*](#) Amendment to the Cincinnati Bell Pension Plan executed December 22, 2016 (Exhibit 10.31 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
- [\(10.33\)*](#) Cincinnati Bell Inc. Form of Long-Term Restricted Cash Retention Award (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, File 1-8519).
- [\(10.34\)*](#) Cincinnati Bell Inc. Form of Long-Term Restricted Cash Retention Award (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, File 1-8519).

| | |
|--------------------------|---|
| (10.35)* | Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of September 7, 2021 (Exhibit 10.31 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.36)* | Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Joshua T. Duckworth dated as of December 1, 2021 (Exhibit 10.32 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.37)* | Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Christi H. Cornette effective as of September 7, 2021 (Exhibit 10.33 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.38)* | Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Mary E. Talbott effective as of March 8, 2023 (Exhibit 10.34 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.39)* | Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson effective as of September 7, 2021 (Exhibit 10.35 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.40)* | Release of Claims Agreement between Cincinnati Bell Inc. and Thomas E. Simpson dated as of March 27, 2023 (Exhibit 10.36 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.41)* | Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective as of September 7, 2021 (Exhibit 10.37 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.42)* | Release of Claims Agreement between Cincinnati Bell Inc. and Christopher J. Wilson dated as of March 27, 2023 (Exhibit 10.38 to Annual Report on Form 10-K for the year ended December 31, 2023, File 1-8519). |
| (10.43)* | Employment Agreement between Cincinnati Bell Inc. and Shannon M. Mullen effective as of December 1, 2017 (Exhibit 10.7 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519). |
| (10.44)* | Employment Agreement between Cincinnati Bell Inc. and Mark J. Fahner effective as of September 16, 2018 (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, File 1-8519). |
| (10.45)* | Employment Agreement between Cincinnati Bell Inc. and Suzanne E. Maratta effective May 12, 2019. (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 15, 2019, File 1-8519). |
| (10.46)* | Employment Agreement between Cincinnati Bell Inc. and Angela J. Huber effective December 1, 2021 (Exhibit 10.63 to Annual Report on Form 10-K for the year ended December 31, 2021, File No. 1-8519). |

| | |
|-------------------------|---|
| (14) | Code of Ethics for Senior Financial Officers, as adopted pursuant to Section 406 of Regulation S-K (Exhibit (10)(iii)(A)(15) to Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-8519). |
| (21)+ | Subsidiaries of the Registrant. |
| (24)+ | Powers of Attorney. |
| (31.1)+ | Certificate of the Chief Executive Officer Pursuant to Rule 15d-14(a) |
| (31.2)+ | Certificate of the Chief Financial Officer Pursuant to Rule 15d-14(a). |
| (97)* | Executive Compensation Recoupment/Clawback Policy effective as of January 1, 2011 (Exhibit 99.1 to Current Report on Form 8-K, date of Report October 29, 2010, File No. 1-8519). |
| 101 | The following financial statements from Cincinnati Bell Inc.'s Annual Report on Form 10-K for the year ended December 31, 2024 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statements of Equity (Deficit), (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101). |

+ Filed herewith.

* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 15(a)(3) of the Instruction to Form 10-K.

(P) Paper exhibits

The Company's reports on Form 10-K, 10-Q, 8-K and other information are available free of charge at the following website: <http://www.altafiber.com>. The Company has ceased to be a registrant but continues to voluntarily file annual, quarterly and certain other information with the SEC due to contractual provisions included in certain indentures.

VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts

| (dollars in millions) | Beginning of Period | Additions | | Deductions | End of Period |
|-----------------------|------------------------|---------------------------------|-----------------------------|------------|------------------|
| | | Charge (Benefit) to Expenses | (To) From Other Accounts | | |
| Year 2024 | \$ 14.8 | \$ 9.5 | \$ — | \$ 9.3 | \$ 15.0 |
| Year 2023 | \$ 10.2 | \$ 8.0 | \$ — | \$ 3.4 | \$ 14.8 |
| Year 2022 | \$ 3.3 | \$ 6.9 | \$ — | \$ — | \$ 10.2 |

Deferred Tax Valuation Allowance

| (dollars in millions) | Beginning of Period | Additions | | Deductions | End of Period |
|-----------------------|------------------------|---------------------------------|-----------------------------|------------|------------------|
| | | Charge (Benefit) to Expenses | (To) From Other Accounts | | |
| Year 2024 | \$ 28.0 | \$ 54.9 | \$ — | \$ — | \$ 82.9 |
| Year 2023 | \$ 8.1 | \$ 21.7 | \$ (1.8) | \$ — | \$ 28.0 |
| Year 2022 | \$ 2.8 | \$ 4.2 | \$ 1.1 | \$ — | \$ 8.1 |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: March 18, 2025

/s/ Joshua T. Duckworth

Joshua T. Duckworth
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|---|----------------|
| <u>/s/ Leigh R. Fox</u> Leigh R. Fox | President and Chief Executive Officer (Principal Executive Officer) | March 18, 2025 |
| <u>/s/ Joshua T. Duckworth</u> Joshua T. Duckworth | Chief Financial Officer (Principal Financial Officer) | March 18, 2025 |
| <u>/s/ Suzanne E. Maratta</u> Suzanne E. Maratta | Vice President and Corporate Controller (Principal Accounting Officer) | March 18, 2025 |
| <u>Kelly C. Atkinson *</u> Kelly C. Atkinson | Director | March 18, 2025 |
| <u>Felix A. Bernshteyn*</u> Felix A. Bernshteyn | Director | March 18, 2025 |
| <u>Mikhail Y. Dyadyuk*</u> Mikhail Y. Dyadyuk | Director | March 18, 2025 |
| <u>Colleen W. Hanabusa*</u> Colleen W. Hanabusa* | Director | March 18, 2025 |
| <u>John T. Komeiji*</u> John T. Komeiji | Director | March 18, 2025 |
| <u>Steven R. Kutos*</u> Steven R. Kutos | Director | March 18, 2025 |
| <u>Anton Z. Moldan*</u> Anton Z. Moldan | Director | March 18, 2025 |
| <u>John L. Scarano*</u> John L. Scarano | Director | March 18, 2025 |

*By: /s/ Leigh R. Fox
Leigh R. Fox
as attorney-in-fact and on his behalf
as President and Chief Executive Officer

FIRST AMENDMENT TO
RECEIVABLES FINANCING AGREEMENT

FIRST AMENDMENT, dated as of October 10, 2024 (this “Amendment”), to the AMENDED AND RESTATED RECEIVABLES FINANCING AGREEMENT, dated as of January 31, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), by and among CINCINNATI BELL FUNDING LLC, a Delaware limited liability company (the “Borrower”), CINCINNATI BELL INC., an Ohio corporation (“CB” or “Servicer”), THE VARIOUS LENDERS, LC PARTICIPANTS AND GROUP AGENTS FROM TIME TO TIME PARTY THERETO, PNC BANK, NATIONAL ASSOCIATION, as Administrator for each Group (in such capacity, the “Administrator”), and as issuer of Letters of Credit, and PNC CAPITAL MARKETS, a Pennsylvania limited liability company, as Structuring Agent (in such capacity, the “Structuring Agent”).

RECITALS

WHEREAS, the parties to the Agreement desire to amend the Agreement as hereinafter set forth.

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

1. *Certain Defined Terms.* Capitalized terms that are used but not defined herein shall have the meanings set forth in the Agreement.
2. *Amendments to the Agreement.* The Agreement is hereby amended to incorporate the marked changes set forth on Exhibit A hereto.
3. *Representations and Warranties.* The Borrower and the Servicer hereby represent and warrant to the Administrator and each Secured Party as follows:
 - 3.1.1. Representations and Warranties. The representations and warranties made by it in the Agreement are true and correct as of the date hereof and after giving effect to this Amendment (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date).
 - 3.1.2. Enforceability. The execution and delivery by such Person of this Amendment, and the performance of each of its obligations under this Amendment and the Agreement, after giving effect to this Amendment, are within its organizational powers and have been duly authorized by all necessary organizational action on its part. This Amendment and the Agreement, after giving effect to this Amendment, are such Person’s valid and legally binding obligations, enforceable in accordance with its terms.
 - 3.1.3. No Default. After giving effect to this Amendment, no Event of Default, Unmatured Event of Default or Servicer Default exists or shall exist.

EXHIBIT A TO AMENDMENT 1, DATED AS OF OCTOBER 10, 2024

4. *Effect of Amendment.* All provisions of the Agreement, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Agreement to “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Agreement shall be deemed to be references to the Agreement, as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Agreement other than as set forth herein.
5. *Effectiveness.* This Amendment shall become effective as of the date hereof, upon the Administrator’s receipt of duly executed counterparts of this Amendment from each of the parties hereto.
6. *Counterparts.* This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. Delivery by facsimile or email of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof.
7. *Governing Law.* THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).
8. *Severability.* If any one or more of the agreements, provisions or terms of this Amendment shall for any reason whatsoever be held invalid or unenforceable, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions and terms of this Amendment and shall in no way affect the validity or enforceability of the provisions of this Amendment or the Agreement.
9. *Section Headings.* The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Agreement or any provision hereof or thereof.

[Signature pages follow]

EXHIBIT A TO AMENDMENT 1, DATED AS OF OCTOBER 10, 2024

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CINCINNATI BELL FUNDING LLC,
as Borrower

By: /s/Angela J. Huber
Name: Angela J. Huber
Title: Vice President and Treasurer

CINCINNATI BELL INC., as Servicer

By: /s/Angela J. Huber
Name: Angela J. Huber
Title: Vice President and Treasurer

EXHIBIT A TO AMENDMENT 1, DATED AS OF OCTOBER 10, 2024

PNC BANK, NATIONAL ASSOCIATION, as a Related Committed Lender and Group Agent
for the PNC Group

By: /s/ Michael Brown
Name: Michael Brown
Title: Executive Vice President

PNC BANK, NATIONAL ASSOCIATION,
as Administrator and LC Bank

By: /s/ Michael Brown
Name: Michael Brown
Title: Executive Vice President

PNC BANK, NATIONAL ASSOCIATION,
as the LC Bank and as an LC Participant

By: /s/ Michael Brown
Name: Michael Brown
Title: Executive Vice President

Exhibit A

771962042

AMENDED AND RESTATED RECEIVABLES FINANCING AGREEMENT

dated as of January 31, 2023

among

CINCINNATI BELL FUNDING LLC, as Borrower

CINCINNATI BELL INC.
as Servicer

THE LENDERS AND GROUP AGENTS FROM TIME TO TIME PARTY HERETO,

PNC BANK, NATIONAL ASSOCIATION,
as Administrator and LC Bank

and

PNC CAPITAL MARKETS LLC,
as Structuring Agent

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This AMENDED AND RESTATED RECEIVABLES FINANCING AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this “Agreement”) is entered into as of January 31, 2023, among CINCINNATI BELL FUNDING LLC, a Delaware limited liability company (the “Borrower”), CINCINNATI BELL INC., an Ohio corporation (“CB” or “Servicer”), THE VARIOUS LENDERS, LC PARTICIPANTS AND GROUP AGENTS FROM TIME TO TIME PARTY HERETO, PNC BANK, NATIONAL ASSOCIATION, as Administrator for each Group (in such capacity, the “Administrator”), and as issuer of Letters of Credit, and PNC CAPITAL MARKETS, a Pennsylvania limited liability company, as Structuring Agent (in such capacity, the “Structuring Agent”).

PRELIMINARY STATEMENTS. Certain terms that are capitalized and used throughout this Agreement are defined in Exhibit I. References in the Exhibits hereto to the “Agreement” refer to this Agreement, as amended, restated, supplemented or otherwise modified from time to time.

The Borrower has requested (a) that the Lenders make Loans from time to time to the Borrower and (b) that the LC Bank issue or cause the issuance of one or more Letters of Credit from time to time, in each case, on the terms and subject to the conditions set forth herein.

This Agreement amends and restates in its entirety, as of the Closing Date, the Receivables Financing Agreement, dated as of May 10, 2018 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “Original Agreement”), among the Borrower, as “U.S. Borrower”, the Servicer, as “U.S. Servicer”, Cincinnati Bell Funding Canada Ltd., as “Canadian Borrower”, OnX Enterprise Solutions, Ltd., as “Canadian Servicer”, the “Group Agents” and “Lenders” from time to time party thereto and the Administrator. Upon the effectiveness of this Agreement, the terms and provisions of the Original Agreement shall, subject to this paragraph, be superseded hereby in their entirety. Notwithstanding the amendment and restatement of the Original Agreement by this Agreement, (i) the Borrower and the Servicer shall continue to be liable to each of the parties to the Original Agreement or any other Indemnified Party or Affected Person (as such terms are defined in the Original Agreement) for fees and expenses which are accrued and unpaid under the Original Agreement on the date hereof (collectively, the “Original Agreement Outstanding Amounts”) and all agreements to indemnify such parties in connection with events or conditions arising or existing prior to the effective date of this Agreement and (ii) the security interest created by the Borrower under the Original Agreement shall remain in full force and effect as security for such Original Agreement Outstanding Amounts until such Original Agreement Outstanding Amounts shall have been paid in full. Upon the effectiveness of this Agreement, each reference to the Original Agreement in any other document, instrument or agreement shall mean and be a reference to this Agreement. Nothing contained herein, unless expressly herein stated to the contrary, is intended to amend, modify or otherwise affect any other instrument, document or agreement executed and/or delivered in connection with the Original Agreement.

In consideration of the mutual agreements, provisions and covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AMOUNTS AND TERMS OF THE LOANS

Section 1.1 Loan Facility.

(a) On the terms and subject to the conditions hereof, the Borrower may, from time to time before the Facility Termination Date, request that the Lenders make Loans in U.S. Dollars. Each loan requested by the Borrower pursuant to Section 1.2(a) shall be made ratably (based on Ratable Share) by the respective Groups, and each Group's Ratable Share of each Loan shall be made and funded (x) if such Group contains a Conduit Lender and such Conduit Lender elects (in its sole discretion) to make and fund such portion of such Loan, by such Conduit Lender, or (y) if such Group does not contain a Conduit Lender or if the Conduit Lender in such Group declines (in its sole discretion) to make or fund such portion of such Loan, by the Related Committed Lender in such Group and (ii) request that the LC Bank issue or cause the issuance of Letters of Credit, in each case subject to the terms hereof (each such loan or issuance is referred to herein as a "Loan"). At no time will a Conduit Lender have any obligation to make a Loan. Each Related Committed Lender severally hereby agrees, on the terms and subject to the conditions hereof, to make Loans to the Borrower from time to time from the date hereof to the Facility Termination Date or, if earlier, the Scheduled Termination Date with respect to such Related Committed Lender, based on the applicable Group's Ratable Share of each Loan requested pursuant to Section 1.2(a) (and, in the case of each Related Committed Lender, its Commitment Percentage of its Group's Ratable Share of such Loan) and, on the terms of and subject to the conditions of this Agreement, the LC Bank hereby agrees to issue Letters of Credit in return for (and each LC Participant hereby severally agrees to make Participation Advances in connection with any draws under such Letters of Credit equal to such LC Participant's Ratable Share of such draws). Notwithstanding anything set forth in this paragraph (a) or otherwise herein to the contrary under no circumstances shall any Lender make any Loan or issue any Letters of Credit hereunder, as applicable, if, after giving effect to such Loan, the (i) aggregate outstanding amount of the Capital of such Lender, when added to all other Capital of all other Lenders in such Lender's Group would exceed (A) its Group's Group Commitment (as the same may be reduced from time to time pursuant to Section 1.1(c)), minus (B) the Related LC Participant's Ratable Share of the LC Participation Amount, (ii) Aggregate Capital plus the LC Participation Amount would exceed the Facility Limit, (iii) the Coverage Percentage would exceed 100% or (iv) the LC Participation Amount would exceed the aggregate of the Commitments of the LC Participants.

The Borrower may, subject to this paragraph (a) and the other requirements and conditions herein, use the proceeds of any loan by the Lenders hereunder to satisfy its Reimbursement Obligation to the LC Bank and the LC Participants (ratably, based on the outstanding amounts funded by the LC Bank and each such LC Participant) pursuant to Section 1.14 below.

(b) The Borrower shall repay in full the outstanding Capital of each Lender on the Final Maturity Date. Prior thereto, the Borrower shall, on each Settlement Date, make a prepayment of the outstanding Capital of the Lenders to the extent required under Section 1.4 and otherwise in accordance therewith. Notwithstanding the foregoing, the Borrower, in its discretion, shall have the right to make a prepayment, in whole or in part, of the outstanding Capital of the Lenders (i) at any time when PNC (or an Affiliate thereof) is both the Administrator and the sole Lender

hereunder, and to the extent the Borrower has entered into a separate written agreement with the Administrator regarding Administrator's PINACLE® auto-advance service (or any similar or replacement electronic loan administration service implemented by the Administrator) pursuant to Section 1.2(a) hereof, on any Business Day, or (ii) on any Business Day, upon one (1) Business Day's prior written notice thereof to the Administrator and each Lender in the form of Annex E (each, a "Paydown Notice"); provided that the Borrower may make a prepayment Capital so long as (x) the amount of such Capital being prepaid does not exceed \$20,000,000 and (y) the related Paydown Notice is received by the Administrator and each Group Agent before 1:00 p.m. (New York City time) on the date of such prepayment. Each such prepayment shall be in a minimum aggregate amount of \$200,000; provided, however, that notwithstanding the foregoing, (i) a prepayment may be made in an amount necessary to reduce the Coverage Percentage to 100% and (ii) any accrued Interest and Fees in respect of such prepaid Capital shall be paid on the immediately following Settlement Date.

(c) The Borrower may, upon at least thirty (30) Business Days' written notice to the Administrator and each Group Agent, terminate the credit facility evidenced by this Agreement in whole or, upon at least fifteen (15) Business Days' prior written notice to the Administrator, from time to time, irrevocably reduce in part the unused portion of the Facility Limit (but not below the amount that would cause the Aggregate Capital plus the LC Participation Amount to exceed the Facility Limit or would cause the Group Capital of any Group to exceed its Group Commitment, in each case after giving effect to such reduction); provided that each partial reduction shall be in the amount of at least \$5,000,000, or an integral multiple of \$1,000,000 in excess thereof, and that, unless terminated in whole, the Facility Limit shall in no event be reduced below \$20,000,000. Each reduction in the Commitments hereunder shall be made ratably among the Related Committed Lenders in accordance with their respective Commitment Percentages and their respective Commitments. The Administrator shall promptly advise the Group Agents of any notice received by it pursuant to this Section 1.1(c); it being understood that (in addition to and without limiting any other requirements for termination, prepayment and/or the funding of the LC Collateral Account hereunder) no such termination or reduction shall be effective unless and until (i) in the case of a termination, the amount on deposit in the LC Collateral Account is at least equal to the then outstanding LC Participation Amount plus the LC Fee Expectation and (ii) in the case of a partial reduction, the amount on deposit in the LC Collateral Account is at least equal to the amount, if any, by which the Facility Limit as so reduced by such partial reduction exceeds the sum of the Aggregate Capital plus the LC Participation Amount.

Section 1.2 Making Loans.

(a) The Borrower may request a Loan to be made in cash on any day upon the Borrower's irrevocable written notice in the form of Annex B (each, a "Borrowing Notice") delivered to the Administrator and each Group Agent in accordance with Section 6.2; provided that, at any time when PNC (or an Affiliate thereof) is both the Administrator and the sole Lender hereunder, if the Borrower enters into a separate written agreement with the Administrator regarding Administrator's PINACLE® auto-advance service (or any similar or replacement electronic loan administration service implemented by the Administrator), then any request for a Loan made using such service shall constitute a Borrowing Notice, and each Loan made pursuant to such service shall be made on the date such Loan Request is received by the Administrator. Otherwise, each Borrowing Notice must be received by the Administrator and each Group Agent

before 12:00 p.m. (New York City time) at least one (1) Business Day before the date of the requested Loan; provided that the Borrower may request a Loan on the date of the requested Loan so long as (x) the amount of such Loan does not exceed \$20,000,000 and (y) the related Borrowing Notice is received by the Administrator and each Group Agent before 1:00 p.m. (New York City time). Each Borrowing Notice shall specify: (A) the amount requested to be paid to the Borrower (such amount, which shall not be less than \$500,000 or such lesser amount as agreed to by the Administrator and each Group Agent), being the Capital then being funded with respect to each Group, (B) the date of such Loan (which shall be a Business Day) and (C) the pro forma calculation of the Coverage Percentage after giving effect to the increase in the Aggregate Capital resulting from such Loan.

(b) On the date of each Loan requested by the Borrower pursuant to Section 1.2(a), each applicable Conduit Lender or Related Committed Lender, as the case may be, shall, upon satisfaction of the applicable conditions set forth in Exhibit II, make available to the Borrower in same day funds, at such account so designated in writing by the Borrower to the Administrator and each Group Agent, an amount equal to such Lender's Ratable Share of the amount of such Loan requested.

(c) To secure the payment in full and performance of all obligations under this Agreement and the other Transaction Documents to which it is a party, the Borrower hereby grants to the Administrator, for the benefit of the Secured Parties a security interest in and collaterally assigns, all of the Borrower's right, title and interest in, to and under all of the following, whether now or hereafter owned, existing or arising:

(i) all Pool Receivables,

(ii) all Related Security with respect to such Pool Receivables,

(iii) all Collections with respect to such Pool Receivables,

(iv) (A) the Lock-Box Accounts and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such Lock-Box Accounts and amounts on deposit therein and (B) each LC Collateral Account and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such LC Collateral Account and amounts on deposit therein,

(v) all rights (but none of the obligations) of the Borrower under the Sale Agreement, and

(vi) all proceeds of, and all amounts received or receivable under any or all of, the foregoing (collectively, the "Pool Assets").

If the grant of the security interests under this Section 1.2(c) with respect to any Contract would result in the termination or breach of such Contract, or is otherwise prohibited or ineffective (whether by the terms thereof or under Applicable Law), then such Contract shall not be subject to the security interests granted hereunder but shall be held in trust by the Borrower for the benefit of the Administrator (for its own benefit and for the benefit of the other Secured Parties) and, on the exercise by the Administrator of any of its rights or remedies under this Agreement following

an Event of Default shall be assigned by the Borrower as directed by the Administrator; provided that: (a) the security interests of the Borrower shall attach to such Contract, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied, and (b) if a term in a Contract that prohibits or restricts the grant of the security interests in the whole of an account or chattel paper forming part of the Pool Assets is unenforceable against the Administrator under Applicable Law, then the exclusion from the security interests set out above shall not apply to such account or chattel paper. The Borrower hereby authorizes the Administrator to file one or more financing statements, and amendments thereto, describing the collateral covered thereby as "ALL ASSETS" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement. The Administrator, on behalf of the Secured Parties, shall have, with respect to the Pool Assets, and in addition to all the other rights and remedies available to the Administrator and the other Secured Parties, all the rights and remedies of a secured party under any applicable UCC. Without limiting the foregoing, the Administrator may, at any time from and after an Event of Default, (i) obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Borrower or of any or all of the Pool Assets of the Borrower or (ii) appoint by instrument in writing one or more Receivers of the Borrower or any or all of the Pool Assets of the Borrower with such rights, powers and authority (including any or all of the rights, powers and authority of the Administrator under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by Applicable Law, any Receiver appointed by the Administrator shall (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Borrower and not of the Administrator or any of the other Secured Parties.

(d) The Borrower confirms that value has been given by the Secured Parties to the Borrower, that the Borrower has rights in its Pool Assets existing at the date of this Agreement, and that the Borrower and the Administrator have not agreed to postpone the time for attachment of any security interest created by this Agreement to any of the Pool Assets of the Borrower.

(e) The Borrower may, with the written consent of the Administrator and each Group Agent (and, in the case of a new Related LC Participant, the LC Bank), add additional Persons as Lenders (either to an existing Group or by creating new Groups) or cause an existing Related Committed Lender or Related LC Participant to increase its Commitment in connection with a corresponding increase in the Facility Limit; provided that the Commitment of any Related Committed Lender or Related LC Participant may only be increased with the prior written consent of such Lender (which consent may be granted or withheld in their sole discretion). Each new Conduit Lender, Related Committed Lender or Related LC Participant (or Group) shall become a party hereto, by executing and delivering to the Administrator, each Group Agent and the Borrower, an Assumption Agreement in the form of Annex C hereto (which Assumption Agreement shall, in the case of any new Conduit Lender, Related Committed Lender or Related LC Participant, be executed by each Person in such new Lender's Group).

(f) Each Related Committed Lender's and Related LC Participant's obligations hereunder shall be several, such that the failure of any Related Committed Lender or Related LC Participant to make a payment in connection with any loan hereunder, or drawing under a Letter of Credit hereunder, as the case may be, shall not relieve any other Related Committed Lender or Related LC Participant of its obligation hereunder to make payment for any Funded Loan or such

drawing. Further, in the event any Related Committed Lender or Related LC Participant fails to satisfy its obligation to make a payment with respect to such drawing as required hereunder, upon receipt of notice of such failure from the Borrower or the Administrator (or any relevant Group Agent or, solely to the extent no such notice has been given, notice by the Servicer), subject to the limitations set forth herein, the non-defaulting Related Committed Lenders or Related LC Participants in such defaulting Related Committed Lender's or Related LC Participant's Group shall fund the defaulting Related Committed Lender's or Related LC Participant's Commitment Percentage of the related Loan or drawing pro rata in proportion to their relative Commitment Percentages (determined without regard to the Commitment Percentage of the defaulting Related Committed Lender or Related LC Participant; it being understood that a defaulting Related Committed Lender's or Related LC Participant's Commitment Percentage of any Loan or drawing shall be first funded by the Related Committed Lenders or Related LC Participants in such defaulting Related Committed Lender's or Related LC Participant's Group and thereafter if there are no other Related Committed Lenders or Related LC Participants in such Group or if such other Related Committed Lenders or Related LC Participants are also defaulting Related Committed Lenders or Related LC Participants, then such defaulting Related Committed Lender's or Related LC Participant's Commitment Percentage of such Loan or drawing shall be funded by each other Group ratably (based on Ratable Share) and applied in accordance with this paragraph (f)). Notwithstanding anything in this paragraph (f), to the contrary, no Related Committed Lender or Related LC Participant shall be required to make a Loan or payment with respect to such drawing pursuant to this paragraph for an amount which would cause the aggregate amount of the Capital of such Related Committed Lender or the Ratable Share of the LC Participation Amount of such Related LC Participant (after giving effect to such Loan or payment with respect to such drawing) to exceed its Commitment.

Section 1.3 Coverage Percentage Computation. The Coverage Percentage shall be initially computed on the Closing Date. Thereafter, until the Facility Termination Date, such Coverage Percentage shall be automatically recomputed (or deemed to be recomputed) on each Business Day other than a Termination Day. On any Termination Day, the Coverage Percentage shall be deemed to be 100%. The Coverage Percentage shall become zero when the Final Payout Date has occurred and the Servicer shall have received the accrued Servicing Fee thereon.

Section 1.4 Settlement Procedures.

(a) The Servicer shall set aside and hold in trust for the benefit of the Secured Parties (or, if so requested by the Administrator, segregate in a separate account designated by the Administrator, which shall be an account maintained and controlled by the Administrator unless the Administrator otherwise instructs in its sole discretion), for application in accordance with the priority of payments set forth below, all Collections on Pool Receivables that are received by the Servicer or the Borrower or received in any Lock-Box Account the customer of record of which at the applicable Lock-Box Bank is the Borrower (each such Lock-Box Account, a "Lock-Box Account"); provided, however, that so long as each of the conditions precedent set forth in Section 3 of Exhibit II are satisfied on such date, the Servicer may release to the Borrower from such Collections the amount (if any) necessary to pay (i) the purchase price for Receivables purchased by the Borrower on such date in accordance with the terms of the Sale Agreement or (ii) amounts owing by the Borrower to the Originators under the Subordinated Loans made by the Originators (each such release, a "Release"). On each Settlement Date, the Servicer (or, following (x) its

assumption of control of the Lock-Box Accounts or (y) its receipt of any amounts payable under any Pool Receivable pursuant to Section 4.4(a), the Administrator) shall, distribute such Collections in the following order of priority:

(i) first, during the continuance of any Event of Default, to the Administrator, for the payment of costs and out-of-pocket expenses payable by the Borrower under Section 6.4(a) to the extent such costs arise from the replacement of the Servicer with any successor Servicer(s), including, without limitation, any upfront charges, ongoing fees, deposits, and transition costs;

(ii) second, to the Servicer for the payment of the accrued Servicing Fees payable to it for the immediately preceding Interest Period (plus, if applicable, the amount of Servicing Fees payable to it for any prior Interest Period to the extent such amount has not been distributed to the Servicer);

(iii) third, to each Lender and other Credit Party (ratably, based on the amount then due and owing), all accrued and unpaid Interest and Fees due to such Lender and other Credit Party accrued during the immediately preceding Interest Period (including any additional amounts or indemnified amounts payable under Sections 1.10 and 3.1 in respect of such payments), plus, if applicable, the amount of any such Interest and Fees (including any additional amounts or indemnified amounts payable under Sections 1.10 and 3.1 in respect of such payments) payable for any prior Interest Period to the extent such amount has not been distributed to such Lender or Credit Party;

(iv) fourth, as set forth in clause (x), (y) or (z) below, as applicable:

- (x) if such day is not a Termination Day, to the extent that the Coverage Percentage exceeds 100% on such date: (I) first, to the Lenders (ratably, based on the aggregate outstanding Capital of each Lender at such time) for the payment of a portion of the outstanding Aggregate Capital at such time, in an aggregate amount equal to the amount necessary to reduce the Coverage Percentage to 100% and (II) second, to each LC Collateral Account, in reduction of the Aggregate Adjusted LC Participation Amount, in an amount equal to the amount necessary (after giving effect to clause (I) above) to reduce the Coverage Percentage to 100%;
- (y) if such day is a Termination Day: (I) first, to each Lender (ratably, based on the amount of aggregate outstanding Capital of each Lender at such time) for the payment in full of the aggregate outstanding Capital of such Lender at such time and (II) second, to each LC Collateral Account (A) the amount necessary to reduce the Aggregate Adjusted LC Participation Amount to zero (\$0) and (B) an amount equal to the LC Fee Expectation at such time; or
- (z) if such day is not a Termination Day, at the election of the Borrower and in accordance with Section 1.2(b), to the payment of all or any

portion of the outstanding Capital of the Lenders at such time (ratably, based on the amount of aggregate outstanding Capital of each Lender at such time);

(v) fifth, to the Credit Parties that are then Exiting Lenders (ratably, based on the amount due and owing at such time), for the payment of all other obligations then due and owing by the Borrower to such Credit Parties;

(vi) sixth, to the Credit Parties, the Affected Persons and the Indemnified Parties (ratably, based on the amount due and owing at such time), for the payment of all other obligations then due and owing by the Borrower to the Credit Parties, the Affected Persons and the Indemnified Parties;

(vii) seventh, the balance, if any, to be paid to the Borrower for its own account;

provided, however, that in the event that an Event of Default has occurred and is continuing, no Servicing Fees shall be paid pursuant to clause (ii) above prior to the application of payments pursuant to clauses (iii) through (vi) above.

(b) [Reserved]

(c) All payments or distributions to be made by the Servicer, the Borrower or any other Person to the Lenders (or their respective related Affected Persons and Indemnified Parties) or the LC Bank hereunder shall be paid or distributed to the related Group Agent. The applicable Group Agent shall distribute such amounts to the applicable Lenders, the LC Bank, Affected Persons and the Indemnified Parties ratably.

(d) [Reserved].

(e) For the purposes of this Section 1.4:

(i) if on any day the Outstanding Balance of any Pool Receivable is reduced or adjusted as a result of any defective, rejected or returned goods or services, or any revision, cancellation, allowance, discount or other adjustment made by the Borrower or any Affiliate of the Borrower, or the Servicer or any Affiliate of the Servicer, or any setoff or dispute between the Borrower or any Affiliate of the Borrower, or the Servicer or any Affiliate of the Servicer and an Obligor (except any such revision, cancellation, allowance, discount or other adjustment made in settlement of such Pool Receivable resulting from the financial inability of the applicable Obligor to pay such Pool Receivable and, in the case of all Pool Receivables, made in accordance with the Credit and Collection Policies), the Borrower shall be deemed to have received on such day a Collection of such Pool Receivable in the amount of such reduction or adjustment and shall immediately pay any and all such amounts in respect thereof to a Lock-Box Account for the benefit of the Lenders and their assigns and for application pursuant to Section 1.4;

(ii) if on any day it is determined that any of the representations or warranties in Sections 1(j) or 3(a) of Exhibit III was (and at the time of such determination remains) untrue with respect to any Pool Receivable at the time a Loan was made with respect to

such Pool Receivable, the Borrower shall be deemed to have received on such day a Collection of such Pool Receivable in full and shall immediately pay any and all such amounts to a Lock-Box Account (or as otherwise directed by the Administrator at such time) for the benefit of the Lenders and their assigns and for application pursuant to this Section 1.4 (Collections deemed to have been received pursuant to clause (i) or (ii) of this paragraph (e) are hereinafter sometimes referred to as “Deemed Collections”);

(iii) except as otherwise required by applicable law or the relevant Contract, all Collections received from an Obligor of any Receivable shall be applied to the Receivables of such Obligor in a manner consistent with the application and allocation procedures employed by the Servicer at such time; and

(iv) if and to the extent the Administrator, any Group Agent or any Lender shall be required for any reason to pay over to an Obligor (or any trustee, Receiver, custodian or similar official in any Insolvency Proceeding) any amount received by it hereunder, such amount shall be deemed not to have been so received by such Person but rather to have been retained by the Borrower and, accordingly, such Person shall have a claim against the Borrower for such amount, payable when and to the extent that any distribution from or on behalf of such Obligor is made in respect thereof.

Section 1.5 Fees. The Borrower shall pay to each Group Agent for the benefit of the Lenders and Liquidity Providers in the related Group in accordance with the provisions set forth in Section 1.4(a) and the Structuring Agent certain fees in the amounts and on the dates set forth in one or more fee letter agreements, dated the Closing Date (or dated the date any such Lender and member of its related Group become a party hereto pursuant to an Assumption Agreement, a Transfer Supplement or otherwise), between the Borrower and the applicable Group Agent, respectively (as any such fee letter agreement may be amended, restated, supplemented or otherwise modified from time to time, each, a “Group Fee Letter” and each of the Group Fee Letters may be referred to collectively as, the “Fee Letters”).

Section 1.6 Payments and Computations, Etc.

(a) All amounts to be paid or deposited by the Borrower or the Servicer hereunder shall be made without reduction for offset or counterclaim and shall be paid or deposited no later than 2:00 p.m. (New York City time) on the day when due in same day funds to the account for each Lender maintained by the applicable Group Agent (or such other account as may be designated from time to time by such Group Agent to the Borrower and the Servicer). All amounts received after 2:00 p.m. (New York City time) will be deemed to have been received on the next Business Day.

(b) The Borrower or the Servicer, as the case may be, shall, to the extent permitted by law, pay interest on any amount not paid or deposited by the Borrower or the Servicer, as the case may be, when due hereunder, at an interest rate equal to 3% per annum above the applicable Base Rate, payable on demand.

(c) All computations of interest under paragraph (b) and all computations of Interest, Fees and other amounts hereunder shall be made on the basis of a year of 360 (or 365 or 366, as

applicable, with respect to Interest or other amounts calculated by reference to the applicable Base Rate) days for the actual number of days elapsed. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next Business Day and such extension of time shall be included in the computation of such payment or deposit.

Section 1.7 Increased Costs.

(a) If, after the date hereof, the Administrator, any Lender, Liquidity Provider or Program Support Provider or any of their respective Affiliates (each an “Affected Person”) determines that any Change in Law affects or would affect the amount of capital required or expected to be maintained by such Affected Person based upon the existence of any commitment to make Loans (or otherwise to maintain the Loans) or any related liquidity facility, credit enhancement facility and other commitments of the same type, then, upon demand by such Affected Person (with a copy to the Administrator), the Borrower shall promptly pay such Affected Person, from time to time as specified by such Affected Person, additional amounts sufficient to compensate such Affected Person in the light of such circumstances, to the extent that such Affected Person determines such increase in capital is allocable to the existence of any of such commitments.

(b) If due to any Change in Law, including a Change in Law that subjects any Affected Person to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, there shall be any increase after the Closing Date in the cost to any Affected Person of making or maintaining the Loans (or its portion thereof) in respect of which Interest is computed by reference to SOFR, then, upon demand by such Affected Person, the Borrower shall promptly pay to such Affected Person, from time to time as specified by such Affected Person, additional amounts sufficient to compensate such Affected Person for such increased costs.

(c) If an Affected Person requests compensation under this Section 1.7, a certificate describing in reasonable detail such amounts and the basis for such Affected Person’s demand for such amounts shall be submitted to the Borrower and the applicable Group Agent by such Affected Person and shall be conclusive and binding for all purposes, absent manifest error.

(d) Within a reasonable time period after any Affected Person has actual knowledge that it is subject to increased capital requirements or incurs other increased costs pursuant to this Section 1.7, such Affected Person shall notify the Borrower and the Servicer of such fact.

(e) Notwithstanding anything in this Section 1.7 to the contrary, (i) if any Affected Person fails to give demand for amounts or losses incurred in connection with this Section 1.7 within one hundred and eighty (180) days after it obtains knowledge that it is subject to increased capital requirements or has incurred other increased costs, such Affected Person shall, with respect to amounts payable pursuant to this Section 1.7, only be entitled to payment under this Section 1.7 for amounts or losses incurred from and after the date one hundred and eighty (180) days prior to the date that such Affected Person does give such demand and (ii) the Borrower shall not be

required to pay to any Affected Person (I) any amount that has been fully and finally paid in cash to such Affected Person pursuant to any other provision of this Agreement or any other Transaction Document, or (II) any amount, if the payment of such amount is expressly excluded by any provision of this Agreement or any other Transaction Document.

Section 1.8 Requirements of Law.

(a) If, after the date hereof, any Affected Person determines that any Change in Law:

(i) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, Loans, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Affected Person that are not otherwise included in the determination of SOFR,

(ii) does or shall impose on such Affected Person any other condition,

and the result of any of the foregoing is: (1) to increase the cost to such Affected Person of agreeing to make or maintain the Loans (or interests therein) or any Portion of Capital, or (2) to reduce any amount receivable hereunder (whether directly or indirectly), then, in any such case, upon demand by such Affected Person, the Borrower shall promptly pay to such Affected Person additional amounts necessary to compensate such Affected Person for such additional cost or reduced amount receivable. All such amounts shall be payable as incurred.

(b) If an Affected Person requests compensation under this Section 1.8, a certificate describing in reasonable detail such amounts and the basis for such Affected Person's demand for such amounts shall be submitted to the Borrower and the applicable Group Agent by such Affected Person and shall be conclusive and binding for all purposes, absent manifest error.

(c) Within a reasonable time period after any Affected Person has actual knowledge that it has incurred additional costs or reduced amounts receivable pursuant to this Section 1.8, such Affected Person shall notify the Borrower and the Servicer of such fact.

(d) Notwithstanding anything in this Section 1.8 to the contrary, (i) if any Affected Person fails to give demand for additional costs or reduced amounts receivable incurred in connection with this Section 1.8 within one hundred and eighty (180) days after it obtains knowledge that it has suffered additional costs or reduced amounts receivable, such Affected Person shall, with respect to amounts payable pursuant to this Section 1.8, only be entitled to payment under this Section 1.8 for amounts or losses incurred from and after the date one hundred and eighty (180) days prior to the date that such Affected Person does give such demand and (ii) the Borrower shall not be required to pay to any Affected Person (I) any amount that has been fully and finally paid in cash to such Affected Person pursuant to any other provision of this Agreement or any other Transaction Document, (II) any amount, if the payment of such amount is expressly excluded by any provision of this Agreement or (III) any amount, if such amount constitutes Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes).

Section 1.9 Funding Losses.

(a) The Borrower shall compensate each Affected Person, upon written request by such Person for all losses, expenses and liabilities (including any interest paid by such Affected Person to lenders of funds borrowed by it to fund or maintain any Portion of Capital hereunder at an interest rate determined by reference to SOFR and any loss sustained by such Person in connection with the re-employment of such funds), which such Affected Person may sustain with respect to funding or maintaining such Portion of Capital at SOFR if, for any reason, after the applicable request by the Borrower to fund or maintain such Portion of Capital at an interest rate determined by reference to SOFR, such funding or maintenance does not occur on a date specified therefor.

(b) If an Affected Person requests compensation under this Section 1.9, a certificate describing in reasonable detail such amounts and the basis for such Affected Person's demand for such amounts shall be submitted to the Borrower and the applicable Group Agent by such Affected Person and shall be conclusive and binding for all purposes, absent manifest error.

(c) Within a reasonable time period after any Affected Person has actual knowledge that such Affected Person has incurred losses pursuant to this Section 1.9, such Affected Person shall notify the Borrower and the Servicer of such fact.

(d) Notwithstanding anything in this Section 1.9 to the contrary, the Borrower shall not be required to pay to any Affected Person any amount pursuant to this Section 1.9 to the extent (i) such amount has been fully and finally paid in cash to such Affected Person pursuant to any other provision of this Agreement (including, without limitation, as a component of Interest) or any other Transaction Document or (ii) the payment of such amount is expressly excluded by any provision of this Agreement or any other Transaction Document.

Section 1.10 Taxes.

(a) The Borrower agrees that:

(i) Any and all payments by or on account of any obligation of the Borrower under this Agreement and any other Transaction Document shall be made free and clear of and without deduction or withholding for any Taxes, except as required by law. If any applicable withholding agent shall be required by law to deduct or withhold any Tax from or in respect of any such payment, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable shall be increased by the amount necessary to yield to such Person (after payment of all Taxes, including Taxes applicable to additional sums payable under this Section 1.10(a)(i)) an amount equal to the sum it would have received had no such deductions or withholdings been made.

(ii) Whenever any Indemnified Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Administrator for its own account or for the account of any Lender or any Liquidity Provider or other Program Support Provider, as the case may be, a certified copy of an original official receipt showing payment thereof or such other evidence of such payment as may be available to the Borrower and acceptable

to the taxing authorities having jurisdiction over such Person. If the Borrower fails to pay any Indemnified Taxes when due to the appropriate taxing authority or fails to remit to the Administrator the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrator and/or any other Affected Person, as applicable, for any incremental Taxes, interest or penalties that may become payable by such party as a result of any such failure.

(b) The Borrower shall indemnify each Affected Person within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes payable or paid by such Affected Person or required to be withheld or deducted from a payment to such Affected Party on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 1.10) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority.

(c) (i) Each Foreign Lender shall, prior to becoming a Foreign Lender and upon changing its funding office, to the extent entitled to an exemption or reduction of withholding tax, provide to the Borrower and Administrator the applicable documentation set forth in Section 1.10(c)(ii) and all other applicable properly completed and executed documentation certifying that payments hereunder to such Foreign Lender are exempt from or not subject to withholding tax or are subject to a reduced rate of withholding (such documentation, a “Withholding Certificate”). Each Foreign Lender shall also deliver a Withholding Certificate, if legally entitled to do so, promptly upon the obsolescence, expiration or invalidity of any Withholding Certificate previously delivered by such Foreign Lender and from time to time upon the reasonable request of the Borrower. Each Foreign Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered Withholding Certificate to the Borrower. No Foreign Lender may become a Lender hereunder if such Person fails to deliver a Withholding Certificate that is able to be provided pursuant to the foregoing provisions in advance of becoming a party to this Agreement. Each Foreign Lender shall within a reasonable time period notify the Borrower that it is a Foreign Lender and shall also within a reasonable time period notify the Borrower of any change in its funding office.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrator on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrator), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrator (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrator), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement or any other Transaction Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such Tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Transaction Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

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

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Annex L-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3) (B) of the Code or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Annex L-2 or Annex L-3, IRS Form W-9 and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Annex L-4 on behalf of each such direct or indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrator (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrator), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from, or a reduction in, U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrator to determine withholding or deduction required to be made; and

(D) if a payment made to a Lender under this Agreement or any other Transaction Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrator at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrator such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrator as may be necessary for the Borrower and the Administrator to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(d) If an Affected Person determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 1.10 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of such Affected Person (including Taxes) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund net of any applicable Taxes payable in respect of such interest); provided that the Borrower, upon the request of such Affected Person, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Affected Person in the event such Affected Person is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (d), in no event will any Affected Person be required to pay any amount to the Borrower pursuant to this paragraph (d) the payment of which would place such Affected Person in a less favorable net after-Tax position than such Affected Person would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 1.10 shall not be construed to require any Affected Person to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person.

(e) If an Affected Person requests indemnification or repayment under this Section 1.10, a certificate describing in reasonable detail such amounts and the basis for such Affected Person's demand for such amounts shall be submitted to the Borrower and the applicable Group Agent by such Affected Person and shall be conclusive and binding for all purposes, absent manifest error.

(f) Within a reasonable time period after an obligation of the Borrower to indemnify or repay an Affected Person pursuant to this Section 1.10 arises, such Affected Person shall notify the Borrower and Servicer of such fact.

(g) Notwithstanding anything in this Section 1.10 to the contrary, the Borrower shall not be required to pay to an Affected Person any amount pursuant to this Section 1.10 to the extent (i) such amount has been fully and finally paid in cash to such Affected Person pursuant to any other provision of this Agreement or any other Transaction Document or (ii) the payment of such amount is expressly excluded by any provision of this Agreement or any other Transaction Document.

Section 1.11 Letters of Credit.

(a) Subject to the terms and conditions hereof, the LC Bank shall from time to time on any Business Day from the Closing Date until the Facility Termination Date issue or cause the issuance of Letters of Credit on behalf of the Borrower (and, if applicable, on behalf of, or for the account of, any Originator or the Servicer or any other Affiliate of the Borrower and the Servicer); provided, however, the LC Bank's obligation to issue a Letter of Credit shall be subject in all respects to the limitations set forth in the last sentence of the first paragraph of Section 1.1(a).

(b) [Reserved].

(c) Interest shall accrue on all amounts drawn under Letters of Credit for each day on and after the applicable Drawing Date so long as such drawn amounts shall have not been reimbursed to the LC Bank pursuant to the terms hereof.

Section 1.12 Issuance of Letters of Credit.

(a) The Borrower may request the LC Bank, upon two (2) Business Days' prior written notice submitted on or before 11:00 a.m. (New York City time), to issue a Letter of Credit by delivering to the Administrator the LC Bank's form of Letter of Credit Application (the "Letter of Credit Application"), substantially in the form of Annex G attached hereto and a Borrowing Notice, substantially in the form of Annex B hereto, in each case completed to the reasonable satisfaction of the Administrator and the LC Bank. The Borrower also has the right to give instructions and make agreements with respect to any Letter of Credit Application and the disposition of documents, and to agree with the Administrator upon any amendment, extension or renewal of any Letter of Credit.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts or other written demands for payment when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit's date of issuance, extension or renewal, as the case may be, and in no event later than twelve (12) months after the Facility Termination Date. The terms of each Letter of Credit may include customary "evergreen" provisions providing that such Letter of Credit's expiry date shall automatically be extended for additional periods not to exceed twelve (12) months unless, not less than thirty (30) days (or such longer period as may be specified in such Letter of Credit) (the "Notice Date") prior to the applicable expiry date, the LC Bank delivers written notice to the beneficiary thereof declining such extension; provided, however, that if (x) any such extension would cause the expiry date of such Letter of Credit to occur after the date that is twelve (12) months after the Facility Termination Date determined pursuant to clause (a) of the definition thereof or (y) the LC Bank determines that

any condition precedent to issuing such Letter of Credit hereunder are not satisfied (other than any such condition requiring the Borrower to submit a Borrowing Notice or Letter of Credit Application in respect thereof), then the LC Bank, in the case of clause (x) above, may (or at the written direction of any LC Participant, shall) or, in the case of clause (y) above, shall, use reasonable efforts in accordance with (and to the extent permitted by) the terms of such Letter of Credit to prevent the extension of such expiry date (including notifying the Borrower and the beneficiary of such Letter of Credit in writing prior to the Notice Date that such expiry date will not be so extended). Each Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, and any amendments or revisions thereof adhered to by the LC Bank or the International Standby Practices (ISP98-International Chamber of Commerce Publication Number 590), and any amendments or revisions thereof adhered to by the LC Bank, as determined by the LC Bank.

(c) Immediately upon the issuance by the LC Bank of any Letter of Credit (or any amendment to a Letter of Credit increasing the amount thereof), the LC Bank shall be deemed to have sold and transferred to each LC Participant, and each LC Participant shall be deemed irrevocably and unconditionally to have purchased and received from the LC Bank, without recourse or warranty, an undivided interest and participation, to the extent of such LC Participant's Ratable Share, in such Letter of Credit, each drawing made thereunder and the obligations of the Borrower hereunder with respect thereto, and any security therefor or guaranty pertaining thereto. Upon any change in the Commitments or Ratable Shares of the LC Participants pursuant to this Agreement, it is hereby agreed that, with respect to all outstanding Letters of Credit and unreimbursed drawings thereunder, there shall be an automatic adjustment to the participations pursuant to this Section 1.12(c) to reflect the new Ratable Shares of the assignor and assignee LC Participant or of all LC Participants with Commitments, as the case may be. In the event that the LC Bank makes any payment under any Letter of Credit and the Borrower shall not have reimbursed such amount in full to the LC Bank pursuant to Section 1.14(a), each LC Participant shall be obligated to make Participation Advances with respect to such Letter of Credit in accordance with Section 1.14(b).

Section 1.13 Requirements For Issuance of Letters of Credit. The Borrower shall authorize and direct the LC Bank to name the Borrower, the Servicer or any other Affiliate of the Borrower and the Servicer as the "Applicant" or "Account Party" of each Letter of Credit.

Section 1.14 Disbursements, Reimbursement.

(a) In the event of any drawing under a Letter of Credit by the beneficiary or transferee thereof, the LC Bank will promptly notify the Administrator and the Borrower of such drawing. The Borrower shall reimburse (such obligation to reimburse the LC Bank shall sometimes be referred to as a "Reimbursement Obligation") the LC Bank not later than (i) if the Borrower shall have received such notice by 1:00 p.m. (New York City time) on the date of such drawing (each such date, a "Drawing Date"), 4:00 p.m. (New York City time) on the Drawing Date and (ii) otherwise 12:00 noon (New York City time) on the Business Day immediately following the Drawing Date (the date on which the Borrower is obligated to perform a Reimbursement Obligation is referred to as a "Reimbursement Date") in an amount equal to the amount so paid by the LC Bank. Such Reimbursement Obligation shall be satisfied by the Borrower (i) first, by the

remittance by the Administrator to the LC Bank of any available amounts denominated in the same currency as the Letter of Credit relating to such Reimbursement Obligation then on deposit in any LC Collateral Account, (ii) second, by the remittance by or on behalf of the Borrower to the LC Bank of any other funds of the Borrower then available for disbursement and (iii) third, by the remittance by the Administrator to the LC Bank of any available amounts then on deposit in the LC Collateral Account denominated in a currency other than the currency of the Letter of Credit relating to such Reimbursement Obligation; provided that at the time of such remittance, such amounts shall be converted to the currency of the Letter of Credit relating to such Reimbursement Obligation. In the event the Borrower fails to reimburse the LC Bank for the full amount of any drawing under any Letter of Credit by the applicable time on a Reimbursement Date (including because the conditions precedent to a Borrowing requested by the Borrower pursuant to Section 1.2 shall not have been satisfied), the LC Bank will promptly notify each LC Participant thereof. Any notice given by the LC Bank pursuant to this Section 1.14 may be oral if immediately confirmed in writing; provided that the lack of such an immediate written confirmation shall not affect the conclusiveness or binding effect of such oral notice.

(b) Each LC Participant shall upon any notice pursuant to paragraph (a), above make available to the LC Bank an amount in immediately available funds equal to its Ratable Share of the amount of the drawing (a "Participation Advance"), whereupon the LC Participants shall each be deemed to have made a Loan in that amount denominated in the same currency as the Letter of Credit relating to such Participation Amount. If any LC Participant so notified fails to make available to the LC Bank the amount of such LC Participant's Ratable Share of such amount by no later than 2:00 p.m. (New York City time) on the Reimbursement Date in the applicable currency (or, if such Reimbursement Date is the Drawing Date, 12:00 noon (New York City time) on the Business Day immediately following such Reimbursement Date) (the date on which an LC Participant is obligated to make available to the LC Bank the amount of such LC Participant's Ratable Share is referred to as the "LC Participant Reimbursement Date"), then interest shall accrue on such LC Participant's obligation to make such payment, from the LC Participant Reimbursement Date to the date on which such LC Participant makes such payment (i) during the first three (3) days following the LC Participant Reimbursement Date, at a rate per annum equal to the Overnight Bank Funding Rate and (ii) at a rate per annum equal to the applicable Base Rate on and after the fourth day following the LC Participant Reimbursement Date. The LC Bank will promptly give notice of the occurrence of the LC Participant Reimbursement Date, but failure of the LC Bank to give any such notice on the LC Participant Reimbursement Date or in sufficient time to enable any LC Participant to effect such payment on the LC Participant Reimbursement Date shall not relieve such LC Participant from its obligation under this paragraph (b), provided that such LC Participant shall not be obligated to pay interest as provided in clauses (i) and (ii) above until and commencing from the date of receipt of notice from the LC Bank or the Administrator of the occurrence of the LC Participant Reimbursement Date. Each LC Participant's Commitment shall continue until the last to occur of any of the following events: (A) the LC Bank ceases to be obligated to issue or cause to be issued Letters of Credit hereunder, (B) no Letter of Credit issued hereunder remains outstanding and uncanceled or (C) all Persons (other than the Borrower) have been fully reimbursed for all payments made under or relating to Letters of Credit.

Section 1.15 Repayment of Participation Advances.

(a) Upon (and only upon) receipt by the LC Bank for its account of immediately available funds from or for the account of the Borrower (i) in reimbursement of any payment made by the LC Bank under a Letter of Credit with respect to which any LC Participant has made a Participation Advance to the LC Bank or (ii) in payment of Interest on the Loans made or deemed to have been made in connection with any such draw, the LC Bank will pay to each LC Participant, ratably (based on the outstanding drawn amounts funded by each such LC Participant in respect of such Letter of Credit), in the same funds as those received by the LC Bank; it being understood, that the LC Bank shall retain a ratable amount of such funds that were not the subject of any payment in respect of such Letter of Credit by any LC Participant.

(b) If the LC Bank is required at any time to return to the Borrower, or to a trustee, Receiver, liquidator, custodian, or any official in any insolvency proceeding, any portion of the payments made by the Borrower to the LC Bank pursuant to this Agreement in reimbursement of a payment made under any Letter of Credit or interest or fee thereon, each LC Participant shall, on demand of the LC Bank, forthwith return to the LC Bank the amount of its Ratable Share of any amounts so returned by the LC Bank plus interest at the Overnight Bank Funding Rate from the date the payment was first made to such LC Participant through, but not including, the date the payment is returned by such LC Participant.

(c) If any Letters of Credit are outstanding and undrawn on the close of business on the Facility Termination Date, the LC Collateral Accounts shall be funded from Collections (or, in the Borrower's sole discretion, by other funds available to the Borrower) in an amount equal to the aggregate undrawn face amount of such Letters of Credit plus all related fees to accrue through the stated expiration dates thereof, including any customary presentation, amendment and other processing fees, and other standard costs and charges, of the LC Bank relating to letters of credit (such fees to accrue, as reasonably estimated by the LC Bank, the "LC Fee Expectation").

Section 1.16 Documentation. The Borrower agrees to be bound by, and to cause any other Person on whose behalf a Letter of Credit is issued hereunder (including any "Account Party" or "Applicant" thereof) to comply with, and be bound by, the LC Bank's written regulations and customary practices relating to letters of credit. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct by the LC Bank, the LC Bank shall not be liable for any error, negligence and/or mistake, whether of omission or commission, in following the Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto. In addition to any other fees or expenses owing under the Fee Letter or any other Transaction Document or otherwise pursuant to any Letter of Credit Application, the Borrower shall pay to the LC Bank for its own account any customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the LC Bank relating to letters of credit as from time to time in effect. Such customary fees shall be due and payable upon demand and shall be nonrefundable.

Section 1.17 Determination to Honor Drawing Request. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the LC Bank shall be responsible only to determine that the documents and certificates required to be delivered under

such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

Section 1.18 Nature of Participation and Reimbursement Obligations.

Each LC Participant's obligation in accordance with this Agreement to make Participation Advances as a result of a drawing under a Letter of Credit, and the obligations of the Borrower to reimburse the LC Bank upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Article I irrespective of the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such LC Participant may have against the LC Bank, the Administrator, the Group Agents, the Lenders, the Borrower or any other Person for any reason whatsoever;

(ii) the failure of the Borrower or any other Person to comply with the conditions set forth in this Agreement for the making of a Loan, Releases, requests for Letters of Credit or otherwise, it being acknowledged that such conditions are not required for the making of Participation Advances hereunder;

(iii) any lack of validity or enforceability of any Letter of Credit or any set-off, counterclaim, recoupment, defense or other right which the Borrower or any Originator on behalf of which a Letter of Credit has been issued may have against the LC Bank, the Administrator, any Lender, any Group Agent or any other Person for any reason whatsoever;

(iv) any claim of breach of warranty that might be made by the Borrower, the LC Bank or any LC Participant against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, defense or other right which the Borrower, the LC Bank or any LC Participant may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such beneficiary or transferee may be acting), the LC Bank, any LC Participant, the Administrator, any Lender or any Group Agent or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between the Borrower, CB, the Servicer, any Originator or any Affiliate thereof and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of, or lack of validity, sufficiency, accuracy, enforceability or genuineness of, any draft, demand, instrument, certificate or other document presented under any Letter of Credit, or any such draft, demand, instrument, certificate or other document proving to be forged, fraudulent, invalid, defective or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, even if the Administrator or the LC Bank has been notified thereof, provided in each case such draft, demand, instrument, certificate or other document appeared on its face to comply with the terms of such Letter of Credit;

(vi) payment by the LC Bank under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit other than as a result of the gross negligence or willful misconduct of the LC Bank;

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by the LC Bank or any of the LC Bank's Affiliates to issue any Letter of Credit in the form requested by the Borrower, unless the LC Bank has received written notice from the Borrower of such failure within three (3) Business Days after the LC Bank shall have furnished the Borrower a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) any Material Adverse Effect on the Borrower, any Originator or any Affiliates thereof;

(x) any breach of this Agreement or any Transaction Document by any party thereto;

(xi) the occurrence or continuance of an Insolvency Proceeding with respect to the Borrower, any Originator or any Affiliate thereof;

(xii) the fact that an Event of Default or an Unmatured Event of Default shall have occurred and be continuing;

(xiii) the fact that (A) this Agreement or the obligations of the Borrower or the Servicer hereunder has terminated, (B) the Scheduled Termination Date has occurred or (C) such LC Participant has become an Exiting Lender; and

(xiv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a legal or equitable discharge of, an LC Participant or the Borrower.

Section 1.19 [Reserved].

Section 1.20 Liability for Acts and Omissions. As between the Borrower, on the one hand, and the Administrator, the LC Bank, the LC Participants, the Group Agents and the Lenders, on the other, the Borrower assumes all risks of the acts and omissions of, or misuse of any Letter of Credit by, any beneficiary, "Applicant" or "Account Party" of such Letter of Credit. In furtherance and not in limitation of the respective foregoing, none of the Administrator, the LC Bank, the LC Participants, the Group Agents or the Lenders shall be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the LC Bank or any LC Participant shall have been notified thereof); (ii) the validity or

sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of the Borrower against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, facsimile or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit or (viii) any consequences arising from causes beyond the control of the Administrator, the LC Bank, the LC Participants, the Group Agents and the Lenders, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of the LC Bank's rights or powers hereunder. Nothing in the preceding sentence or in Section 1.18 shall relieve the LC Bank from liability for its gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction, in connection with actions or omissions described in such clauses (i) through (viii) of the preceding sentence, in Section 1.18 or otherwise. In no event shall the Administrator, the LC Bank, the LC Participants, the Group Agents or the Lenders or their respective Affiliates, be liable to the Borrower or any other Person for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, the Administrator, the LC Bank, the LC Participants, the Group Agents and the Lenders and each of their Affiliates (i) may rely on any written communication believed in good faith by such Person to have been authorized or given by or on behalf of the applicant for a Letter of Credit; (ii) may honor any presentation if the documents presented appear on their face to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by the LC Bank or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on the Administrator, the LC Bank, the LC Participants, the Group Agents or the Lenders or their respective Affiliates, in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and may honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by the LC Bank under or in connection with any Letter of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction, shall not put the LC Bank under any resulting liability to the Borrower, any LC Participant or any other Person.

Section 1.21 [Reserved].

Section 1.22 [Reserved].

Section 1.23 Extension of Termination Date. From time to time, the Borrower may advise the Administrator and each Group Agent in writing of its desire to extend the then current Scheduled Termination Date to a date that is (x) not more than three hundred and sixty-four (364) days after such then current Scheduled Termination Date and (y) not later than the Facility Termination Date scheduled to occur pursuant to clause (a) of the definition thereof; provided such request is made not more than one hundred and twenty (120) days prior to, and not less than ninety (90) days prior to, the then current Scheduled Termination Date. In the event that all the Lenders in any Group are agreeable to such extension, the Administrator shall so notify the Borrower in writing (it being understood that the Lenders may accept or decline such a request in their sole discretion and on such terms as they may elect) not less than sixty (60) days prior to the then current Scheduled Termination Date and the Borrower, the Servicer, the Administrator, the Group Agents and the Lenders shall enter into such documents as the Lenders may deem reasonably necessary or appropriate to reflect such extension, and all reasonable costs and expenses incurred by the Lenders, the Administrator and the Group Agents in connection therewith (including reasonable Attorneys' Costs) shall be paid by the Borrower. If all the Lenders in at least one Group accept such request for extension but any Lender in any other Group declines the request for such extension (all such Lenders in Groups containing Lenders that decline such a request, "Exiting Lenders"), then effective as of the Scheduled Termination Date (without giving effect to such requested extension):

(a) the Scheduled Termination Date shall be extended as agreed to by such accepting Lender(s);

(b) the Commitments of the Exiting Lenders shall terminate; and

(c) the Facility Limit shall be reduced by the amount of the Group Commitments of such Exiting Lender's Group terminated pursuant to clause (b) above.

Section 1.24 Mitigation Obligations; Replacement of Lenders.

(a) If any Affected Person requests compensation under Section 1.7, Section 1.8 or Section 1.9, or if the Borrower is required to pay any additional amount to any Affected Person or any Governmental Authority for the account of any Affected Person pursuant to Section 1.10, then such Affected Person will use all reasonable efforts to take such action as it deems appropriate to avoid the need for, or reduce the amount of, such compensation that would not be otherwise disadvantageous to such Affected Person.

(b) At any time there is more than one Group, the Borrower shall be permitted to replace any Lender (and the related Group) who has requested compensation under Section 1.7, Section 1.8 or Section 1.9, or if the Borrower is required to pay any additional amount to such Lender or any Governmental Authority for the account of such Lender pursuant to Section 1.10, provided, however, that the Borrower shall be permitted to replace (i) the Group of which the Administrator is a member or (ii) any Lender which is administered by the Administrator or an Affiliate thereof only if, in either case, the Administrator is also replaced contemporaneously, pursuant to documents reasonably satisfactory to the Administrator; provided that (i) the replacement financial institution shall purchase, at par, all Capital and other amounts owing to such replaced Lender on or prior to the date of replacement, (ii) the replacement financial institution, if not already a member of an existing Group, shall be reasonably satisfactory to the Administrator, (iii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts requested, subject to the terms of this Agreement, and (iv) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrator or any other Lender shall have against the replaced Lender or any member of its Group.

Section 1.25 [Reserved].

Section 1.26 Rate Unascertainable; Increased Costs; Deposits Not Available; Illegality; Benchmark Replacement Setting.

(a) Unascertainable; Increased Costs; Deposits Not Available. If at any time:

(i) on or prior to the first day of an Interest Period, the Administrator shall have determined (which determination shall be conclusive and binding absent manifest error) that (x) the Daily Resetting Term SOFR Rate applicable to a Loan cannot be determined pursuant to the definition thereof, including, without limitation, because such rate is not available or published on a current basis or (y) a fundamental change has occurred in the interbank market for U.S. Dollars with respect to such rate (including, without limitation, changes in national or international financial, political or economic conditions), or

(ii) the Administrator determines (which determination shall be conclusive and binding absent manifest error) that the Daily Resetting Term SOFR Rate cannot be determined pursuant to the definition thereof, or

(iii) on or prior to the first day of an Interest Period, any Lender determines that for any reason in connection with any request for a Daily Resetting Term SOFR Rate Loan or a conversion thereto or a continuation thereof that (A) deposits in U.S. Dollars are not available to any Lender in connection with such rate, or are not being offered to banks in the market for U.S. Dollars or for the applicable amount, and Interest Period of such rate, or (B) the Term Rate Loan Option for any Interest Period with respect to a proposed Daily Resetting Term SOFR Rate Loan, as applicable, does not adequately and fairly reflect the cost to such Lenders of funding, establishing or maintaining such Loan,

then the Administrator shall have the rights specified in Section 1.26(c).

(b) Illegality. If at any time any Lender shall have determined, or any Governmental Authority shall have asserted, that the making, maintenance or funding of any Loan to which any

SOFR applies, or the determination or charging of interest rates based upon SOFR has been made impracticable or unlawful, by compliance by such Lender in good faith with any law or any interpretation or application thereof by any Governmental Authority or with any request or directive of any such Governmental Authority (whether or not having the force of law), or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase, sell, or take deposits of any currency in the applicable interbank market for U.S. Dollars,

then the Administrator shall have the rights specified in Section 1.26(c).

(c) Administrator's and Lender's Rights. In the case of any event specified in Section 1.26(a) above, the Administrator shall promptly so notify the Lenders and the Borrower thereof, and in the case of an event specified in Section 1.26(b) above, such Lender shall promptly so notify the Administrator and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrator shall promptly send copies of such notice and certificate to the other Lenders and the Borrower.

(i) Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (i) the Lenders, in the case of such notice given by the Administrator, or (ii) such Lender, in the case of such notice given by such Lender, to allow the Borrower to select, convert to or renew a Loan under the affected Interest Rate shall be suspended (to the extent of the affected Interest Rate, or the applicable Interest Periods) until the Administrator shall have later notified the Borrower, or such Lender shall have later notified the Administrator, of the Administrator's or such Lender's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist.

(ii) If at any time the Administrator makes a determination under Section 1.26(a) (a) if the Borrower has previously notified the Administrator of its selection of or renewal of a an affected Interest Rate, and such Interest Rate has not yet gone into effect, such notification shall be deemed to provide for the selection of, or conversion to, Base Rate Loans in the amount specified therein, and (b) any outstanding affected Loans shall be deemed to have been converted into Base Rate Loans immediately.

(iii) If any Lender notifies the Administrator of a determination under Section 1.26(b), the Borrower shall, subject to the Borrower's obligation to pay Yield Protection Fees, as to any Loan of the Lender to which an affected Interest Rate applies, on the date specified in such notice either convert such Loan to Base Rate Loans or prepay such Loan. Absent due notice from the Borrower of conversion or prepayment, such Loan shall automatically be converted to a Base Rate Loan upon such specified date.

(d) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (A) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date,

such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document and (B) if a Benchmark Replacement is determined in accordance with clause (4) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Administrator has not received, by such time, written notice from Lenders comprising the Majority Group Agents of objection to such Benchmark Replacement.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrator may make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrator will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrator will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (iv) below and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrator or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Transaction Document except, in each case, as expressly required pursuant to this Section.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate and either (I) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrator in its reasonable discretion or (II) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrator may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor; and (B) if a tenor that was removed

pursuant to clause (A) above either (I) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (II) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrator may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Loan bearing interest based on the Daily Resetting Term SOFR Rate, conversion to or continuation of Loans bearing interest based on such Interest Rate to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Base Rate Loan of or conversion to Base Rate Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(vi) Definitions. As used in this Section:

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

“Benchmark” means, initially, the Daily Resetting Term SOFR Rate; provided that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the first applicable alternative set forth in the order below that can be determined by the Administrator for the applicable Benchmark Replacement Date:

- (1) where the Benchmark is Daily Resetting Term SOFR, the sum of: (A) Daily Simple SOFR and (B) the SOFR Adjustment; and
- (2) [Intentionally Omitted];
- (3) [Intentionally Omitted];
- (4) the sum of (A) the alternate benchmark rate that has been selected by the Administrator and the Borrower, giving due consideration to (x) any selection or

recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for syndicated credit facilities denominated in U.S. Dollars at such time and (B) the related Benchmark Replacement Adjustment;

provided, that if the Benchmark Replacement as determined pursuant to clause (4) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents; and provided further, that any Benchmark Replacement shall be administratively feasible as determined by the Administrator in its sole discretion.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected by the Administrator and the Borrower, giving due consideration to (A) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable currency at such time.

“Benchmark Replacement Date” means a date and time determined by the Administrator, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark for any currency:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date determined by the Administrator, which date shall promptly follow the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, the occurrence of one or more of the following events, with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation

thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

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

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or a Governmental Authority having jurisdiction over the Administrator announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

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

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for any currency for all purposes hereunder and under any Transaction Document in accordance with this Section 1.26(d) titled “Benchmark Replacement Setting” and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for such currency for all purposes hereunder and under any Transaction Document in accordance with this Section 1.26(d) titled “Benchmark Replacement Setting.”

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

ARTICLE II

REPRESENTATIONS AND WARRANTIES; COVENANTS; EVENTS OF DEFAULT

Section 2.1 Representations and Warranties; Covenants. The Borrower and the Servicer hereby make the representations and warranties, and hereby agree to perform and observe the covenants, applicable to it set forth in Exhibits III and IV, respectively.

Section 2.2 Events of Default. If any of the Events of Default set forth in Exhibit V shall occur, the Administrator may (with the consent of the Majority Group Agents) or shall (at the direction of the Majority Group Agents), by notice to the Borrower, declare the Facility Termination Date to have occurred, declare all the Loans and other obligations to be due and payable and to accelerate the Final Maturity Date (in which case the Facility Termination Date and the Final Maturity Date shall be deemed to have occurred and all Loans and other obligations shall become immediately due and payable); provided that automatically upon the occurrence of any event (without any requirement for the passage of time or the giving of notice) described in paragraph (f) of Exhibit V, the Facility Termination Date and the Final Maturity Date shall occur and all Loans and other obligations shall become immediately due and payable. Upon any such declaration, occurrence or deemed occurrence of the Facility Termination Date, the Administrator and each Secured Party shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided after default under the UCC and under other applicable law, which rights and remedies shall be cumulative.

ARTICLE III

INDEMNIFICATION

Section 3.1 Indemnities by the Borrower. Without limiting any other rights any such Person may have hereunder or under applicable law, the Borrower hereby agrees to indemnify and hold harmless the Administrator, each Group Agent, each Liquidity Provider, each Program Support Provider, each Lender, each LC Participant, the LC Bank (and any of the LC Bank's Affiliates) and their respective officers, directors, agents and employees (each an "Indemnified Party") from and against any and all damages, losses, claims, liabilities, penalties, costs and expenses (including reasonable and documented attorneys' fees and court costs) (all of the foregoing collectively, the "Indemnified Amounts") at any time imposed on or incurred by any Indemnified Party to the extent arising out of or otherwise relating to any Transaction Document or the issuance of any Letter of Credit, the transactions contemplated thereby or the funding or maintenance of the Loan, or any action taken or omitted by any of the Indemnified Parties (including any action taken by the Administrator as attorney in fact for the Borrower or any Originator hereunder or under any other Transaction Document), whether arising by reason of the acts to be performed by the Borrower hereunder or otherwise, excluding only Indemnified Amounts to the extent (a) a final judgment of a court of competent jurisdiction holds such Indemnified Amounts resulted from gross negligence or willful misconduct of the Indemnified Party seeking indemnification, (b) due to the credit risk or financial inability to pay of the Obligor and for which reimbursement would constitute recourse to any Originator, CB, the Borrower or the Servicer for uncollectible Receivables, (c) such Indemnified Amounts constitute Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim, (d)

the same have been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Agreement or any other Transaction Document or (e) the same are expressly excluded by any provision of this Agreement or any other Transaction Document; provided, however, that nothing contained in this sentence shall limit the liability of the Borrower or the Servicer or limit the recourse of any Indemnified Party to the Borrower or the Servicer for any amounts otherwise specifically provided to be paid by the Borrower or the Servicer hereunder. Without limiting the foregoing indemnification, but subject to the limitations set forth in clauses (a), (b), (c), (d) and (e) of the previous sentence, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts (including losses in respect of uncollectible Receivables, regardless, for purposes of these specific matters, of whether reimbursement therefor would constitute recourse to the Borrower or its Servicer) to the extent relating to or resulting from:

- (i) any representation or warranty made by the Borrower (or any employee or agent of the Borrower) under or in connection with this Agreement, any Information Package or any other information or report delivered by or on behalf of the Borrower pursuant hereto, which shall have been false or incorrect in any respect when made or deemed made;
- (ii) the failure by the Borrower to comply with any applicable law, rule or regulation related to any Receivable, or the nonconformity of any Receivable with any such applicable law, rule or regulation;
- (iii) the failure of the Borrower to vest and maintain vested in the Administrator, for the benefit of the Lenders, a perfected security interest in the Pool Assets free and clear of any Adverse Claim;
- (iv) any commingling of funds to which the Administrator, any Group Agent or any Lender is entitled hereunder with any other funds of the Borrower or their Affiliates;
- (v) any failure of a Lock Box Bank to comply with the terms of the applicable Lock Box Agreement;
- (vi) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable, or any other claim resulting from the sale or lease of goods or the rendering of services related to such Receivable or the furnishing or failure to furnish any such goods or services or other similar claim or defense not arising from the credit risk or financial inability of any Obligor to pay undisputed indebtedness;
- (vii) any failure of the Borrower to perform its duties or obligations in accordance with the provisions of this Agreement or any other Transaction Document to which it is a party;
- (viii) any action taken by the Administrator as attorney in fact for the Borrower or any Originator pursuant to this Agreement or any other Transaction Document;
- (ix) any environmental liability claim, products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort, arising

out of or in connection with any Receivable or any other suit, claim or action of whatever sort relating to any of the Transaction Documents; or

(x) any issuance of any Letter of Credit.

Section 3.2 Indemnities by the Servicer.

(a) Without limiting any other rights that any Indemnified Party may have hereunder or under applicable law, the Servicer hereby agrees to indemnify and hold harmless each Indemnified Party from and against any and all Indemnified Amounts to the extent arising out of or resulting from (whether directly or indirectly): (a) the failure of any information contained in any single Information Package when taken as a whole, as of the date such Information Package is delivered pursuant to Sections 1(a)(ii) and 2(a)(iv) of Exhibit IV to be true and correct, or the failure of any other information provided to such Indemnified Party by, or on behalf of, the Servicer to be true and correct, (b) the failure of any representation, warranty or statement made or deemed made by the Servicer (or any of its officers) under or in connection with this Agreement or any other Transaction Document to which it is a party, to have been true and correct as of the date made or deemed made, (c) the failure by the Servicer to comply with any applicable law, rule or regulation with respect to any Pool Receivable or the related Contract, (d) any dispute, claim, offset or defense of the Obligor to the payment of any Receivable in, or purporting to be in, the Receivables Pool resulting from or related to the collection activities with respect to such Receivable and not arising from the financial inability of the Obligor to pay, or (e) any failure of the Servicer to perform its duties or obligations in accordance with the provisions hereof or any other Transaction Document to which it is a party; excluding only such amounts to the extent (a) a final judgment of a court of competent jurisdiction holds that such amounts resulted from gross negligence or willful misconduct of the Indemnified Party seeking indemnification, (b) due to the credit risk of the Obligor and for which reimbursement would constitute recourse to any Originator, CB, the Borrower or the Servicer for uncollectible Receivables, (c) such amounts constitute Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim, (d) the same have been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Agreement or any other Transaction Document or (e) the same are expressly excluded by any provision of this Agreement or any other Transaction Document; provided, however, that nothing contained in this sentence shall limit the liability of the Borrower or the Servicer or limit the recourse of any Indemnified Party to the Borrower or the Servicer for any amounts otherwise specifically provided to be paid by the Borrower or the Servicer hereunder.

(b) CB, as Performance Guarantor, hereby acknowledges that each of the Transaction Documents has been made available to and has been reviewed by Performance Guarantor. Performance Guarantor hereby unconditionally reaffirms its obligations under the Performance Guaranty and acknowledges and agrees that such obligations continue in full force and effect (including, without limitation, with respect to the Guaranteed Obligations) and the Performance Guaranty is hereby ratified and confirmed. Performance Guarantor hereby represents and warrants that each of the representations and warranties made by it in the Performance Guaranty are true and correct as of the day hereof and after the effect of this Agreement (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date).

ARTICLE IV

ADMINISTRATION AND COLLECTIONS

Section 4.1 Appointment of the Servicer.

(a) The servicing, administering and collection of the Pool Receivables shall be conducted by each Person so designated from time to time as the Servicer in accordance with this Section 4.1. Until the Administrator gives notice to the Servicer (in accordance with this Section 4.1) of the designation of a new servicer, CB is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer with respect to all Pool Receivables that were originated by an Originator in accordance with the terms hereof. Upon the occurrence of a Servicer Default, the Administrator may (with the consent of the Majority Group Agents) or shall (at the direction of the Majority Group Agents) designate as Servicer any Person (including itself) to succeed the Servicer or any successor Servicer, on the condition in each case that any such Person so designated shall agree to perform the duties and obligations of a Servicer pursuant to the terms hereof.

(b) Upon the designation of any successor Servicer as set forth in paragraph (a), the Servicer agrees that it will terminate its activities as Servicer hereunder in a manner that the Administrator reasonably determines will facilitate the transition of the performance of such activities to the new Servicer, and the Servicer shall cooperate with and assist such new Servicer. In connection with such cooperation, the Servicer shall, upon request by the Administrator: (i) assemble all of the records (including all Contracts) reasonably necessary or desirable to collect the Pool Receivables and the Related Security and transfer such records to the successor Servicer, except to the extent such transfer is prohibited by applicable law, (ii) except to the extent prohibited by applicable law, licenses or other agreement, transfer or license to the successor Servicer the use of all licenses, hardware or software necessary or desirable to collect the Pool Receivables and the Related Security, and make the same available to the Administrator or its designee (for the benefit of the Lenders), at a place selected by the Administrator, and (iii) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner reasonably acceptable to the Administrator and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrator or its designee.

(c) The Servicer acknowledges that, in making its decision to execute and deliver this Agreement, the Administrator and each member in each Group have relied on the Servicer's agreement to act as Servicer hereunder. Accordingly, the Servicer agrees that it will not voluntarily resign as Servicer unless required to do so by applicable law; provided that the Servicer may, with the prior written consent of the Administrator and the Majority Group Agents (such consent not to be unreasonably withheld), resign as Servicer if (i) a successor Servicer which is an Affiliate of the Servicer has agreed to act as Servicer on the terms and conditions hereof and (ii) such successor Servicer has agreed to execute documentation, in form and substance reasonably satisfactory to the Administrator, to effect its appointment as, and the assumption of the rights and duties of, the Servicer hereunder and under the Transaction Documents; provided, further, no such resignation will be effective until such successor Servicer has been appointed pursuant to such documentation

and the successor Servicer pursuant to this paragraph shall not terminate the appointment of any Sub-Servicer.

(d) The Servicer may delegate its duties and obligations hereunder to any sub-servicer (each a “Sub-Servicer”); provided that in each such delegation: (i) such Sub-Servicer shall agree in writing to perform the duties and obligations of the Servicer pursuant to the terms hereof, (ii) the Servicer shall remain liable for the performance of the duties and obligations so delegated, (iii) the Borrower, the Administrator and each Group shall have the right to look solely to the Servicer for performance, and (iv) the terms of any agreement with any Sub-Servicer that is an Affiliate of the Servicer shall provide that the Administrator may terminate such agreement upon the termination of the Servicer hereunder by giving notice of its desire to terminate such agreement to the Servicer (and the Servicer shall provide appropriate notice to each such Sub-Servicer); provided, however, that if any such delegation is to any Person other than any Originator or an Affiliate thereof, the Administrator and the Majority Group Agents shall have consented in writing in advance to such delegation (which consent shall not be unreasonably withheld or delayed); and provided, further, that the Servicer may delegate the following duties and obligations to a Sub-Servicer without further consent by any party: (w) data processing, including customer care and billing, (x) customer acquisition and retention and market research, (y) inbound and outbound teleservices and (z) computer system maintenance, enhancement, machine processing and production support.

(e) At any time following the occurrence and during the continuation of an Event of Default, the Administrator may request the Servicer to, and upon such request the Servicer shall: (i) solely to the extent that such event is also a Servicer Default, assemble all of the records reasonably necessary or desirable to collect the Pool Receivables and the Related Security, and transfer or license to a successor Servicer, except to the extent prohibited by applicable law, licenses or other agreement, the use of all software necessary or desirable to collect the Pool Receivables and the Related Security, and make the same available to the Administrator or its designee (for the benefit of the Lenders), except to the extent prohibited by applicable law, licenses or other agreement, at a place selected by the Administrator, and (ii) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner reasonably acceptable to the Administrator and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrator or its designee.

(f) For the avoidance of doubt, nothing in this Agreement shall have the effect of making the Servicer liable for any obligations of the Borrower under this Agreement or the other Transaction Documents and nothing in this Agreement shall constitute the giving of a guarantee or the assumption of a similar obligation by the Servicer in respect of the performance by the Borrower of its obligations under this Agreement or the other Transaction Documents.

Section 4.2 Duties of the Servicer.

(a) The Servicer shall take or cause to be taken all such action as may be reasonably necessary or advisable to administer and collect each Pool Receivable from time to time, all in accordance in all material respects with this Agreement and all applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection

Policies. The Servicer shall set aside for the accounts of the Borrower and the Lenders the amount of Collections to which each is entitled in accordance with Article I hereof. The Servicer may, in accordance with the applicable Credit and Collection Policy, take such action, including extensions, amendments, modifications, waivers or restructurings of Pool Receivables and the related Contracts, as the Servicer may reasonably determine to be appropriate to maximize Collections thereof or reflect adjustments permitted under the Credit and Collection Policies; provided, however, that: (i) such action shall not change the number of days such Pool Receivable has remained unpaid from the date of the original due date related to such Pool Receivable, and (ii) such action shall not alter the status of such Pool Receivable as a Delinquent Receivable or a Defaulted Receivable under this Agreement. The Borrower shall deliver to the Servicer and the Servicer shall hold for the benefit of the Borrower and the Administrator (individually and for the benefit of the Lenders, in accordance with their respective interests), all records and documents (including computer tapes or disks) with respect to each Pool Receivable.

(b) [Reserved].

(c) The Servicer's obligations hereunder shall terminate on the Final Payout Date.

After such termination, if the Servicer or an Affiliate thereof was not the Servicer on the date of such termination, the Servicer shall promptly deliver to the Borrower all books, records and related materials that the Borrower previously provided to the Servicer, or that have been obtained by the Servicer, in connection with this Agreement.

Section 4.3 Lock-Box Account Arrangements. Prior to the Closing Date, the Borrower shall have entered into Lock-Box Agreements with all of the Lock-Box Banks and delivered counterparts of each to the Administrator. Upon the occurrence and during the continuation of an Event of Default, the Administrator may (with the consent of the Majority Group Agents) or shall (upon the direction of the Majority Group Agents) at any time thereafter give notice to each Lock-Box Bank that the Administrator is exercising its rights under the Lock-Box Agreements to do any or all of the following: (a) to have the exclusive control of the Lock-Box Accounts transferred to the Administrator (for the benefit of the Lenders) and to exercise exclusive dominion and control over the funds deposited therein and (b) to take any or all other actions permitted under the applicable Lock-Box Agreement. The Administrator hereby agrees that it shall not give such notice or exercise such rights with respect to any such Lock-Box Account unless an Event of Default has occurred and is continuing. The Borrower hereby agrees that if the Administrator gives notice (after the occurrence and during the continuation of an Event of Default) to a Lock-Box Bank that the Administrator is exercising its rights under the related Lock-Box Agreement pursuant to clause (a) above, the Administrator shall have exclusive control (for the benefit of the Lenders) of the proceeds (including Collections) of all Pool Receivables and the Borrower hereby further agrees to take any other action that the Administrator or any Group Agent may reasonably request to transfer such control. Any proceeds of Pool Receivables received by the Borrower or the Servicer thereafter shall be sent immediately to, or as otherwise instructed by, the Administrator. For the avoidance of doubt, in the event the Administrator has taken control of any Lock-Box Account pursuant to this Section 4.3, all proceeds (including Collections) of Pool Receivables shall be applied in the manner set forth in Section 1.4(a). The parties hereto hereby acknowledge that if at any time the Administrator takes control of any Lock-Box Account, the Administrator shall not have any rights to (a) the funds therein in excess of the unpaid amounts

then due and payable to the Administrator, any member of any Group, any Secured Party or any other Person hereunder, and the Administrator shall distribute or cause to be distributed such funds in accordance with Article I (in each case as if such funds were held by the Servicer thereunder) or (b) any Non-Receiveable Cash Deposits therein, and the Administrator shall transfer any such Non-Receiveable Cash Deposits to an account designated by the Borrower (or the Servicer on its behalf) within three (3) Business Days of the Administrator's receipt of a written request by the Borrower (or the Servicer on its behalf), together with a Non-Receiveable Cash Deposit Report which identifies the amount of such Non-Receiveable Cash Deposits.

Section 4.4 Enforcement Rights.

(a) At any time following the occurrence and during the continuation of any Event of Default set forth in clause (a)(ii) or paragraphs (f) or (i) of Exhibit V of this Agreement, the Administrator may direct the Obligors that payment of all amounts payable under any Pool Receivable is to be made directly to the Administrator or its designee. The exercise of this right will be subject to any applicable regulatory restrictions. The Servicer agrees that, if the Administrator is unable to exercise the rights in this paragraph (a) due to any applicable regulatory restrictions, it will, subject to any applicable regulatory restrictions, follow the instructions of the Administrator in connection therewith. For the avoidance of doubt, any amounts received by the Administrator or its designee pursuant to this Section 4.4(a) shall be applied in the manner set forth in Section 1.4(a).

(b) The Borrower hereby authorizes the Administrator (on behalf of each Group), and irrevocably appoints the Administrator as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Borrower, which appointment is coupled with an interest, to take any and all steps in the name of the Borrower and on behalf of the Borrower reasonably necessary or desirable, in the determination of the Administrator, after the occurrence and during the continuation of an Event of Default, to collect any and all amounts or portions thereof due under any and all Pool Assets, including endorsing the name of the Borrower on checks and other instruments representing Collections and enforcing such Pool Assets. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

Section 4.5 Responsibilities of the Borrower.

(a) Anything herein to the contrary notwithstanding, the Borrower shall: (i) perform all of its obligations, if any, under the Contracts related to the Pool Receivables, and the exercise by the Administrator, any Group Agent or any Lender of their respective rights hereunder shall not relieve the Borrower from such obligations, and (ii) pay when due any taxes, including any sales taxes payable in connection with the Pool Receivables and their creation and satisfaction. None of the Administrator, the Group Agents or the Lenders shall have any obligation or liability with respect to any Pool Asset, nor shall any of them be obligated to perform any of the obligations of the Borrower, the Servicer, CB or any Originators thereunder.

(b) The Servicer hereby irrevocably agrees that if at any time it shall cease to be a Servicer hereunder, it shall act (if such then-current Servicer so requests) as the data processing agent of the Servicer and, in such capacity, the Servicer shall conduct the data processing functions of the administration of the Pool Receivables and the Collections thereon in substantially the same way that the Servicer conducted such data processing functions while it acted as the Servicer.

Section 4.6 Servicing Fee.

(a) Subject to paragraph (b), CB shall be paid a fee equal to 1.00% per annum (the “Servicing Fee Rate”) of the daily average aggregate Outstanding Balance of the Pool Receivables (the “Servicing Fee”). Such fee shall be paid through the distributions contemplated by Section 1.4(a).

(b) If CB ceases to be a Servicer or an Affiliate thereof, the Servicing Fee shall be the greater of: (i) the amount calculated pursuant to paragraph (a), and (ii) an alternative amount specified by the successor Servicer not to exceed 110% of the aggregate reasonable costs and expenses incurred by such successor Servicer in connection with the performance of its obligations as Servicer.

ARTICLE V

THE AGENTS

Section 5.1 Appointment and Authorization.

(a) Each Lender and Group Agent hereby irrevocably designates and appoints PNC Bank, National Association, as the “Administrator” hereunder and authorizes the Administrator to take such actions and to exercise such powers as are delegated to the Administrator hereby and to exercise such other powers as are reasonably incidental thereto. The Administrator shall not have any duties other than those expressly set forth herein or any fiduciary relationship with any Lender or Group Agent, and no implied obligations or liabilities shall be read into this Agreement, or otherwise exist, against the Administrator. The Administrator does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Borrower or the Servicer. Notwithstanding any provision of this Agreement or any other Transaction Document to the contrary, in no event shall the Administrator ever be required to take any action which exposes the Administrator to personal liability or which is contrary to the provision of any Transaction Document or applicable law.

(b) Each Lender hereby irrevocably designates and appoints the respective institution identified as the Group Agent for such Lender’s Group on the signature pages hereto or in the Assumption Agreement or Transfer Supplement pursuant to which such Lender becomes a party hereto, and each authorizes such Group Agent to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to such Group Agent by the terms of this Agreement, if any, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Group Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender or other Group Agent or the

Administrator, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of such Group Agent shall be read into this Agreement or otherwise exist against such Group Agent.

(c) Except as otherwise specifically provided in this Agreement, the provisions of this Article V are solely for the benefit of the Group Agents, the Administrator and the Lenders, and neither the Borrower nor the Servicer shall have any rights as a third-party beneficiary or otherwise under any of the provisions of this Article V, except that this Article V (including, for the avoidance of doubt, Sections 5.2, 5.3 and 5.4) shall not affect any obligations or liability which any Group Agent, the Administrator or any Lender may have to the Borrower or the Servicer under the other provisions of this Agreement. Furthermore, no Lender shall have any rights as a third-party beneficiary or otherwise under any of the provisions hereof in respect of a Group Agent which is not the Group Agent for such Lender.

(d) In performing its functions and duties hereunder, the Administrator shall act solely as the agent of the Lenders and the Group Agents and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or the Servicer or any of their successors and assigns. In performing its functions and duties hereunder, each Group Agent shall act solely as the agent of its respective Lender and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower, the Servicer, any other Lender, any other Group Agent or the Administrator, or any of their respective successors and assigns.

Section 5.2 Delegation of Duties. The Administrator may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrator shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 5.3 Exculpatory Provisions. None of the Group Agents, the Administrator or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted (i) with the consent or at the direction of the Majority Group Agents (or in the case of any Group Agent, the Lenders within its Group that have a majority of the aggregate Commitment of such Group) or (ii) in the absence of such Person's gross negligence or willful misconduct. The Administrator shall not be responsible to any Lender, Group Agent or other Person for (i) any recitals, representations, warranties or other statements made by the Borrower, the Servicer, any Originator or any of their Affiliates, (ii) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Transaction Document, (iii) any failure of the Borrower, the Servicer, any Originator or any of their Affiliates to perform any obligation hereunder or under the other Transaction Documents to which it is a party (or under any Contract), or (iv) the satisfaction of any condition specified in Exhibit II. The Administrator shall not have any obligation to any Lender or Group Agent to ascertain or inquire about the observance or performance of any

agreement contained in any Transaction Document or to inspect the properties, books or records of the Borrower, the Servicer, any Originator or any of their respective Affiliates.

Section 5.4 Reliance by Agents.

(a) Each Group Agent and the Administrator shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or other writing or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrator. Each Group Agent and the Administrator shall in all cases be fully justified in failing or refusing to take any action under any Transaction Document unless it shall first receive such advice or concurrence of the Majority Group Agents (or in the case of any Group Agent, the Lenders within its Group that have a majority of the aggregate Commitment of such Group), and assurance of its indemnification, as it deems appropriate.

(b) The Administrator shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Majority Group Agents or the Group Agents, and such request and any action taken or failure to act pursuant thereto shall be binding upon all Lenders, the Administrator and Group Agents.

(c) The Lenders within each Group with a majority of the Commitment of such Group shall be entitled to request or direct the related Group Agent to take action, or refrain from taking action, under this Agreement on behalf of such Lenders. Such Group Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of such Majority Group Agents, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of such Group Agent's Lenders.

(d) Unless otherwise advised in writing by a Group Agent or by any Lender on whose behalf such Group Agent is purportedly acting, each party to this Agreement may assume that (i) such Group Agent is acting for the benefit of each of the Lenders in respect of which such Group Agent is identified as being the "Group Agent" in the definition of "Group Agent" hereto, as well as for the benefit of each assignee or other transferee from any such Person, and (ii) each action taken by such Group Agent has been duly authorized and approved by all necessary action on the part of the Lenders on whose behalf it is purportedly acting. Each Group Agent and its Lender(s) shall agree amongst themselves as to the circumstances and procedures for removal, resignation and replacement of such Group Agent.

Section 5.5 Notice of Events of Default. Neither any Group Agent nor the Administrator shall be deemed to have knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default unless such Administrator has received notice from any Lender, Group Agent, the Servicer or the Borrower stating that an Event of Default or an Unmatured Event of Default has occurred hereunder and describing such Event of Default or Unmatured Event of Default. In the event that the Administrator receives such a notice, it shall promptly give notice thereof to each Group Agent whereupon each such Group Agent shall promptly give notice thereof to its related Lenders. In the event that a Group Agent receives such a notice (other than from the Administrator), it shall promptly give notice thereof to the

Administrator. The Administrator shall take such action concerning an Event of Default or an Unmatured Event of Default as may be directed by the Majority Group Agents (unless such action otherwise requires the consent of all Lenders), but until the Administrator receives such directions, the Administrator may (but shall not be obligated to) take such action, or refrain from taking such action, as the Administrator deems advisable and in the best interests of the Lenders and the Group Agents.

Section 5.6 Non-Reliance on Administrator, Group Agents and Other Lenders. Each Lender and Group Agent expressly acknowledges that none of the Administrator, the Group Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrator, or any Group Agent hereafter taken, including any review of the affairs of the Borrower, CB, the Servicer or any Originator, shall be deemed to constitute any representation or warranty by the Administrator or such Group Agent, as applicable. Each Lender represents and warrants to the Administrator and the Group Agents that, independently and without reliance upon the Administrator, the LC Bank, Group Agents or any other Lender and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower, CB, the Servicer or any Originator, and the Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items specifically required to be delivered hereunder, the Administrator shall not have any duty or responsibility to provide any Group Agent with any information concerning the Borrower, CB, the Servicer or any Originators or any of their Affiliates that comes into the possession of the Administrator or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 5.7 Administrators and Affiliates. Each of the Lenders, the Group Agents and the Administrator and any of their respective Affiliates may extend credit to, accept deposits from and generally engage in any kind of banking, trust, debt, entity or other business with the Borrower, CB, the Servicer or any Originator or any of their Affiliates. With respect to any funding of the Eligible Receivables pursuant to this Agreement, each of the Group Agents and the Administrator shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not such an agent, and the terms “Lender” and “Lenders” shall include, to the extent applicable, each of the Group Agents and the Administrator in their individual capacities.

Section 5.8 Indemnification. Each LC Participant and Related Committed Lender agrees to indemnify and hold harmless the Administrator (but solely in its capacity as Administrator) and its officers, directors, employees, representatives and agents and the LC Bank (to the extent not reimbursed by the Borrower, the Servicer or any Originator and without limiting the obligation of the Borrower, the Servicer, or any Originator to do so), ratably (based on respective Group Commitments) from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, costs, expenses and disbursements of any kind whatsoever (including in connection with any investigative or threatened proceeding, whether or not the Administrator, the LC Bank or such Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Administrator, the LC Bank or such Person as a result of, or related to, any of the transactions contemplated by the Transaction

Documents or the execution, delivery or performance of the Transaction Documents or any other document furnished in connection therewith (but excluding any such liabilities, obligations, losses, damages, penalties, judgments, settlements, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of the Administrator or the LC Bank or such Person as finally determined by a court of competent jurisdiction). Without limiting the generality of the foregoing, each LC Participant agrees to reimburse the Administrator and the LC Bank, ratably according to their ratable shares (based on respective Group Commitments), promptly upon demand, for any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrator or the LC Bank in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of its rights or responsibilities under, this Agreement.

Section 5.9 Successor Administrator. The Administrator may, upon at least five (5) days' notice to the Borrower, each Lender and Group Agent, resign as Administrator. Such resignation shall not become effective until a successor Administrator is appointed by the Majority Group Agents and has accepted such appointment. Upon such acceptance of its appointment as Administrator hereunder by a successor Administrator, such successor Administrator shall succeed to and become vested with all the rights and duties of the retiring Administrator, and the retiring Administrator shall be discharged from its duties and obligations under the Transaction Documents. After any retiring Administrator's resignation hereunder, the provisions of Sections 3.1 and 3.2 and this Article V shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrator.

Section 5.10 Erroneous Payments.

(a) Each Lender hereby agrees that (i) if the Administrator notifies such Lender that the Administrator has determined in its sole discretion that any funds received by such Lender from the Administrator or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise); individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrator the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrator in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrator in accordance with banking industry rules on interbank compensation from time to time in effect and (ii) such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrator for the return of any Erroneous Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Administrator to any Lender under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender hereby further agrees that if it receives an Erroneous Payment from the Administrator (or any of its Affiliates) (i)

that is in an amount different than (other than a de minimis difference), or on a different date from, that specified in a notice of payment sent by the Administrator (or any of its Affiliates) with respect to such Erroneous Payment (an “Erroneous Payment Notice”), or (ii) that was not preceded or accompanied by an Erroneous Payment Notice, it shall be on notice that, in each such case, an error has been made with respect to such Erroneous Payment. Each Lender further agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrator of such occurrence and, upon demand from the Administrator, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrator the amount of any such Erroneous Payment (or portion thereof) that was received by such Lender to the date such amount is repaid to the Administrator in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrator in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Borrower and Servicer hereby agree that (i) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrator shall be subrogated to all the rights of such Lender with respect to such amount and (ii) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by the Borrower, Servicer or any Affiliate thereof.

(d) Each party’s obligations under this Section 5.10 shall survive the resignation or replacement of the Administrator or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations (or any portion thereof) under any Transaction Document.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Transaction Document, or consent to any departure by the Borrower or the Servicer therefrom, shall be effective unless in a writing signed by the Administrator and the Majority Group Agents, and, in the case of any amendment, by the other parties thereto; and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment or waiver shall, without the consent of each affected Lender, (A) extend the date of any payment or deposit of Collections by the Borrower or the Servicer, (B) reduce the rate or extend the time of payment of Interest, (C) reduce any fees payable to the Administrator, any Group Agent or any Lender pursuant to the applicable Group Fee Letter, (D) change the amount of Capital of any Lender or any Related Committed Lender’s Commitment, (E) amend, modify or waive any provision of the definition of “Majority Group Agents” or this Section 6.1, (F) consent to or permit the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement, (G) change the definition of “Net Receivables Pool Balance”, “Dilution Reserve”, “Dilution Reserve Percentage”, “Eligible Receivable”, “Event of Default”, “Loss Reserve”, “Loss Reserve Percentage”, “Net Receivables Pool Balance”, or “Ratable Share”, (H) release all or any material part of the Pool Assets from the security interest granted by the Borrower to the Administrator

hereunder or under any other Transaction Document, (I) amend the priority of payments set forth in Section 1.4(a) or (J) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (I) above in a manner that would circumvent the intention of the restrictions set forth in such clauses. No failure on the part of the Lenders, the Group Agents or the Administrator to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. Notwithstanding the foregoing, the consent of the Structuring Agent shall not be required for any amendment or waiver unless such amendment or waiver materially and adversely affects the interests of the Structuring Agent or materially increases its obligations under this Agreement.

Section 6.2 Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including email communication) and shall be personally delivered or sent by email or by overnight mail, to the intended party at the mailing address or email address of such party set forth under its name on the signature pages hereof (or in any other document or agreement pursuant to which it is or became a party hereto), or at such other mailing address or email address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective (i) if delivered by overnight mail, when received, and (ii) if transmitted by email, when sent, receipt confirmed by telephone or electronic means.

Section 6.3 Successors and Assigns; Participations; Assignments.

(a) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Except as otherwise provided herein, (i) neither the Borrower nor Servicer may assign or transfer any of its rights or delegate any of its duties hereunder or under any Transaction Document without the prior consent of the Administrator, the LC Bank and the Group Agents and (ii) the Administrator shall not assign or transfer any of its rights or delegate any of its duties hereunder or under any Transaction Document without the prior consent of the Borrower (such consent not to be unreasonably withheld or delayed); provided that the Borrower's consent shall not be required if an Event of Default or Servicer Default has occurred and is continuing. The Administrator, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a record of any assignment by any Lender of right or obligations hereunder or under any Transaction Document and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrator and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(b) Participations. Except as otherwise specifically provided herein, any Lender may sell to one or more Persons (each a "Participant") participating interests in the interests of such Lender hereunder; provided, however, that no Lender shall grant any participation under which the Participant shall have rights to approve any amendment to or waiver of this Agreement or any other Transaction Document. Such Lender shall remain solely responsible for performing its

obligations hereunder, and the Borrower, each Group Agent and the Administrator shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder. A Lender shall not agree with a Participant to restrict such Lender's right to agree to any amendment hereto. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Transaction Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Transaction Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrator (in its capacity as Administrator) shall have no responsibility for maintaining a Participant Register.

(c) Assignments by Certain Related Committed Lenders. Any Related Committed Lender may assign to one or more Persons (each a "Purchasing Related Committed Lender"), reasonably acceptable to each of the Administrator, the LC Bank and the related Group Agent in its sole discretion, any portion of its Commitment pursuant to a supplement hereto, substantially in the form of Annex D with any changes as have been approved by the parties thereto (each, a "Transfer Supplement"), executed by each such Purchasing Related Committed Lender, such selling Related Committed Lender, such related Group Agent and the Administrator if the Borrower shall have given its prior written consent thereto; provided that the Borrower's consent shall not be required if an Event of Default or Servicer Default has occurred and is continuing. Any such assignment by Related Committed Lender cannot be for an amount less than \$10,000,000. Upon (i) the execution of the Transfer Supplement, (ii) delivery of an executed copy thereof to the Borrower, such related Group Agent and the Administrator and (iii) payment by the Purchasing Related Committed Lender to the selling Related Committed Lender of the agreed purchase price, if any, such selling Related Committed Lender shall be released from its obligations hereunder to the extent of such assignment and such Purchasing Related Committed Lender shall for all purposes be a Related Committed Lender party hereto and shall have all the rights and obligations of a Related Committed Lender hereunder to the same extent as if it were an original party hereto. The amount of the Commitment of the selling Related Committed Lender allocable to such Purchasing Related Committed Lender shall be equal to the amount of the Commitment of the selling Related Committed Lender transferred regardless of the purchase price, if any, paid therefor. The Transfer Supplement shall be an amendment hereof only to the extent necessary to reflect the addition of such Purchasing Related Committed Lender as a "Related Committed Lender" and a "Related LC Participant" and any resulting adjustment of the selling Related Committed Lender's Commitment and, if applicable, selling Related LC Participant's Ratable Share of the LC Participation Amount.

(d) Assignments to Liquidity Providers and other Program Support Providers. Any Conduit Lender may at any time grant to one or more of its Liquidity Providers or other Program

Support Providers, participating interests in its portion of the Loan. In the event of any such grant by such Conduit Lender of a participating interest to a Liquidity Provider or other Program Support Provider, such Conduit Lender shall remain responsible for the performance of its obligations hereunder.

(e) Other Assignment by Conduit Lenders. Each party hereto agrees and consents (i) to any Conduit Lender's assignment, participation, grant of security interests in or other transfers of any portion of, or any of its beneficial interest in, the Loan (or portion thereof), including without limitation to any collateral agent in connection with its commercial paper program and (ii) to the complete assignment by any Conduit Lender of all of its rights and obligations hereunder to any other Person within such Conduit Lender's Group, and upon such assignment such Conduit Lender shall be released from all obligations and duties, if any, hereunder; provided, however, that such Conduit Lender may not, without the prior consent of its Related Committed Lenders, make any such transfer of its rights hereunder unless the assignee (i) is principally engaged in the funding of loans similar to loan being funded hereunder, (ii) has as its Group Agent the Group Agent of the assigning Conduit Lender and (iii) issues commercial paper or other Notes with credit ratings substantially comparable to the ratings of the assigning Conduit Lender; provided, further, that such Conduit Lender may not make any assignment of its rights or obligations hereunder to any Person who is not a member of an existing Group without the prior consent of the Borrower (such consent not to be unreasonably withheld or delayed and not required if an Event of Default or Servicer Default has occurred and is continuing). Any assigning Conduit Lender shall deliver to any assignee a Transfer Supplement with any changes as have been approved by the parties thereto, duly executed by such Conduit Lender, assigning any portion of its interest in the Loan to its assignee. Such Conduit Lender shall promptly (i) notify each of the other parties hereto of such assignment and (ii) take all further action that the assignee reasonably requests in order to evidence the assignee's right, title and interest in such interest in the Loan and to enable the assignee to exercise or enforce any rights of such Conduit Lender hereunder. Upon the assignment of any portion of its interest in the Loan, the assignee shall have all of the rights hereunder with respect to such interest (except that the Interest therefor shall thereafter accrue at the rate, determined with respect to the assigning Conduit Lender unless the Borrower, the related Group Agent and the assignee shall have agreed upon a different Interest).

(f) Certain Pledges. Without limiting the right of any Lender to sell or grant interests, security interests or participations to any Person as otherwise described in this Section 6.3, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure its obligations as a Lender hereunder, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

(g) Opinions of Counsel. If required by the Administrator or the applicable Group Agent or to maintain the ratings of the Notes of any Conduit Lender, each Transfer Supplement must be accompanied by an opinion of counsel of the assignee as to such matters as the Administrator or such Group Agent may reasonably request.

Section 6.4 Costs, Expenses and Taxes.

(a) By way of clarification, and not of limitation, of Sections 1.7 or 3.1, the Borrower shall pay to the Administrator, each Group Agent and each Lender on demand all reasonable costs and out-of-pocket expenses (excluding Taxes other than Other Taxes) in connection with (i) the preparation, execution, delivery and administration (including amendments or waivers of any provision) of this Agreement or the other Transaction Documents, (ii) the perfection (and continuation) of the Administrator's rights in the Pool Receivables, Collections and other Pool Assets, (iii) the enforcement by the Administrator, any Group Agent or any member of any Group of the obligations of the Borrower, the Servicer or the Originators under the Transaction Documents or of any Obligor under a Receivable and (iv) the maintenance by the Administrator of the Lock-Box Accounts (and any related lock-box or post office box), including reasonable fees, costs and out-of-pocket expenses of external legal counsel for the Administrator and any member of any Group relating to any of the foregoing or to advising the Administrator, any member of any Group, any related Liquidity Provider or any other related Program Support Provider about its rights and remedies under any Transaction Document or any other document, agreement or instrument related thereto and all reasonable costs and out-of-pocket expenses (including reasonable external counsel fees and expenses) of the Administrator, each Group Agent and each Lender in connection with the enforcement or administration of the Transaction Documents or any other document, agreement or instrument related thereto. Administrator and each member of each Group agree, however, that unless an Event of Default has occurred and is continuing all of such entities will be represented by a single law firm. The Borrower shall reimburse the Administrator and each Group Agent for the cost of such Person's external auditors auditing the books, records and procedures of the Borrower or the Servicer. The Borrower shall reimburse each Conduit Lender on demand for all reasonable costs and out of pocket expenses incurred by such Conduit Lender in connection with the Transaction Documents or the transactions contemplated thereby, including certain costs related to the Rating Agencies and reasonable fees and out of pocket expenses of external counsel of the Administrator and each member of any Group for advice relating to such Conduit Lender's operation in connection with the transactions contemplated by the Transaction Documents.

(b) In addition, the Borrower shall pay on demand any and all stamp and Other Taxes and fees payable in connection with the execution, delivery, filing and recording of this Agreement or the other documents or agreements to be delivered hereunder, and agrees to save each Indemnified Party and Affected Person harmless from and against any liabilities with respect to or resulting from any delay in paying or omission to pay such Taxes and fees.

Section 6.5 No Proceedings; Limitation on Payments.

(a) The Borrower, CB, the Servicer, the Administrator, the LC Bank, the Group Agents, the Lenders, each assignee of the Loan or any interest therein, and each Person that enters into a commitment to fund the Loans or interests therein, hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, any Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and one (1) day after the latest maturing Note issued by such Conduit Lender is paid in full. The provisions of this paragraph shall survive any termination of this Agreement.

(b) Notwithstanding any provisions contained in this Agreement to the contrary, no Conduit Lender shall or shall be obligated to, pay any amount, if any, payable by it pursuant to this Agreement or any other Transaction Document unless (i) such Conduit Lender has received funds which may be used to make such payment and which funds are not required to repay the Notes when due and (ii) after giving effect to such payment, either (x) such Conduit Lender could issue Notes to refinance all outstanding Notes (assuming such outstanding Notes matured at such time) in accordance with the program documents governing such Conduit Lender's securitization program or (y) all Notes are paid in full. Any amount which such Conduit Lender does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in §101 of the Bankruptcy Code) against or company obligation of such Conduit Lender for any such insufficiency unless and until such Conduit Lender satisfies the provisions of clauses (i) and (ii) above. The provisions of this paragraph shall survive any termination of this Agreement.

Section 6.6 GOVERNING LAW AND JURISDICTION.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF A SECURITY INTEREST OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK; AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, THAT IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH SERVICE MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

Section 6.7 Confidentiality. Unless otherwise required by applicable law or any order in any judicial or administrative proceeding, the Borrower and the Servicer agree to maintain the confidentiality of this Agreement and the other Transaction Documents (and all drafts thereof) in communications with third parties and otherwise; provided that this Agreement may be disclosed: (a) to third parties to the extent such disclosure is made pursuant to a written agreement of confidentiality having terms substantially similar to this Section 6.7, (b) to the Borrower's and the Servicer's legal counsel and auditors if they agree to hold it confidential, (c) in connection with any litigation or other proceeding between the parties hereto with respect to the Transaction Documents and (d) to any regulatory authorities having jurisdiction over the Borrower or the

Servicer. Unless otherwise required by applicable law or any order in any judicial or administrative proceeding, each of the Administrator, the Group Agents and the Lenders agrees to maintain the confidentiality of all of the Information (as defined below); provided that such Information may be disclosed to: (i) third parties to the extent such disclosure is made pursuant to a written agreement of confidentiality having terms substantially similar to this Section 6.7, (ii) legal counsel and auditors of the Lenders, the Group Agents or the Administrator (if they agree to hold it confidential), (iii) the rating agencies or any other nationally recognized statistical rating organization rating the Notes of any Conduit Lenders (if they agree, or are otherwise required by law, to hold it confidential), (iv) any Program Support Provider or potential Program Support Provider (if they agree to hold it confidential), (v) any placement agency placing the Notes (if they agree to hold it confidential) and (vi) any regulatory authorities having jurisdiction over the Administrator, a Group Agent, a Lender, any Program Support Provider or any Liquidity Provider. For purposes of this Section 6.7, “Information” means all information relating to (i) CB, the Borrower, the Servicer and the Originators, and all of their respective Affiliates or (ii) any Obligor or any Receivable, other than any such information described in clauses (i) or (ii) that is available to the Administrator, the Group Agents or the Lenders on a nonconfidential basis prior to disclosure by CB, the Borrower, the Servicer, or any Originator. Each of the Administrator, the Group Agents and the Lenders acknowledges that (a) the Information may include material non-public information concerning CB, the Borrower, the Servicer, any Originator, or any of their respective Affiliates or any Obligor or Receivable, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information, and (c) it will handle such material non-public information in accordance with applicable law, including federal and state securities laws.

Section 6.8 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same agreement.

Section 6.9 Survival of Termination. The provisions of Sections 1.7, 1.8, 1.9, 1.10, 1.18, 1.19, 1.20, 3.1, 3.2, 6.4, 6.5, 6.6, 6.7, 6.10 and 6.15 shall survive any termination of this Agreement.

Section 6.10 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF THE PARTIES HERETO FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING THAT SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT

AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

Section 6.11 Sharing of Recoveries. Each Lender agrees that if it receives any recovery, through set-off, judicial action or otherwise, on any amount payable or recoverable hereunder in a greater proportion than should have been received hereunder or otherwise inconsistent with the provisions hereof, then the recipient of such recovery shall purchase for cash an interest in amounts owing to the other Lenders, without representation or warranty except for the representation and warranty that such interest is being sold by each such other Lender free and clear of any Adverse Claim created or granted by such other Lender, in the amount necessary to create proportional participation by the Lender in such recovery. If all or any portion of such amount is thereafter recovered from the recipient, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 6.12 Right of Setoff. Each Lender is hereby authorized (in addition to any other rights it may have) at any time after the occurrence and during the continuation of an Event of Default to setoff, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Lender (including by any branches or agencies of such Lender) to, or for the account of, the Borrower against amounts then due and owing by the Borrower hereunder.

Section 6.13 Entire Agreement. This Agreement and the other Transaction Documents embody the entire agreement and understanding between the parties hereto, and supersede all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

Section 6.14 Headings. The captions and headings of this Agreement and any Exhibit, Schedule or Annex hereto are for convenience of reference only and shall not affect the interpretation hereof or thereof.

Section 6.15 Groups' Liabilities. The obligations of each Group Agent and each Lender under the Transaction Documents are solely the corporate obligations of such Person. Except with respect to any claim arising out of the willful misconduct or gross negligence of the Administrator, any Group Agent or any Lender, no claim may be made by the Borrower or the Servicer or any other Person against the Administrator, any Group Agent or any Lender or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any other Transaction Document, or any act, omission or event occurring in connection therewith; and each of the Borrower and the Servicer hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 6.16 USA Patriot Act. Each of the Administrator and each of the Lenders hereby notifies the Borrower and the Servicer that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), the Administrator and the Lenders may be required to obtain, verify and record information that

identifies the Borrower, the Servicer and the Performance Guarantor, which information includes the name, address, tax identification number and other information regarding the Borrower, the Servicer and the Performance Guarantor that will allow the Administrator and the Lenders to identify the Borrower, the Servicer and the Performance Guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act. Each of the Borrower and the Servicer agrees to provide the Administrator and the Lenders, from time to time, with all documentation and other information required by bank regulatory authorities under “know your customer” and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.

Section 6.17 Structuring Agent. Each of the parties hereto hereby acknowledges and agrees that the Structuring Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement, other than the Structuring Agent’s right to receive fees pursuant to Section 1.5. Each party acknowledges that it has not relied, and will not rely, on the Structuring Agent in deciding to enter into this Agreement and to take, or omit to take, any action under any Transaction Document.

Section 6.18 [Reserved].

Section 6.19 [Reserved].

Section 6.20 [Reserved].

Section 6.21 [Reserved].

Section 6.22 [Reserved].

Section 6.23 Intent of the Parties. The Borrower has structured the Transaction Documents with the intention that the Loans and the obligations of the Borrower will be treated under United States federal, and applicable state, local and foreign tax law as debt (the “Intended Tax Treatment”). The parties agree to file no tax return, or take any action, inconsistent with the Intended Tax Treatment unless required by law. Each assignee and each participant acquiring an interest in Loans hereunder, by its acceptance of such assignment or participation, agrees to comply with the immediately preceding sentence.

Section 6.24 Post-Closing Covenant. The Borrower and Servicer shall within five (5) Business Days of the Closing Date (or such later day as agreed to in writing by the Administrator) deliver to the Administrator one or more duly executed account control agreements entered into with PNC or its Affiliate, as Lock-Box Account Bank, relating to the Lock-Box Accounts maintained at PNC or its Affiliate in form and substance reasonably satisfactory to the Administrator.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CINCINNATI BELL FUNDING LLC,
as Borrower

By:
Name: Angela J. Huber
Title: Vice President and Treasurer

Address:
251 Little Falls Drive
Wilmington, DE 19808

Attention: Angela J. Huber
Telephone: 513-397-7298
Email: Angela.Huber@altafiber.com

CINCINNATI BELL INC., as Servicer and, solely with respect to Section 3.2(b), as
Performance Guarantor

By:
Name: Angela J. Huber
Title: Vice President and Treasurer

Address:
221 East Fourth Street
Cincinnati, Ohio 45202

Attention: Angela J. Huber
Telephone: 513-397-7298
Email: Angela.Huber@altafiber.com

S-1 Receivables Financing Agreement

THE GROUPS:

PNC BANK, NATIONAL ASSOCIATION, as a Related Committed Lender and Group Agent
for the PNC Group

By:
Name:
Title:

Address: PNC Bank, National Association
300 Fifth Avenue
Pittsburgh, PA 15222

Attention: Brian Stanley
Telephone: 412.768.2001
Email: brian.stanley@pnc.com

S-2 Receivables Financing Agreement

PNC BANK, NATIONAL ASSOCIATION,
as Administrator and LC Bank

By:
Name:
Title:

Address: PNC Bank, National Association
300 Fifth Avenue
Pittsburgh, PA 15222

Attention: Brian Stanley
Telephone: 412.768.2001
Email: brian.stanley@pnc.com

S-3 Receivables Financing Agreement

PNC BANK, NATIONAL ASSOCIATION,
as the LC Bank and as an LC Participant

By:
Name:
Title:

Address: PNC Bank, National Association
300 Fifth Avenue
Pittsburgh, PA 15222

Attention: Brian Stanley
Telephone: 412.768.2001
Email: brian.stanley@pnc.com

S-4 Receivables Financing Agreement

PNC CAPITAL MARKETS LLC,
as Structuring Agent

By:
Name:
Title:

S-5 Receivables Financing Agreement

EXHIBIT I DEFINITIONS

As used in this Agreement (including its Exhibits, Schedules and Annexes), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined). Unless otherwise indicated, all Section, Annex, Exhibit and Schedule references in this Exhibit are to Sections of and Annexes, Exhibits and Schedules to this Agreement.

“Administrator” has the meaning set forth in the preamble to this Agreement.

“Adverse Claim” means a lien, security interest, hypothec, hypothecation, deemed trust or other charge or encumbrance, or any other type of preferential arrangement; it being understood that any thereof in favor of the Administrator (for the benefit of the Lenders) shall not constitute an Adverse Claim.

“Affected Person” has the meaning set forth in Section 1.7 of this Agreement.

“Affiliate” means, as to any Person: (a) any Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person, or (b) who is a director or officer: (i) of such Person or (ii) of any Person described in clause (a), except that, in the case of each Conduit Lender, Affiliate shall mean the holder of its capital stock or membership interest, as the case may be. For purposes of this definition, control of a Person shall mean the power, direct or indirect: (x) to vote 25% or more of the securities having ordinary voting power for the election of directors of such Person, or (y) to direct or cause the direction of the management and policies of such Person, in either case whether by ownership of securities, contract, proxy or otherwise.

“Aggregate Adjusted LC Participation Amount” means, at any time, the greater of (i) the LC Participation Amount less all cash collateral held in the LC Collateral Accounts at such time and (ii) zero (\$0).

“Aggregate Capital” means, at any time, the aggregate outstanding Capital of all Lenders at such time.

“Agreement” has the meaning set forth in the preamble hereto.

“Alternate Rate” for any Interest Period for any Capital (or portion thereof) funded by any Lender other than through the issuance of Notes, means an interest rate per annum equal to: (i) the sum of Daily Resetting Term SOFR plus the SOFR Adjustment or (ii) the Base Rate for such Interest Period (provided, however, that the “Alternate Rate” for any day while an Event of Default exists shall be an interest rate equal to the greater of (i) 3.0% per annum above the applicable Base Rate in effect on such day and (ii) the “Alternate Rate” as calculated in clause (i) above, as applicable).

“Anti-Corruption Laws” means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other Applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Credit Party is located or doing business.

“Anti-Terrorism Law” means any law in force or hereinafter enacted related to terrorism, money laundering, or economic sanctions, including the Bank Secrecy Act, 31 U.S.C. § 5311 *et seq.*, the USA PATRIOT Act, the International Emergency Economic Powers Act, 50 U.S.C. 1701, *et seq.*, the Trading with the Enemy Act, 50 U.S.C. App. 1, *et seq.*, 18 U.S.C. § 2332d, and 18 U.S.C. § 2339B.

“Applicable Law” means, with respect to any Person, (a) all provisions of law, statute, treaty, constitution, ordinance, rule, regulation, requirement, restriction, permit, executive order, certificate, decision, directive or order of any Governmental Authority applicable to such Person or any of its property and (b) all judgments, injunctions, orders, writs, decrees and awards of all courts and arbitrators in proceedings or actions in which such Person is a party or by which any of its property is bound.

“Assumption Agreement” means an agreement substantially in the form set forth in Annex C to this Agreement.

“Attorney Costs” means and includes all reasonable fees and disbursements of any law firm or other external counsel.

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, *et seq.*), as amended from time to time.

“Base Rate” means, for any day, a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall be at all times equal to the higher of:

(i) the rate of interest in effect for such day as publicly announced from time to time by the Administrator as its “reference rate”. Such “reference rate” is set by the Administrator based upon various factors, including the Administrator’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate; and

(ii) 0.50% per annum above the latest Overnight Bank Funding Rate.

“Base Rate Loan” means a Loan accruing interest by reference to the Base Rate.

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

“Beneficial Ownership Certification” means a certification of the Borrower as to its beneficial owner(s) complying with the Beneficial Ownership Rule.

“Blocked Property” means any property: (a) owned, directly or indirectly, by a Sanctioned Person; (b) due to or from a Sanctioned Person; (c) in which a Sanctioned Person otherwise holds any interest; (d) located in a Sanctioned Jurisdiction; or (e) that otherwise would cause any actual or possible violation by the Lenders or Administrator of any applicable International Trade Law if the Lenders were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

“Borrower” has the meaning set forth in the preamble to this Agreement.

“Borrowing Notice” has the meaning set forth in Section 1.2(a) to this Agreement.

“Business Day” means any day (other than a Saturday or Sunday) on which: (a) banks are not authorized or required to close in Pittsburgh, Pennsylvania, Atlanta, Georgia, or New York City, New York, (b) if this definition of “Business Day” is utilized in connection with SOFR, any such day that is also a day on which SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, or any successor website thereto.

“Capital” means, with respect to any Lender, the aggregate amounts (a) paid to, or on behalf of, the Borrower in connection with all Loans made by such Lender pursuant to Section 1.2(b) of the Agreement, (b) paid by such Lender (as an LC Participant) to the LC Bank in respect of a Participation Advance made by such Lender to LC Bank pursuant to Section 1.14 of the Agreement and (c) with respect to the Lender that is the LC Bank, paid by the LC Bank with respect to all drawings under the Letter of Credit to the extent such drawings have not been reimbursed by the Borrower or funded by Participation Advances, as reduced from time to time by Collections distributed and applied on account of such Capital pursuant to Section 1.4(a) of the Agreement; provided that if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

“CB” has the meaning set forth in the preamble to this Agreement.

“CBT” means Cincinnati Bell Telephone Company LLC, an Ohio limited liability company, and its successors and permitted assigns.

“CBT Public Notice” means a public notice, issued by the Federal Communications Commission, announcing a request by CBT to discontinue, reduce or impair service.

“Change in Control” means the earliest to occur after the Closing Date of:

- (i) CB ceases to own, directly or indirectly, 100% of the voting equity interests of the Borrower free and clear of all Adverse Claims;
- (ii) CB ceases to own, directly or indirectly a majority of the voting equity interests of any Originator;
- (iii) Holdings ceases to own, directly or indirectly, 100% of the voting equity interests of CB;
- (iv) at any time:

(a) prior to the consummation of a Qualifying IPO, the Permitted Holders ceasing to own, in the aggregate, directly or indirectly, beneficially, at least a majority of the aggregate ordinary common equity voting power represented by the issued and outstanding equity interests of Holdings; or

(b) upon and after the consummation of a Qualifying IPO, (1) any Person (other than a Permitted Holder) or (2) Persons (other than one or more Permitted Holders) constituting a “group” (as such term is used in Section 13(d) and Section 14(d) of the Exchange Act as in effect on the Closing Date, but excluding any employee benefit plan of such Person and its Subsidiaries, and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becomes the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Closing Date), directly or indirectly, of equity interests representing more than thirty-five percent (35%) of the aggregate ordinary common equity voting power represented by the issued and outstanding equity interests of Holdings and the percentage of aggregate ordinary common equity voting power so held is greater than the percentage of the aggregate ordinary common equity voting power represented by the equity interests of Holdings beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders; or

(v) any “Change of Control” (or any comparable term) occurring under the New Credit Agreement.

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

“Closing Date” means January 31, 2023.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collections” means, with respect to any Pool Receivable: (a) all funds that are received by any Originator, CB, the Borrower or the Servicer in payment of any amounts owed in respect of such Receivable (including purchase price, finance charges, interest and all other charges), or applied to amounts owed in respect of such Receivable (including insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all Deemed Collections and (c) all other proceeds of such Pool Receivable.

“Commitment” means, with respect to any Related Committed Lender, LC Participant or LC Bank, as applicable, the maximum aggregate amount which such Lender is obligated to pay hereunder on account of all Funded Loans and all drawings under all Letters of Credit, on a combined basis, as set forth on Schedule III or in the Assumption Agreement or other agreement

pursuant to which it became a Lender, as such amount may be modified in connection with any subsequent assignment pursuant to Section 6.3(c) or in connection with a change in the Facility Limit pursuant to Section 1.1(c) of the Agreement. For the avoidance of doubt, in no event shall the sum of the aggregate Commitments of all Lenders in a Group exceed such Group's Group Commitment.

“Commitment Percentage” means, for each Related Committed Lender or Related LC Participant in a Group, the Commitment of such Related Committed Lender or Related LC Participant, as the case may be, divided by the total of all Commitments of all Related Committed Lenders or Related LC Participants, as the case may be, in such Group.

“Concentration Percentage” means (a) for any Group A Obligor, 12%, (b) for any Group B Obligor, 10%, (c) for any Group C Obligor, 8% and (d) for any Group D Obligor, 4%.

“Concentration Reserve Percentage” means, at any time of determination, the largest of: (a) the sum of the five (5) largest Obligor Percentages of the Group D Obligors, (b) the sum of the three (3) largest Obligor Percentages of the Group C Obligors, (c) the largest Obligor Percentage of the Group B Obligors and (d) the largest Obligor Percentage of the Group A Obligors.

“Conduit Lender” means each commercial paper conduit that is a party to this Agreement, as a Lender, or that becomes a party to this Agreement, as a lender pursuant to an Assumption Agreement or Transfer Supplement.

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

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

“Contract” means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or

that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

“Coverage Percentage” means, at any time, a fraction (expressed as a percentage) and computed as follows:

$$\frac{\text{Aggregate Capital} + \text{Aggregate Adjusted LC Participation Amount} + \text{Total Reserves}}{\text{Net Receivables Pool Balance}}$$

The Coverage Percentage shall be determined from time to time pursuant to Section 1.3 of this Agreement.

“Covered Entity” means (a) the Borrower, the Servicer, each Originator and each of CB’s Subsidiaries and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

“CP Rate” means, for any Conduit Lender and for any Interest Period for any Portion of Capital with respect to such Conduit Lender (a) the per annum rate equivalent to the weighted average cost (as determined by the applicable Group Agent and which shall include commissions of placement agents and dealers, incremental carrying costs incurred with respect to Notes of such Person maturing on dates other than those on which corresponding funds are received by such Conduit Lender, other borrowings by such Conduit Lender (other than under any Program Support Agreement) and any other costs associated with the issuance of Notes) of or related to the issuance of Notes that are allocated, in whole or in part, by the applicable Group Agent to fund or maintain such Portion of Capital (and which may be also allocated in part to the funding of other assets of such Conduit Lender); provided, however, that if any component of such rate is a discount rate, in calculating the “CP Rate” for such Portion of Capital for such Interest Period, the applicable Group Agent shall for such component use the rate resulting from converting such discount rate to an interest-bearing equivalent rate per annum; provided, further, that notwithstanding anything in this Agreement or the other Transaction Documents to the contrary, the Borrower agrees that any amounts payable to the Lenders in respect of Interest for any Interest Period with respect to any Portion of Capital funded by such Lender at the CP Rate shall include an amount equal to the portion of the face amount of the outstanding Notes issued to fund or maintain such Portion of Capital that corresponds to the portion of the proceeds of such Notes that was used to pay the interest component of maturing Notes issued to fund or maintain such Portion of Capital, to the extent that such Lender had not received payments of interest in respect of such interest component prior to the maturity date of such maturing Notes (for purposes of the foregoing, the “interest component” of Notes equals the excess of the face amount thereof over the net proceeds received by such Lender from the issuance of Notes, except that if such Notes are issued on an interest-bearing basis its “interest component” will equal the amount of interest accruing on such Notes through maturity) or (ii) any other rate designated as the “CP Rate” for such Conduit Lender in an Assumption Agreement or Transfer Supplement pursuant to which such Person becomes a party

as a Conduit Lender to this Agreement, or any other writing or agreement provided by such Conduit Lender to the Borrower, the Servicer and the applicable Group Agent from time to time and, in each case, consented to as to the applicable “CP Rate” by the Borrower (such consent not to be unreasonably withheld or delayed). The “CP Rate” for any day while an Event of Default exists shall be an interest rate equal to the greater of (x) 3% per annum above the Base Rate in effect on such day and (y) SOFR on such day.

“Credit and Collection Policy” means, as the context may require, those receivables credit and collection policies and practices of each Originator and of CB in effect on the date of this Agreement and described in Schedule I to this Agreement, as modified in compliance with this Agreement.

“Credit Party” means each Lender, the LC Bank and the Administrator.

“Daily Resetting Term SOFR Rate” shall mean, for any day, the interest rate per annum determined by the Administrator by dividing (the resulting quotient rounded upwards, at the Administrator’s discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor of one month on such day (the “Term SOFR Determination Date”), as such rate is published by the Term SOFR Administrator, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Daily Resetting Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Daily Resetting Term SOFR Rate, determined as provided above, would be less than the SOFR Floor, then the Daily Resetting Term SOFR Rate shall be deemed to be the SOFR Floor.

“Daily Resetting Term SOFR Rate Loan” means a Loan that bears interest based on the Daily Resetting Term SOFR Rate.

“Days’ Sales Outstanding” means, for any calendar month, an amount computed as of the last day of such calendar month equal to: (a) the average of the Outstanding Balance of all Pool Receivables as of the last day of each of the three most recent calendar months ended on the last day of such calendar month divided by (b)(i) the aggregate credit sales made by the Originators during the three calendar months ended on the last day of such calendar month divided by (ii) 90.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), the interest rate per annum determined by the Administrator by dividing (the resulting quotient rounded upwards, at the Administrator’s discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the “SOFR Determination Date”) that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the

Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source identified by the Federal Reserve Bank of New York or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the SOFR Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Borrower, effective on the date of any such change.

"Debt" means: (a) indebtedness for borrowed money, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred purchase price of property or services purchased by an applicable Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (d) obligations as lessee under leases that shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, and (e) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (d).

"Deemed Collections" has the meaning set forth in Section 1.4(e)(ii) of this Agreement.

"Default Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%) computed as of the last day of each calendar month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that became Defaulted Receivables during such calendar month (other than Receivables that became Defaulted Receivables as a result of an Event of Bankruptcy with respect to the Obligor thereof during such month), by (b) the sum of (w) the aggregate initial Outstanding Balance of all Group A Receivables originated by the Originators during the calendar month that is five (5) calendar months before such calendar month, plus (x) the aggregate initial Outstanding Balance of all Group B Receivables originated by the Originators during the calendar month that is seven (7) calendar months before such calendar month, plus (y) the sum for each Designated Obligor of the aggregate initial Outstanding Balance of all Receivables, the Obligor of which is a Designated Obligor, originated by the Originators during the Designated Terms applicable to such Designated Obligor for purposes of this defined term.

"Defaulted Receivable" means a Receivable:

(a) as to which any payment, or part thereof, remains unpaid for (i) with respect to a Group A Receivable, one hundred and fifty-one (151) or more days from the original invoice date of such Receivable, (ii) with respect to a Group B Receivable, two hundred eleven (211) or more days and (iii) with respect to a Receivable, the Obligor of which is a Designated Obligor, the Designated Terms applicable to such Designated Obligor for purposes of this defined term, or

(b) without duplication (i) as to which an Event of Bankruptcy shall have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto or (ii) that has been written off the Borrower's books as uncollectible.

"Delinquency Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that were Delinquent Receivables on such day by (b) the aggregate Outstanding Balance of all Pool Receivables on such day.

"Delinquent Receivable" means a Receivable as to which any payment, or part thereof, remains unpaid for more than (a) solely with respect to a Receivable, the Obligor of which is a Designated Obligor, the Designated Terms applicable to such Designated Obligor for purposes of this defined term, (b) with respect to any Receivable (other than a Receivable, the Obligor of which is a Designated Obligor) that has a stated maturity which is less than ninety-one (91) days after the original invoice date of such Receivable, one hundred and twenty (120) days from the original invoice date of such Receivable and (c) with respect to any Receivable (other than a Receivable, the Obligor of which is a Designated Obligor) that has a stated maturity which is ninety-one (91) or more days after the original invoice date of such Receivable, one hundred and fifty (150) days from the original invoice date of such Receivable.

"Designated Obligor" means each Obligor designated as a Designated Obligor from time to time on Annex I, as such Annex I is supplemented from time to time in writing to add or remove Designated Obligors and adjust any Designated Terms relating thereto, and, in each case, as such supplement is consented to in writing (including, without limitation, email communications) by the Borrower, the Servicer, the Administrator, the LC Bank and each Lender. In the event that any other Obligor is or becomes an Affiliate of a Designated Obligor, the applicable Designated Terms set forth on Annex I shall apply to both such Obligor and such Designated Obligor and shall be calculated as if such Obligor and such Designated Obligor were a single Obligor.

"Designated Terms" means the terms set forth on Annex I as applicable to a Designated Obligor with respect to certain defined terms set forth on Schedule I; provided that if no Designated Term is provided with respect to any defined term for such Obligor or if the conditions, if any, to any Designated Term are not satisfied, such Designated Terms shall not be applicable to such Designated Obligor for purposes of such defined term.

"Dilution Horizon" means, for any calendar month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%) computed as of the last day of such calendar month of: (a) the sum of (i) the aggregate credit sales made by all the Originators during the most recent calendar month, plus (ii) 50% times the aggregate credit sales made by all the Originators during the second most recent calendar month, to (b) the Net Receivables Pool Balance at the last day of such calendar month. Within thirty (30) days of the completion and the receipt by the Administrator of the results of any annual audit or field exam of the Receivables and the servicing and origination practices of the Servicer and the Originators, the numerator of the Dilution Horizon may be adjusted by the Administrator upon not less than five (5) Business Days' notice to the Servicer to reflect such number of Fiscal Months as the Administrator reasonably believes best reflects the business practices of the Servicer and the Originators and the actual amount of dilution

and Deemed Collections that occur with respect to Pool Receivables based on the weighted average dilution lag calculation completed as part of such audit or field exam.

“Dilution Ratio” means the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward), computed as of the last day of each calendar month by dividing: (a) the aggregate amount of payments made or owed by the Borrower pursuant to Section 1.4(e)(i) of this Agreement or by the Borrower, as seller, under Section 5 of the Receivables Financing Agreement during such calendar month by (b) the aggregate credit sales made by all the Originators during the calendar month that is one month prior to such calendar month.

“Dilution Reserve” means, on any day, an amount equal to: (a) the sum of the Aggregate Capital plus the Aggregate Adjusted LC Participation Amount at the close of business of the Servicer on such day multiplied by (b) (i) the Dilution Reserve Percentage on such day, divided by (ii) 100% minus the Dilution Reserve Percentage on such day.

“Dilution Reserve Percentage” means on any date, the product of (i) the Dilution Horizon multiplied by (ii) the sum of (x) 2.25 times the average of the Dilution Ratios for the twelve (12) most recent calendar months and (y) the Dilution Spike Factor.

“Dilution Spike Factor” means, for any calendar month, the product of (a) the positive difference, if any, between: (i) the highest Dilution Ratio for any calendar month during the twelve (12) most recent calendar months and (ii) the arithmetic average of the Dilution Ratios for such twelve (12) months and (b) (i) the highest Dilution Ratio for any calendar month during the twelve (12) most recent calendar months, divided by (ii) the arithmetic average of the Dilution Ratios for such twelve months.

“Drawing Date” has the meaning set forth in Section 1.14(a) of the Agreement.

“DSO Trigger” has the meaning set forth on Annex J, as such Annex J is supplemented from time to time in writing and as such supplement is consented to in writing (including, without limitation, email communications) by the Borrower, the Servicer, the Administrator, the LC Bank and each Lender.

“Eligible Receivable” means, at any time, a Pool Receivable:

(a) the Obligor of which (i) is organized under the laws of the United States (or a subdivision thereof), (ii) is not subject to any action of the type described in paragraph (f) of Exhibit V to this Agreement, (iii) is not an Affiliate (other than an officer, director or other natural Person) of CB, the Servicer or any Affiliate (other than an officer, director or other natural Person) of CB, as applicable, (iv) is not a Sanctioned Person or not a resident of a Sanctioned Jurisdiction and (v) is not a Governmental Authority other than the United States of America, or any State, municipality, instrumentality or other political subdivision thereof.

(b) that is denominated and payable only in U.S. Dollars in the United States, and the Obligor with respect to which has been instructed in writing by the Servicer, the Borrower, the applicable Originator or the applicable Sub-Servicer, if any, in accordance with Sections 1(f) and 2(f) of Exhibit IV to remit Collections in respect thereof to a Lock-Box Account in the United

States of America (provided that such Obligor may make an On-Site Payment notwithstanding such instruction),

(c) that does not have a stated maturity which is more than one-hundred-twenty (120) days after the original invoice date of such Receivable; provided that in the case of Pool Receivables the Obligor of which is a Designated Obligor, (i) an Eligible Receivable means a Pool Receivable that does not have a stated maturity which is more than the Designated Terms applicable to such Designated Obligor for purposes of this defined term and (ii) such Pool Receivable meets each of the other criteria set forth in this definition,

(d) that arises under a duly authorized Contract for the sale and delivery of goods and services in the ordinary course of any Originator's business,

(e) that arises under a duly authorized Contract that is in full force and effect and that is a legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law,

(f) that conforms in all material respects with all applicable laws, rulings and regulations in effect,

(g) that is not the subject of any asserted dispute, offset, hold back, defense, Adverse Claim (other than Permitted Adverse Claims) or other claim, but any such Pool Receivable shall be ineligible only to the extent of such dispute, offset, hold back, defense, Adverse Claim (other than Permitted Adverse Claims) or other claim,

(h) that satisfies in all material respects all applicable requirements of the applicable Credit and Collection Policy,

(i) that has not been modified, waived or restructured since its creation, except as permitted pursuant to Section 4.2 of this Agreement,

(j) in which the Borrower owns good and marketable title, free and clear of any Adverse Claims other than Permitted Adverse Claims, and that is freely assignable by the Borrower (including without any consent of the related Obligor),

(k) for which the Administrator (for the benefit of each Lender) shall have a valid and enforceable first priority perfected security interest therein and in the Related Security and Collections with respect thereto, in each case free and clear of any Adverse Claim other than Permitted Adverse Claims,

(l) that constitutes an "account", "general intangible" or "tangible chattel paper", each as defined in the UCC,

(m) that is not a Defaulted Receivable or a Delinquent Receivable,

(n) (i) for which none of the Originator thereof, the Borrower and the Servicer has established any offset arrangements with the related Obligor and (ii) for which payments thereunder are free and clear of any withholding Taxes,

(o) for which Defaulted Receivables of the related Obligor do not exceed 50% of the Outstanding Balance of all such Obligor's Receivables,

(p) that represents amounts that are either (i) earned and payable by the Obligor that are not subject to the performance of additional services by the Originator thereof or (ii) so long as (A) either (x) CBT's senior unsecured debt rating is "B" or better from Standard & Poor's and "B2" or better from Moody's or (y) CBT's senior unsecured debt rating is lesser than the threshold set forth in clause (x) and the Administrator (acting in sole discretion) does not deliver a written notice revoking eligibility for such Receivables and (B) the Federal Communications Commission has not released a CBT Public Notice, a receivable billed to the Obligor for a service to be provided during the immediate subsequent billing period, and

(q) (i) [reserved] and (ii) either (A) the invoice with respect thereto has been sent to the Obligor thereof or (B) that is an Eligible Unbilled Receivable.

"Eligible Unbilled Receivable" means, at any time, any Receivables as to which (a) the invoice or bill with respect thereto has not yet been sent to the Obligor thereof and (b) any Originator with respect thereto has accrued the related revenue on its financial statements under GAAP.

"Equity Investments" has the meaning set forth in Section 3(a) of Exhibit IV of this Agreement.

"Equity Sponsor" means (i) MIP V (FCC) AIV, L.P. ("MIP V"), (ii) Macquarie Infrastructure and Real Assets Inc. ("MIRA" and, together with MIP V, "Macquarie"), (iii) any of the entities or funds, including Subsidiaries, which are managed by Macquarie and (iv) any successor of Macquarie, (v) any Affiliate of Macquarie that in the future acquires any direct or indirect equity interests in Holdings and/or CB (other than any other portfolio company of Macquarie).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections.

"ERISA Affiliate" means: (a) any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as the Borrower, any Originator or CB, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with the Borrower, any Originator or CB, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as the Borrower, any Originator, any corporation described in clause (a) or any trade or business described in clause (b).

“Event of Bankruptcy” means (a) any case, action or proceeding before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up, arrangement, adjustment, protection or relief of debtors or (b) any general assignment for the benefit of creditors of a Person or any composition, marshalling of assets for creditors of a Person, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each of cases (a) and (b) undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code or any other Applicable Law relating to bankruptcy, insolvency, reorganization, incorporation law or relief of debtors, including any plan of compromise or arrangement or other similar corporate proceeding involving or affecting its creditors.

“Event of Default” has the meaning specified in Exhibit V to this Agreement.

“Excess Concentration” means, without duplication, the sum of the following amounts:

(i) the sum of the amounts by which the Outstanding Balance of Eligible Receivables of each Obligor then in the Receivables Pool exceeds an amount equal to: (a) the applicable Concentration Percentage for such Obligor, multiplied by (b) the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; plus

(ii) the amount by which the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool which were billed to an Obligor for a service to be provided during the immediate subsequent billing period exceeds 45% of the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; provided that the Administrator may reduce the percentage set forth herein in its sole discretion on not less than five (5) Business Days’ notice thereof to the Servicer and the Borrower (but in no event shall such percentage be reduced below 16% without the consent of the Borrower); plus

(iii) the amount by which the aggregate Outstanding Balance of all Eligible Unbilled Receivables then in the Receivables Pool exceeds 20% of the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; plus

(iv) the amount by which the aggregate Outstanding Balance of Eligible Receivables (other than Receivables the Obligor of which is an Excluded Designated Obligor) that have a stated maturity which is more than sixty (60) days and less than ninety-one (91) days after the original invoice date of such Receivable then in the Receivables Pool exceeds 20% (or, upon five (5) days’ notice, such other percentage threshold as may be agreed upon in writing by the Administrator, each Purchaser Agent and the Borrower) of the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; plus

(v) the amount by which the aggregate Outstanding Balance of Eligible Receivables (other than Receivables the Obligor of which is an Excluded Designated Obligor) that have a stated maturity which is more than ninety (90) days after the original invoice date of such Receivable then in the Receivables Pool exceeds 2.5% (or, upon five (5) days’ notice, such other percentage threshold as may be agreed upon in writing by the

Administrator, each Purchaser Agent and the Borrower) of the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; plus

(vi) the excess (if any) of (a) the aggregate Outstanding Balance of all Eligible Receivables as to which any payment, or part thereof, remains unpaid for more than 61 days but less than 90 days after the original due date for such Receivable, over (b) the product of (x) 10%, multiplied by (y) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the month that is two (2) Fiscal Months before the then-current Fiscal Month as of the date of determination; plus

(vii) the excess (if any) of (a) the aggregate Outstanding Balance of all Eligible Receivables as to which any payment, or part thereof, remains unpaid for more than 91 days after the original due date for such Receivable, over (b) the product of (x) 10%, multiplied by (y) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the month that is three (3) Fiscal Months before the then-current Fiscal Month as of the date of determination; plus

(viii) the amount by which the aggregate Outstanding Balance of all Eligible Receivables the Obligor of which is a U.S. federal Governmental Authority then in the Receivables Pool exceeds 5% of the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool.

“Exchange Act” means the Securities Exchange Act of 1934, as amended or otherwise modified from time to time.

“Excluded Designated Obligor” means an Obligor, the Designated Terms for which indicate such Obligor’s Receivables shall be excluded from clause (iv) of the definition of Excess Concentration.

“Excluded Receivable” means any Receivable (as defined without giving effect to the proviso to the definition thereof): which is originated by any Originator and billed on a billing system or ledger identified by the Servicer in writing to the Administrator (any such identified billing system or ledger, a “Subject Ledger”); provided that CB will (x) provide 30 days’ prior written notice to the Administrator that notifies the Administrator that any billing system or ledger will be designated as a Subject Ledger and (y) from time to time, upon the reasonable request of the Administrator, provide the Administrator with a then current list of Excluded Receivables; provided, however, that the Excluded Receivables relating to Subject Ledgers shall not, at any one time, have an aggregate fair market value in excess of \$12,500,000; provided further, that in the event CB determines that any or all Excluded Receivables identified on a Subject Ledger no longer need to be excluded from the sale to the Company, CB will provide written notice to the Administrator identifying such Excluded Receivables and stating that such Excluded Receivables shall no longer be classified as Excluded Receivables, in which case, upon the Administrator’s and each Group Agent’s written consent, any such Receivables shall then be sold on a date to be mutually agreed upon following the delivery of such notice.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to an Affected Person or required to be withheld or deducted from a payment to an Affected Person: (a)

overall net income (however denominated), franchise taxes and branch profits taxes, in each case, (i) imposed on the Person receiving such payment by the Borrower hereunder by the jurisdiction under whose laws such Person is organized, the jurisdiction of such Person's principal place of business or the jurisdiction in which such Person funds or maintains the Loan, or any political subdivision thereof, or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in such Loan or Commitment (other than pursuant to a Lender replacement under Section 1.24(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 1.10, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office, (c) any Tax to the extent such Tax is attributable to any Lender's failure to comply with Section 1.10(c) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

"Exiting Lender" has the meaning set forth in Section 1.23 of this Agreement.

"Facility Limit" means \$55,000,000, as such amount may be reduced pursuant to Section 1.1(c) of this Agreement or otherwise in connection with any Exiting Lender. References to the unused portion of the Facility Limit shall mean, at any time, the Facility Limit minus the sum of the then outstanding Aggregate Capital plus the LC Participation Amount.

"Facility Termination Date" means, with respect to any Lender, the earliest to occur of: (a) January 31, 2026, (b) the date determined pursuant to Section 2.2 of this Agreement, (c) the date the Facility Limit reduces to zero pursuant to Section 1.1(c) of this Agreement, (d) the date which is thirty (30) days after the date on which the Administrator and each Group Agent has received written notice from the Borrower of its election to terminate this facility pursuant to Section 1.1(c), and (e) the Scheduled Termination Date.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

"Fee Letter" has the meaning set forth in Section 1.5 of this Agreement.

"Fees" means the fees payable by the Borrower to each member of each Group pursuant to the applicable Group Fee Letter.

"Federal Governmental Entity" means the government of the United States of America, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to such government.

“Final Maturity Date” means the date that (i) is one hundred and eighty (180) days following the Scheduled Termination Date or (ii) such earlier date on which the Loans become due and payable pursuant to Exhibit V.

“Final Payout Date” means the date on or after the Facility Termination Date on which (a) the Facility Limit and all Commitments have been reduced to zero (\$0), (b) the Aggregate Capital has been reduced to zero (\$0), (c) all Interest has been paid in full, (d) all accrued Fees have been paid in full, (v) the Aggregate Adjusted LC Participation Amount has been reduced to zero (\$0) and no Letters of Credit issued hereunder remain outstanding and undrawn (unless backstopped or cash-collateralized in a manner agreed to in writing by the LC Bank and the Majority Group Agents in their sole and absolute discretion), (e) all other amounts owing by the Borrower or the Servicer to the Administrator, the Group Agents, the Lenders, the Indemnified Parties and the other Affected Persons hereunder and under the other Transaction Documents have been paid in full and (f) all other amounts owing by Borrower or Servicer to the Receivables Buyer have been paid in full.

“Foreign Lender” means a Lender that is not a U.S. Person.

“Funded Loan” means (a) a Loan that is made pursuant to Section 1.2(b) and (b) a Participation Advance made by an LC Participant pursuant to Section 1.14(b).

“GAAP” means the generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, as in effect on the Closing Date.

“General Electric Companies” means, collectively, General Electric Company and its subsidiaries.

“General Electric Company” means General Electric Company, a New York Corporation.

“Governmental Acts” shall have the meaning set forth in Section 1.19 of this Agreement.

“Governmental Authority” means any nation or government, any state, province, territory or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Governmental Entity” means any nation or government, any state, province or territory or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any agency, authority, instrumentality, body or entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, including any court and any supra-national bodies such as the European Union or the European Central Bank.

“Group” means, (i) for any Conduit Lender, such Conduit Lender, together with such Conduit Lender’s Related Committed Lenders, related Group Agent and Related LC Participants and (ii) for PNC, PNC, as a Group Agent, a Related Committed Lender and an LC Participant.

“Group A Obligor” means any Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) with a short-term rating of at least: (a) “A-1” by Standard & Poor’s, or if such Obligor does not have a short-term rating from Standard & Poor’s, a rating of “A+” or better by Standard & Poor’s on such Obligor’s, its parent’s, or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (b) “P-1” by Moody’s, or if such Obligor does not have a short-term rating from Moody’s, “A1” or better by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) is rated by only one of such rating agencies, then such Obligor will be a “Group A Obligor” if it (or its parent or majority owner, as applicable) satisfies either clause (a) or (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group A Obligor” shall be deemed to be a Group A Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” and clause (i) of the definition of “Excess Concentration” for such Obligors, unless such deemed Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor” or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

“Group A Receivable” means a Receivable, (a) the Obligor of which is not a Designated Obligor and (b) that is not a Group B Receivable.

“Group Agent” means each Person acting as agent on behalf of a Group and designated as a Group Agent for such Group on the signature pages to this Agreement or any other Person who becomes a party to this Agreement as a Group Agent pursuant to an Assumption Agreement or a Transfer Supplement.

“Group B Obligor” means an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) that is not a Group A Obligor, with a short-term rating of at least: (a) “A-2” by Standard & Poor’s, or if such Obligor does not have a short-term rating from Standard & Poor’s, a rating of “BBB+” to “A” by Standard & Poor’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (b) “P-2” by Moody’s, or if such Obligor does not have a short-term rating from Moody’s, “Baal” to “A2” by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) is rated by only one of such rating agencies, then such Obligor will be a “Group B Obligor” if it (or its parent or majority owner, as applicable) satisfies either clause (a) or (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group B Obligor” shall be deemed to be a Group B Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” and clause (i) of the definition of “Excess Concentration” for such Obligors, unless such deemed

Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor” or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligor.

“Group B Receivable” means a Receivable, (a) the Obligor of which is not a Designated Obligor and (b) that is (x) aged on the “Great Plains” billing system (or such other billing system approved in writing from time to time by the Administrator) or (y) the Originator of which is a Legacy Hawaiian Telecom Originator.

“Group C Obligor” means an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) that is not a Group A Obligor or a Group B Obligor, with a short-term rating of at least: (a) “A-3” by Standard & Poor’s, or if such Obligor does not have a short-term rating from Standard & Poor’s, a rating of “BBB-” to “BBB” by Standard & Poor’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (b) “P-3” by Moody’s, or if such Obligor does not have a short-term rating from Moody’s, “Baa3” to “Baa2” by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) is rated by only one of such rating agencies, then such Obligor will be a “Group C Obligor” if it (or its parent or majority owner, as applicable) satisfies either clause (a) or (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group C Obligor” shall be deemed to be a Group C Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” and clause (i) of the definition of “Excess Concentration” for such Obligor, unless such deemed Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor” or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligor.

“Group Capital” means with respect to any Group, an amount equal to the aggregate of all Capital of the Lenders within such Group.

“Group Commitment” means with respect to any Group the aggregate of the Commitments of each Lender within such Group. References to the unused portion of a Group’s Group Commitment shall mean, at any time, the excess, if any, of (a) such Group’s Group Commitment, over (b) the sum of (i) the amount of the then outstanding Capital of each Lender in such Group, plus (ii) such Group’s Related LC Participant’s Ratable Share of the LC Participation Amount.

“Group D Obligor” means any Obligor that is not a Group A Obligor, Group B Obligor or Group C Obligor.

“Group Fee Letter” has the meaning set forth in Section 1.5 of this Agreement.

“Holdings” means Red Fiber Parent LLC, a Delaware limited liability company.

“Indemnified Amounts” has the meaning set forth in Section 3.1 of this Agreement.

“Indemnified Party” has the meaning set forth in Section 3.1 of this Agreement.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Transaction Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Independent Director” has the meaning set forth in paragraph 3(c) of Exhibit IV to this Agreement.

“Information Package” means each Monthly Report and Weekly Report.

“Insolvency Proceeding” means: (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up, arrangement, adjustment, protection or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code or any other Applicable Law relating to bankruptcy, insolvency, reorganization, incorporation law or relief of debtors, including any plan of compromise or arrangement or other similar corporate proceeding involving or affecting its creditors.

“Intended Tax Treatment” has the meaning set forth in Section 6.23 of this Agreement.

“Interest” means with respect to any Lender:

(a) for any Portion of Capital for any Interest Period with respect to any Lender to the extent such Portion of Capital will be funded by such Lender during such Interest Period through the issuance of Notes:

$$\text{CPR} \times \text{C} \times \text{ED}/360 + \text{YPF}$$

(b) for any Portion of Capital for any Interest Period with respect to any Lender to the extent such Portion of Capital will not be funded by such Lender during such Interest Period through the issuance of Notes:

$$\text{AR} \times \text{C} \times \text{ED}/\text{Year} + \text{YPF}$$

where:

| | | |
|-----|---|--|
| AR | = | the Alternate Rate for such Portion of Capital for such Interest Period with respect to such Lender, |
| C | = | the Capital with respect to such Portion of Capital during such Interest Period with respect to such Lender, |
| CPR | = | the CP Rate for the Portion of Capital for such Interest Period with respect to such Lender, |

ED = the actual number of days during such Interest Period,

Year = if such Portion of Capital is funded based upon: (i) SOFR, three hundred and sixty (360) days, and (ii) the Base Rate, three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as applicable, and

YPF = the Yield Protection Fee, if any, for the Portion of Capital for such Interest Period with respect to such Lender; provided that no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by applicable law; and provided further, that Interest for any Portion of Capital shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

“Interest Period” means, initially, the period commencing on (and including) the date of the initial Loan or funding of such Portion of Capital and ending on (and including) the last day of the related calendar month, and (ii) thereafter, each period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month; provided that

(i) any Interest Period (other than of one (1) day) which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day; provided, however, if Interest in respect of such Interest Period is computed by reference to SOFR, and such Interest Period would otherwise end on a day which is not a Business Day, and there is no subsequent Business Day in the same calendar month as such day, such Interest Period shall end on the next preceding Business Day;

(ii) in the case of any Interest Period of one (1) day, (A) if such Interest Period is the initial Interest Period for a Loan hereunder, such Interest Period shall be the day of such Loan, (B) any subsequently occurring Interest Period which is one day shall, if the immediately preceding Interest Period is more than one day, be the last day of such immediately preceding Interest Period, and, if the immediately preceding Interest Period is one day, be the day next following such immediately preceding Interest Period and (C) if such Interest Period occurs on a day immediately preceding a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; and

(iii) in the case of any Interest Period for any Portion of Capital which commences before the Facility Termination Date and would otherwise end on a date occurring after the Facility Termination Date, such Interest Period shall end on such Facility Termination Date and the duration of each Interest Period which commences on or after the Facility Termination Date shall be of such duration as shall be selected by the Administrator (with the consent or at the direction of the applicable Group Agent).

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute of similar import, together with the regulations thereunder, in

each case as in effect from time to time. References to sections of the Internal Revenue Code also refer to any successor sections.

“International Trade Laws” means all Applicable Laws relating to economic and financial sanctions, trade embargoes, export controls, customs and anti-boycott measures.

“IRS” means the United States Internal Revenue Service.

“LC Bank” means PNC.

“LC Collateral Account” means each account designated as an LC Collateral Account established and maintained by the Administrator (for the benefit of the LC Bank and the LC Participants), or such other account(s) as may be so designated as such by the Administrator.

“LC Fee Expectation” has the meaning set forth in Section 1.15(c) of the Agreement.

“LC Participant” means each Person listed as such for each Group as set forth on the signature pages of this Agreement or in any Assumption Agreement or Transfer Supplement.

“LC Participant Reimbursement Date” has the meaning set forth in Section 1.14 of the Agreement.

“LC Participation Amount” means, at any time of determination, the sum of the amounts then available to be drawn under all outstanding Letters of Credit.

“LCR Security” means any commercial paper or security (other than equity securities issued to CB or any Originator that is a consolidated subsidiary of CB under GAAP) within the meaning of Paragraph __.32(e)(viii) of the final rules titled Liquidity Coverage Ratio: Liquidity Risk Measurement Standards, 79 Fed. Reg. 197, 61440 et seq. (October 10, 2014).

“Legacy Cincinnati Bell Originator” means each Originator that is not a Legacy Hawaiian Telecom Originator.

“Legacy Hawaiian Telecom Originator” means each of Hawaiian Telcom Communications, Inc., a Delaware corporation, Hawaiian Telcom, Inc., a Hawaii corporation, Hawaiian Telcom Services Company, Inc., a Delaware corporation, Wavecom Solutions Corporation, a Hawaii corporation, and SystemMetrics Corporation, a Hawaii corporation.

“Lender” means each Conduit Lender, Related Committed Lender, LC Participant and the LC Bank, as applicable.

“Letter of Credit” means any stand-by letter of credit issued by the LC Bank for the account of the Borrower pursuant to the Agreement.

“Letter of Credit Application” has the meaning set forth in Section 1.12 of the Agreement.

“Liquidity Agreement” means any agreement entered into in connection with this Agreement pursuant to which a Liquidity Provider agrees to make purchases or advances to, or

purchase assets from, any Conduit Lender in order to provide liquidity for such Conduit Lender's Loans.

"Liquidity Provider" means each bank or other financial institution that provides liquidity support to any Conduit Lender pursuant to the terms of a Liquidity Agreement.

"Loan" has the meaning set forth in Section 1.1(a) of this Agreement.

"Lock-Box Account" means each account and post office box listed on Schedule II to this Agreement and maintained at a bank, postal institution or other financial institution acting as a Lock-Box Bank pursuant to a Lock-Box Agreement for the purpose of receiving Collections, as set forth in Section 1.4(a) of this Agreement.

"Lock-Box Agreement" means an agreement, among the Borrower, the Servicer, the Administrator and a Lock-Box Bank, governing the terms of the related Lock-Box Accounts.

"Lock-Box Bank" means any of the banks, postal institutions or other financial institutions holding one or more Lock-Box Accounts.

"Loss Reserve" means, on any date, an amount equal to: (a) the sum of the Aggregate Capital plus the Aggregate Adjusted LC Participation Amount at the close of business of the Servicer on such date multiplied by (b)(i) the Loss Reserve Percentage on such date divided by (ii) 1 minus the Loss Reserve Percentage on such date.

"Loss Reserve Percentage" means, on any date, a percentage equal to (i) the product of (A) 2.25 times the highest average of the Default Ratios for any three consecutive calendar months during the twelve most recent calendar months, multiplied by (B) the sum of (1) the aggregate initial Outstanding Balance of all Receivables originated by the Originators during the three most recent calendar months, plus (2) 0.30 multiplied by the aggregate initial Outstanding Balance of all Receivables, the Obligor of which is not a Designated Obligor, originated by the Originators during the fourth most recent calendar month, plus (3) the sum for each Designated Obligor of the aggregate initial Outstanding Balance of all Receivables, the Obligor of which is a Designated Obligor, originated by the Originators during the Designated Terms applicable to such Designated Obligor, divided by (ii) the Net Receivables Pool Balance as of such date.

"Majority Group Agents" means, at any time, the Group Agents which in their related Group have Related Committed Lenders whose Commitments aggregate more than 50% of the aggregate of the Commitments of all Related Committed Lenders in all Groups (or, if the Commitments have been terminated, have Related Committed Lenders representing more than 50% of the Aggregate Capital); provided, however, that so long as any one Related Committed Lender's Commitment is greater than 50% of the aggregate Commitments (or, if the Commitments have been terminated, have Related Committed Lenders representing more than 50% of the Aggregate Capital) and there is more than one Group, then "Majority Group Agents" shall mean a minimum of two Group Agents which in their related Group have Related Committed Lenders whose Commitments aggregate more than 50% of the aggregate Commitment of all Related Committed Lenders in all Groups (or, if the Commitments have been terminated, have Related Committed Lenders representing more than 50% of the Aggregate Capital).

“Management Equityholders” means any of (i) any current or former director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent thereof who, at any time, is an investor in Holdings or any direct or indirect parent thereof, (ii) any trust, partnership, limited liability company, corporate body or other entity established by any such director, officer, employee or member of management of Holdings or any of their respective Subsidiaries (or by any Person described in the succeeding clauses (iii) and (iv), as applicable) to hold an investment in Holdings or any direct or indirect parent thereof in connection with such Person’s estate or tax planning, (iii) any spouse, parents or grandparents of any such director, officer, employee or member of management of Holdings or any of its Subsidiaries and any and all descendants of the foregoing, together with any spouse of any of the foregoing Persons, who are transferred an investment in Holdings or any direct or indirect parent thereof by any such director, officer, employee or member of management of Holdings or any of its Subsidiaries in connection with such Person’s estate or tax planning and (iv) any Person who acquires an investment in Holdings or any direct or indirect parent thereof by will or by the laws of intestate succession as a result of the death of an employee of Holdings or any of its respective Subsidiaries.

“Material Adverse Effect” means, relative to any Person with respect to any event or circumstance, a material adverse effect on:

- (a) the assets, operations, business or financial condition of such Person,
- (b) the ability of any of such Person to perform its obligations under this Agreement or any other Transaction Document to which it is a party,
- (c) the validity or enforceability of any of the Transaction Documents, or the validity, enforceability or collectibility of the Pool Receivables, or
- (d) the status, perfection, enforceability or priority of the Administrator’s, any Lender’s or the Borrower’s interest in the Pool Assets.

“Minimum Dilution Reserve Percentage” means, on any day, the greater of (i) 3% and (ii) the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) the average of the Dilution Ratios for the twelve (12) most recent calendar months, multiplied by (b) the Dilution Horizon.

“Minimum Reserve” means, on any day, an amount equal to: (a) the sum of the Aggregate Capital plus the Aggregate Adjusted LC Participation Amount at the close of business of the Servicer on such day multiplied by (b) the sum of (i) (x) the Concentration Reserve Percentage on such day, divided by (y) 100% minus the Concentration Reserve Percentage on such day, plus (ii)(x) the Minimum Dilution Reserve Percentage on such day, divided by (y) 100% minus the Minimum Dilution Reserve Percentage on such day.

“Monthly Report” means a report, in substantially the form of Annex A-1 to this Agreement, furnished by or on behalf of the Servicer to the Administrator and each Group Agent pursuant to this Agreement.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

“Net Receivables Pool Balance” means, at any time: (a) the Outstanding Balance of Eligible Receivables then in the Receivables Pool minus (b) the Excess Concentration.

“New Credit Agreement” means the Credit Agreement dated as of September 7, 2021, as amended as of November 23, 2021, by and among Red Fiber Parent LLC, as holdings, CB, as borrower, various subsidiaries of CB, the various lenders from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent.

“Non-Receiveable Cash Deposit” means funds deposited in a Lock-Box Account representing (a) collections of receivables billed and collected by the Servicer or any Originator on behalf of a third party that do not constitute Collections of Receivables or (b) a cash payment for goods or services purchased at a retail location of any Originator, the purchase of which does not give rise to a Receivable but the cash payment of which is commingled with an On-Site Cash Payment.

“Non-Receiveable Cash Deposit Report” means a report, in form and substance satisfactory to the Administrator and each Group Agent, which shall be delivered (a) upon request by the Administrator and (b) in connection with each request made by the Borrower or the Servicer to the Administrator to transfer any Non-Receiveable Cash Deposits out of a Lock-Box Account of which the Administrator has taken exclusive control.

“Notes” means short-term promissory notes issued, or to be issued, by any Conduit Lender to fund its investments in accounts receivable or other financial assets.

“Obligor” means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

“Obligor Percentage” means, at any time of determination, for each Obligor, a fraction, expressed as a percentage, (a) the numerator of which is the aggregate Outstanding Balance of the Eligible Receivables of such Obligor less the amount (if any) then included in the calculation of the Excess Concentration with respect to such Obligor and (b) the denominator of which is the aggregate Outstanding Balance of all Eligible Receivables at such time.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“On-Site Cash Payment” means a payment of a Receivable made in cash by an Obligor at a retail location, payment center or distributor of any Originator.

“On-Site Payment” means a payment of a Receivable made in cash or by check or credit card by an Obligor at a retail location, payment center or distributor of any Originator.

“Originator” means each Person from time to time party to the Sale Agreement as any Originator.

“Other Connection Taxes” means, with respect to any Affected Person, Taxes imposed as a result of a present or former connection between such Affected Person and the jurisdiction imposing such Taxes (other than connections arising from such Affected Person having executed,

delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any other Transaction Document, or sold or assigned an interest in this Agreement or any other Transaction Document).

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery, performance, registration or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Transaction Document.

“Outstanding Balance” of any Receivable at any time means the then outstanding principal balance thereof.

“Overnight Bank Funding Rate” means for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“NYFRB”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Administrator for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Administrator at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero percent (0.00%) per annum, then such rate shall be deemed to be zero percent (0.00%) per annum. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrower.

“Participant” has the meaning set forth in Section 6.3(b) of this Agreement.

“Participant Register” has the meaning set forth in Section 6.3(b) of this Agreement.

“Participation Advance” has the meaning set forth in Section 1.14(b) of the Agreement.

“Paydown Notice” has the meaning set forth in Section 1.1(b) of this Agreement.

“Performance Guaranty” means the Second Amended and Restated Performance Guaranty, dated as of the Closing Date, by CB, as performance guarantor, in favor of the Administrator for the benefit of the Lenders and Group Agents, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Performance Guarantor” means CB, in its capacity as performance guarantor under the Performance Guaranty.

“Permitted Adverse Claim” means (a) liens created or arising in favor of Administrator for the benefit of Lenders pursuant to the Transaction Documents, (b) any Adverse Claim in respect of any Receivable which will be released on, prior to or upon or contemporaneously with the sale

or transfer of such Receivable under the Sale Agreement, (c) any Adverse Claim in favor of an Obligor on a Receivable that represents amounts billed to such Obligor for service to be provided during the immediate subsequent billing period and (d) solely in the case of any Originator (i) liens for Taxes, assessments or other governmental charges not delinquent or being contested in good faith and by appropriate proceedings and with respect to which proper reserves have been established by the applicable Originator in accordance with GAAP, provided that the lien shall have no effect on the priority of the liens in favor of Administrator or the value of the assets in which Administrator has such a lien and a stay of enforcement of any such lien shall be in effect, (ii) judgment liens, not in excess of \$250,000, that have been stayed or bonded and are being contested in good faith by the applicable Originator; provided that proper reserves have been established therefor by such Originator in accordance with GAAP, and (iii) mechanics', workers', materialmen's or other like liens, not in excess of \$100,000, arising in the ordinary course of such Originator's business with respect to obligations which are not due or which are being contested in good faith by such Originator and for which proper reserves have been established in accordance with GAAP, and which have not been outstanding for longer than thirty (30) days.

"Permitted Holder" means any of (i) Macquarie, any of its Affiliates and any funds, investment vehicles or partnerships managed, advised or sub-advised by any of them or any of their respective Affiliates, but not including, however, any portfolio operating company of any of the foregoing, (ii) the Management Equityholders, (iii) the Permitted Transferees of any of the foregoing Persons and (iv) any "group" (within the meaning of Section 13(d) or Section 14(d) of the Exchange Act) of which any of the foregoing are members; *provided* that in the case of such "group" and without giving effect to the existence of such "group" or any other "group," such Persons specified in clauses (i), (ii) and/or (iii) above, collectively, have beneficial ownership, directly or indirectly, of more than 50% of the aggregate ordinary voting power for election of directors represented by the issued and outstanding equity interests of Holdings held, directly or indirectly, by such "group."

"Permitted Transferees" means (i) any Affiliate of any of the Equity Sponsors (other than any portfolio operating company of any of the foregoing), (ii) any managing director, general partner, limited partner, director, officer or employee of an Equity Sponsor or any Person described in clause (i) above (collectively, the "Sponsor Associates"), (iii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any Sponsor Associate and (iv) any trust, the beneficiaries of which, or a corporation or partnership, the stockholders or partners of which, include only a Sponsor Associate, his or her spouse, parents, siblings, members of his or her immediate family (including adopted children and step children) and/or direct lineal descendants.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"PNC" means PNC Bank, National Association.

"Pool Assets" has the meaning set forth in Section 1.2(c) of this Agreement.

"Pool Receivable" means a Receivable in the Receivables Pool.

“Portion of Capital” means, with respect to any Lender and its related Capital, the portion of such Capital being funded or maintained by such Lender by reference to a particular interest rate basis.

“Program Support Agreement” means and includes any Liquidity Agreement and any other agreement entered into by any Program Support Provider providing for: (a) the issuance of one or more letters of credit for the account of any Conduit Lender, (b) the issuance of one or more surety bonds for which the such Conduit Lender is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, (c) the sale by such Conduit Lender to any Program Support Provider of the Loan (or portions thereof) maintained by such Conduit Lender and/or (d) the making of loans and/or other extensions of credit to any Conduit Lender in connection with such Conduit Lender’s securitization program contemplated in this Agreement, together with any letter of credit, surety bond or other instrument issued thereunder.

“Program Support Provider” means and includes with respect to each Conduit Lender any Liquidity Provider and any other Person (other than any customer of such Conduit Lender) now or hereafter extending credit or having a commitment to extend credit to or for the account of, or to make purchases from, such Conduit Lender pursuant to any Program Support Agreement.

“Purchase and Sale Indemnified Amounts” has the meaning set forth in Section 9.1 of the Sale Agreement.

“Purchase and Sale Indemnified Party” has the meaning set forth in Section 9.1 of the Sale Agreement.

“Purchase and Sale Termination Date” has the meaning set forth in Section 1.4 of the Sale Agreement.

“Purchase and Sale Termination Event” has the meaning set forth in Section 8.1 of the Sale Agreement.

“Purchasing Related Committed Lender” has the meaning set forth in Section 6.3(c) of this Agreement.

“Qualifying IPO” means any transaction or series of related transactions whereby, or upon the consummation of which common equity interests of Holdings (or any direct or indirect parent of Holdings) are offered or sold (whether through an initial primary underwritten public offering or otherwise) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act, or to the equivalent registration documents filed with the equivalent authority in the applicable foreign jurisdiction, (whether alone or in connection with a secondary public offering).

“Ratable Share” means, at any time of determination, with respect to any Group and any Loan, a fraction (expressed as a percentage), (a) the numerator of which is such Lender’s Group Commitment at such time and (b) the denominator of which is the aggregate Commitments of all Lenders at such time.

“Rating Agency” means each of Standard & Poor’s and Moody’s.

“Receivable” means any indebtedness and other obligations owed to any Originator, CB or the Borrower or any right of the Borrower, CB or any Originator to payment from or on behalf of an Obligor, or any right to reimbursement for funds paid or advanced by the Borrower, CB or any Originator on behalf of an Obligor, whether constituting an account, chattel paper, instrument or intangible, including payment intangible or general intangible, in each instance arising in connection with (a) the sale of goods or the rendering of services or (b) the provision or use of equipment, facilities or software, and includes, without limitation, (i) the obligation to pay any finance charges, fees and other charges with respect thereto and (ii) amounts billed to the Obligor for such service or any other of the foregoing to be provided during the immediate subsequent billing period; provided however that Excluded Receivables shall not constitute Receivables. Indebtedness and other obligations arising from any one transaction, including, without limitation, indebtedness and other obligations represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other obligations arising from any other transaction.

“Receivables Buyer” means PNC, in its capacity as buyer under the Receivables Financing Agreement.

“Receivables Pool” means, at any time, all of the then outstanding Receivables purchased by or contributed to the Borrower pursuant to the Sale Agreement prior to the Facility Termination Date.

“Receivables Financing Agreement” means this Agreement.

“Receiver” means an interim receiver, receiver, manager, receiver and manager, or any similar official.

“Register” has the meaning set forth in Section 6.3(a) of this Agreement.

“Reimbursement Date” has the meaning set forth in Section 1.14(a) of the Agreement.

“Reimbursement Obligation” has the meaning set forth in Section 1.14(a) of the Agreement.

“Related Committed Lender” means each Person listed as such for each Conduit Lender as set forth on the signature pages of this Agreement or in any Assumption Agreement or Transfer Supplement.

“Related LC Participant” means each Person listed as such for each Group as set forth on the signature pages of this Agreement or in any Assumption Agreement or Transfer Supplement.

“Related Rights” has the meaning set forth in Section 1.1 of the Sale Agreement.

“Related Security” means, with respect to any Receivable:

(a) all of the Borrower’s, the applicable Originator’s, CB’s interest in any goods (including returned goods), and documentation of title evidencing the shipment or storage of any goods (including returned goods), the sale of which gave rise to such Receivable,

(b) all instruments and chattel paper that may evidence such Receivable,

(c) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto,

(d) solely to the extent applicable to such Receivable, all of the Borrower's, the applicable Originator's, CB's rights, interests and claims under the Contracts relating to such Receivable, and all guaranties, indemnities, insurance and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, and

(e) all of the Borrower's rights, interests and claims under the Sale Agreement and the other Transaction Documents.

"Release" has the meaning set forth in Section 1.4(a) of this Agreement.

"Reportable Compliance Event" means that: (a) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint, or similar charging instrument, arraigned, custodially detained, penalized or the subject of an assessment for a penalty, or enters into a settlement with a Governmental Authority in connection with any economic sanctions or other Anti-Terrorism Law or Anti-Corruption Law, or any predicate crime to any Anti-Terrorism Law or Anti-Corruption Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Terrorism Law or Anti-Corruption Law; (b) any Covered Entity engages in a transaction that has caused or may cause the Lenders or Administrator to be in violation of any Anti-Terrorism Laws, including a Covered Entity's use of any proceeds of the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, directly or indirectly, a Sanctioned Person or Sanctioned Jurisdiction; (c) any Collateral becomes Blocked Property; or (d) any Covered Entity otherwise violates, or reasonably believes that it will violate, any of the representations or covenant (including any negative covenant) of this Agreement.

"Required Capital Amount" means the product of (i) the Loss Reserve Percentage (redetermined for such purposes with a "stress factor" of 1.5 rather than 2.25) times (ii) the Net Receivables Pool Balance as of such date.

"Sale Agreement" means the Third Amended and Restated Purchase and Sale Agreement, dated as of the Closing Date, among the Borrower, Originators and CB, as Servicer and as sole member of the Borrower, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Sanctioned Jurisdiction" means any country, territory, or region that is the subject of comprehensive sanctions administered by OFAC.

"Sanctioned Person" means (a) a Person that is the subject of sanctions administered by OFAC or the U.S. Department of State, including by virtue of being (i) named on OFAC's list of

“Specially Designated Nationals and Blocked Persons”; (ii) organized under the Laws of, ordinarily resident in, or physically located in a Sanctioned Jurisdiction; (iii) owned or controlled 50% or more in the aggregate, by one or more Persons that are the subject of sanctions administered by OFAC; (b) a Person that is the subject of sanctions maintained by the European Union (“E.U.”), including by virtue of being named on the E.U.’s “Consolidated list of persons, groups and entities subject to E.U. financial sanctions” or other, similar lists; (c) a Person that is the subject of sanctions maintained by the United Kingdom (“U.K.”), including by virtue of being named on the “Consolidated List Of Financial Sanctions Targets in the U.K.” or other, similar lists; or (d) a Person that is the subject of sanctions imposed by any Governmental Authority of a jurisdiction whose laws apply to this Agreement.

“Scheduled Termination Date” means, with respect to any Lender, April 9, 2025, as such date may be extended from time to time with respect to such Lender pursuant to Section 1.23.

“Secured Parties” means each Credit Party, each Indemnified Party and each Affected Person.

“Securities Act” means the Securities Act of 1933, as amended.

“Servicer” has the meaning set forth in the preamble to this Agreement.

“Servicer Default” means any of the following events: (a) (i) the Servicer shall fail to make when due any payment or deposit to be made by it under this Agreement or any other Transaction Document and such failure shall remain unremedied for two (2) Business Days after the earlier of the Servicer’s knowledge or notice thereof, (b) any representation or warranty made or deemed made by the Servicer (or any of its officers) under or in connection with this Agreement or any other Transaction Document shall fail to have been true or correct in any material respect when made or deemed made or delivered and, except as otherwise provided herein, such failure shall, solely to the extent capable of cure, continue for thirty (30) days after the earlier of the Servicer’s knowledge or notice thereof, (c) the Servicer shall fail to perform or observe in any material respect any term, covenant or agreement under this Agreement or any other Transaction Document and, except as otherwise provided herein, such failure shall, solely to the extent capable of cure, continue for thirty (30) days after the earlier of the Servicer’s knowledge or notice thereof, (d) an Event of Bankruptcy shall occur with respect to the Servicer and such event shall remain unremedied for a period of ninety (90) days, and (e) CB ceases to be the Servicer or to own, directly or indirectly, 100% of the voting equity interests of the Servicer.

“Servicing Fee” means the fee referred to in Section 4.6 of this Agreement.

“Servicing Fee Rate” has the meaning set forth in Section 4.6 of this Agreement.

“Settlement Date” means the 20th day of each calendar month (or if such day is not a Business Day, the next occurring Business Day); provided, however, that on and after the occurrence and during the continuation of any Event of Default, the Settlement Date shall be the date selected as such by the Administrator (with the consent or at the direction of the Majority Group Agents) from time to time (it being understood that the Administrator (with the consent or at the direction of the Majority Group Agents) may select such Settlement Date to occur as

frequently as daily or, in the absence of any such selection, the date which would be the Settlement Date pursuant to this definition).

“SOFR” means, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Adjustment” means ten basis points (0.10%).

“SOFR Floor” means a rate of interest per annum equal to zero basis points (0.00%).

“SOFR Reserve Percentage” means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

“Solvent” means, with respect to any Person at any time, a condition under which:

(i) the fair value and present fair saleable value of such Person’s total assets is, on the date of determination, greater than such Person’s total liabilities (including contingent and unliquidated liabilities) at such time;

(ii) the fair value and present fair saleable value of such Person’s assets is greater than the amount that will be required to pay such Person’s probable liability on its existing debts as they become absolute and matured (“debts”, for this purpose, includes all legal liabilities, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent);

(iii) such Person is and shall continue to be able to pay all of its liabilities as such liabilities mature; and

(iv) such Person does not have unreasonably small capital with which to engage in its current and in its anticipated business.

For purposes of this definition:

(A) the amount of a Person’s contingent or unliquidated liabilities at any time shall be that amount which, in light of all the facts and circumstances then existing, represents the amount which can reasonably be expected to become an actual or matured liability;

(B) the “fair value” of an asset shall be the amount which may be realized within a reasonable time either through collection or sale of such asset at its regular market value;

(C) the “regular market value” of an asset shall be the amount which a capable and diligent business person could obtain for such asset from an interested buyer who is willing to Loan such asset under ordinary selling conditions; and

(D) the “present fair saleable value” of an asset means the amount which can be obtained if such asset is sold with reasonable promptness in an arm’s-length transaction in an existing and not theoretical market.

“SpinCo Facility Originator” means any of CBTS Technology Solutions LLC, CBTS Virginia LLC or OnX Enterprise Solutions, Ltd., or any successor or assign thereof.

“Standard & Poor’s” means S&P Global Ratings, and any successor thereto that is a nationally recognized statistical rating organization.

“Structuring Agent” has the meaning set forth in the preamble to the Agreement.

“Sub-Servicer” has the meaning set forth in Section 4.1(d) of this Agreement.

“Subordinated Loan” has the meaning set forth in the Sale Agreement.

“Subsidiary” means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock of each class or other interests having ordinary voting power (other than stock or other interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such entity are at the time owned, or management of which is otherwise controlled: (a) by such Person, (b) by one or more Subsidiaries of such Person or (c) by such Person and one or more Subsidiaries of such Person.

“Tangible Net Worth” means, with respect to any Person, (a) the total assets of such Person, minus (b) the total liabilities of such Person, minus (c) the intangible assets of such Person, each as determined in accordance with GAAP.

“Taxes” means any and all present or future taxes, charges, fees, levies, imposts, deductions or other assessments (including income, capital, capital gains, gross receipts, profits, withholding, excise, property, sales, use, goods and services, harmonized sales, transfer, license, occupation and franchise taxes and including any related interest, penalties or other additions) imposed by any jurisdiction or taxing authority (whether foreign or domestic, federal, state, provincial or municipal).

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrator in its reasonable discretion).

“Term SOFR Reference Rate” shall mean the forward-looking term rate based on SOFR.

“Termination Day” means each day that occurs on or after the Facility Termination Date and prior to the satisfaction, cure or waiver of the event(s) giving rise to such Facility Termination Date in accordance with this Agreement.

“Threshold Amount” has the meaning set forth in the New Credit Agreement as in effect on the Closing Date, without giving effect to any other subsequent amendments, restatements, supplementations, or modifications.

“Total Reserves” means, at any time the sum of: (a) the Yield Reserve, plus (b) the greater of (i) the Minimum Reserve and (ii) the Loss Reserve plus the Dilution Reserve.

“Transaction Documents” means this Agreement, the Lock-Box Agreements, each Group Fee Letter, the Sale Agreement, the Performance Guaranty, any intercreditor agreement relating to Non-Receiveable Cash Deposits and all other certificates, instruments, reports, notices, agreements and documents executed or delivered under or in connection with this Agreement, in each case as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Transfer Supplement” has the meaning set forth in Section 6.3(c) of this Agreement.

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

“Unmatured Event of Default” means an event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

“Unmatured Purchase and Sale Event of Default” means any event which, with the giving of notice or lapse of time, or both, would become a Purchase and Sale Event of Default.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 1.10(c)(ii)(B)(3).

“Weekly Report” means a report, in substantially the form of Annex A-2 to this Agreement, furnished by or on behalf of the Servicer to the Administrator and each Group Agent pursuant to this Agreement.

“Weekly Reporting Period” means any period beginning on a date so designated by the Administrator in its sole discretion on not less than five (5) Business Days’ notice to the Servicer and ending on any date, if any, so designated by the Administrator in its sole discretion.

“Yield Protection Fee” means, for any Interest Period, with respect to any Portion of Capital, to the extent that (i) any payments are made by the Borrower to the related Lender in respect of such Capital hereunder prior to the applicable maturity date of any Notes or other instruments or obligations used or incurred by such Lender to fund or maintain such Portion of Capital or (ii) any failure by the Borrower to borrow, continue or prepay any Portion of Capital on the date specified in any Borrowing Notice delivered pursuant to Section 1.2 of this Agreement occurs, the amount, if any, by which: (a) the additional Interest related to such Portion of Capital that would have accrued through the maturity date of such Notes or other instruments on the portion thereof for which payments were received from the Borrower (or with respect to which the Borrower failed to borrow such amounts), exceeds (b) the income, if any, received by such Lender from investing the proceeds so received in respect of such Portion of Capital, as determined by the applicable Group Agent, which determination shall be binding and conclusive for all purposes, absent manifest error.

“Yield Reserve” means, on any day, an amount equal to: (a) the sum of the Aggregate Capital plus the LC Participation Amount at the close of business of the Servicer on such day multiplied by (b) (i) the Yield Reserve Percentage on such day, divided by (ii) 100% minus the Yield Reserve Percentage on such day.

“Yield Reserve Percentage” means, on any day, an amount equal to:

$$\frac{\{(BR + SFR) \times 1.5(DSO)\}}{360}$$

where:

BR = the weighted average Base Rate applicable to all Capital;
DSO = the Days’ Sales Outstanding; and
SFR = Servicing Fee Rate.

Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9. Unless the context otherwise requires, “or” means “and/or”, and “including” (and with correlative meaning “include” and “includes”) means including without limiting the generality of any description preceding such term.

Benchmark Replacement Notification. Section 1.26(d) of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the Daily Resetting Term SOFR Rate or Daily Simple SOFR for any applicable currency is no longer available or in certain other circumstances. The Administrator does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the Daily Resetting Term SOFR Rate or Daily Simple SOFR for any applicable currency, or with respect to any alternative or successor rate thereto, or replacement rate therefor.

EXHIBIT II

CONDITIONS PRECEDENT

1. Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the condition precedent that the Administrator shall have received, on or before the Closing Date, each of the following, in form and substance (including the date thereof) reasonably satisfactory to the Administrator:

(a) A counterpart of this Agreement and the other Transaction Documents executed by the parties thereto.

(b) Certified copies of: (i) the resolutions of the board of directors or sole member of the Borrower, the Originators and the Servicer authorizing the execution, delivery and performance by the Borrower, such Originator and the Servicer, as the case may be, of this Agreement and the other Transaction Documents to which it is a party and (ii) the organizational documents of the Borrower, each Originator and the Servicer.

(c) A certificate of the Secretary or Assistant Secretary of the Borrower, the Originators and the Servicer certifying the names and true signatures of its officers who are authorized to sign this Agreement and the other Transaction Documents. Until the Administrator and each Group Agent receives a subsequent incumbency certificate from the Borrower, an Originator or the Servicer, as the case may be, the Administrator and each Group Agent shall be entitled to rely on the last such certificate delivered to it by the Borrower, such Originator or the Servicer, as the case may be.

(d) Favorable opinions, addressed to the Administrator and each Group Agent in form and substance reasonably satisfactory to the Administrator and each Group Agent, of The Law Offices of BosseLaw, PLLC, Cravath, Swaine & Moore LLP or Case Lombardi A Law Corporation, counsel for the Borrower, the Originators and the Servicer, covering such matters as the Administrator may reasonably request, including, without limitation, organizational and enforceability matters and certain bankruptcy matters, certain UCC perfection and priority matters.

(e) Evidence of payment by the Borrower of all accrued and unpaid fees (including those contemplated by each Group Fee Letter), costs and expenses to the extent then due and payable on the date thereof, including any such costs, fees and expenses arising under or referenced in Section 6.4 of this Agreement and the applicable Group Fee Letters.

(f) Good standing certificates with respect to each of the Borrower, the Originators and the Servicer issued by the Secretary of State (or similar official) of the state of each such Person's organization.

2. Conditions Precedent to All Funded Loans and Issuances of Letters of Credit. Each Funded Loan (including the initial Funded Loan) and the issuance of any Letters of Credit shall be subject to the further conditions precedent that:

(a) in the case of each Funded Loan and the issuance of any Letters of Credit, the Servicer shall have delivered to the Administrator and each Group Agent on or before such Loan

or issuance, as the case may be, in form and substance satisfactory to the Administrator and each Group Agent, a completed pro forma Information Package to reflect the level of the Aggregate Capital, the LC Participation Amount and related reserves and the calculation of the Coverage Percentage after such subsequent Loan or issuance, as the case may be, and a completed Borrowing Notice in the form of Annex B; and

(b) on the date of such Funded Loan, issuance or Release, as the case may be, the following statements shall be true (and acceptance of the proceeds of such Funded Loan, issuance or Release shall be deemed a representation and warranty by the Borrower that such statements are then true):

(i) the representations and warranties contained in Exhibit III to the Agreement are true and correct on and as of the date of such Funded Loan, issuance or Release as though made on and as of such date except for representations and warranties which apply as to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date);

(ii) in the case of a Funded Loan or issuance, no event has occurred and is continuing, or would result from such Funded Loan or issuance, that constitutes an Event of Default or an Unmatured Event of Default;

(iii) the sum of the Aggregate Capital plus the Aggregate Adjusted LC Participation Amount, after giving effect to any such Funded Loan or issuance, as the case may be, shall not exceed the Facility Limit, and the Coverage Percentage shall not exceed 100%;

(iv) the Facility Termination Date has not occurred.

(v) in the case of each Funded Loan, no event or condition described in clause (j)(ii) of Exhibit V to this Agreement, without giving effect to the fifteen (15) Business Day grace period set forth in such clause, has occurred and is continuing.

3. Conditions Precedent to All Releases. Each Release hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) after giving effect to such Release, the Servicer shall be holding in trust for the benefit of the Secured Parties an amount of Collections sufficient to pay the sum of (x) all accrued and unpaid Servicing Fees, Interest and Fees, in each case, through the date of such Release, (y) the amount, if any, by which the Coverage Percentage exceeds 100% and (z) the amount of all other accrued and unpaid obligations of the Borrower through the date of such Release;

(b) the Borrower shall use the proceeds of such Release solely to pay the purchase price for Receivables purchased by the Borrower in accordance with the terms of the applicable Purchase and Sale Agreement; and

(c) on the date of such Release the following statements shall be true and correct (and upon the occurrence of such Release, the Borrower and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(i) the representations and warranties of the Borrower and the Servicer contained in Exhibit III and Exhibit III are true and correct in all material respects on and as of the date of such Release as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

(ii) no Event of Default has occurred and is continuing, and no Event of Default would result from such Release;

(iii) the Coverage Percentage shall not exceed 100%; and

(iv) such day is not a Termination Day.

EXHIBIT III

REPRESENTATIONS AND WARRANTIES

1. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Administrator, each Group Agent and each Lender as of the date of execution of this Agreement that:

(a) Existence and Power. The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware, and has all organizational power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted.

(b) Company and Governmental Authorization, Contravention. The execution, delivery and performance by the Borrower of this Agreement and each other Transaction Document to which it is a party are within the Borrower's organizational powers, have been duly authorized by all necessary organizational action, require no action by or in respect of, or filing with (other than the filing of UCC financing statements, financing change statements and continuation statements), any governmental body, agency or official, and, do not contravene, or constitute a default under, any provision of applicable law or regulation or of the operating agreement of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any lien (other than Permitted Adverse Claims) on assets of the Borrower.

(c) Binding Effect of Agreement. This Agreement and each other Transaction Document to which it is a party constitutes the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

(d) Accuracy of Information. All information heretofore furnished by the Borrower to the Administrator or any Group Agent in writing pursuant to or in connection with this Agreement or any other Transaction Document is, and all such information hereafter furnished by the Borrower to the Administrator or any Group Agent in writing pursuant to this Agreement or any Transaction Document will be, true and accurate in all material respects on the date such information is stated or certified.

(e) Actions, Suits. There are no actions, suits or proceedings pending or, to the best of the Borrower's knowledge, threatened against or affecting the Borrower or any of its Affiliates or their respective properties, in or before any court, arbitrator or other body.

(f) Accuracy of Exhibits; Lock-Box Arrangements. The names and addresses of all the Lock-Box Banks together with the account numbers of the Lock-Box Accounts at such Lock-Box Banks, are specified in Schedule II to this Agreement (or at such other Lock-Box Banks and/or with such other Lock-Box Accounts as have been notified to the Administrator), and all Lock-Box Accounts are subject to Lock-Box Agreements. All information on each Exhibit, Schedule or

Annex to this Agreement or the other Transaction Documents (as updated by the Borrower from time to time) is true and complete in all material respects. The Borrower has delivered a copy of all Lock-Box Agreements to the Administrator. The Borrower has not granted any interest in any Lock-Box Account (or any related lock-box or post office box) to any Person other than the Administrator and, upon delivery to a Lock-Box Bank of the related Lock-Box Agreement, the Administrator will have control of the Lock-Box Account at such Lock-Box Bank in accordance with the terms hereof and the related Lock-Box Agreement.

(g) No Material Adverse Effect. Since the date of formation of the Borrower as set forth in its certificate of formation, there has been no Material Adverse Effect with respect to the Borrower.

(h) Names and Location. The Borrower has not used any company names, trade names or assumed names other than its name set forth on the signature pages of this Agreement. The Borrower is “located” (as such term is defined in the applicable UCC) in Delaware. The office where the Borrower keeps its records concerning the Receivables is at the address set forth below its signature to this Agreement.

(i) Margin Stock. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U and X, as issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) Eligible Receivables. Each Pool Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance is an Eligible Receivable.

(k) Credit and Collection Policy. The Borrower has complied in all material respects with the Credit and Collection Policy of each Originator with regard to each Receivable originated by such Originator.

(l) Investment Company Act; Not a Covered Fund. The Borrower is not (i) required to register as an “Investment Company” or (ii) “controlled” by an “Investment Company”, under (and as to each such term, as defined in) the Investment Company Act. The Borrower is not a “covered fund” under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations implemented thereunder (the “Volcker Rule”). In determining that the Borrower is not a “covered fund” under the Volcker Rule, the Borrower is entitled to rely on the exemption from the definition of “investment company” set forth in Section 3(c)(5)(A) or (B) of the Investment Company Act.

(m) Financial Information. The consolidated balance sheet of CB and subsidiaries as of December 31, 2021, and the related consolidated statements of operations, shareowners’ equity (deficit) and comprehensive income (loss), and cash flows for the year ended December 31, 2021, copies of which have been furnished to the Administrator, present fairly, in all material respects, the financial position of CB and subsidiaries as of such date, and the results of their operations and their cash flows for the period then ended, prepared pursuant to the rules and regulations of the

Securities and Exchange Commission in accordance with accounting principles generally accepted in the United States of America.

(n) Anti-Money Laundering/International Trade Law Compliance. No: (a) Covered Entity, nor any employees, officers, directors, affiliates, consultants, brokers, or agents acting on a Covered Entity's behalf in connection with this Agreement: (i) is a Sanctioned Person; or (ii) directly, or indirectly through any third party, is engaged in any transactions or other dealings with or for the benefit of any Sanctioned Person or Sanctioned Jurisdiction in violation of sanctions, or any transactions or other dealings that otherwise are prohibited by any Anti-Terrorism Laws; and (b) Pool Asset is Blocked Property. Each Covered Entity has (a) conducted its business in compliance with all Anti-Corruption Laws and (b) has instituted and maintains policies and procedures reasonably designed to ensure compliance with such laws.

(o) LCR Security. The Borrower has not issued any LCR Securities, and the Borrower is a consolidated subsidiary of CB under GAAP.

(p) Tax Status. The Borrower is not treated (i) as other than a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes that is disregarded as separate from a United States person (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) and (ii) as an association (or publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

(q) Beneficial Ownership Certification. The Beneficial Ownership Certification executed and delivered to the Administrator and each Group Agent for the Borrower on or prior to the Closing Date, as updated from time to time in accordance with this Agreement, is accurate, complete and correct in all material respects as of the date hereof or as of the date any such update is delivered, as the case may be.

2. Representations and Warranties of the Servicer. The Servicer represents and warrants to the Administrator, each Group Agent and each Lender as of the date of execution of this Agreement that:

(a) Existence and Power. The Servicer is a corporation duly organized, validly existing and in good standing under the laws of the state, province or territory of its organization, and has all company power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted, unless failure to have such power, licenses, authorizations, consents and approvals would not reasonably be expected to have a Material Adverse Effect.

(b) Company and Governmental Authorization, Contravention. The execution, delivery and performance by the Servicer of this Agreement and each other Transaction Document to which it is a party are within the Servicer's organizational powers, have been duly authorized by all necessary organizational action, require no action by or in respect of, or filing with, any governmental body, agency or official, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Certificate of Incorporation of the Servicer or of any judgment, injunction, order or decree or material agreement or other material instrument binding upon the Servicer (unless such contravention or default would not reasonably be expected

to have a Material Adverse Effect) or result in the creation or imposition of any lien (other than Permitted Adverse Claims) on assets of the Servicer or any of its Subsidiaries.

(c) Binding Effect of Agreement. This Agreement and each other Transaction Document to which it is a party constitutes the legal, valid and binding obligation of the Servicer enforceable against the Servicer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

(d) Accuracy of Information. All information heretofore furnished by the Servicer to the Administrator or any Group Agent in writing pursuant to or in connection with this Agreement or any other Transaction Document is, and all such information hereafter furnished by the Servicer to the Administrator or any Group Agent in writing pursuant to this Agreement or any other Transaction Document will be, true and accurate in all material respects on the date such information is stated or certified.

(e) Actions, Suits. There are no actions, suits or proceedings pending or, to the best of the Servicer's knowledge, threatened against or affecting the Servicer or any of its Affiliates or their respective properties, in or before any court, arbitrator or other body, which would reasonably be expected to have a Material Adverse Effect upon the ability of the Servicer (or such Affiliate) to perform its obligations under this Agreement or any other Transaction Document to which it is a party.

(f) No Material Adverse Effect. Since the date of the financial statements described in Section 1(m) above, there has been no Material Adverse Effect with respect to the Servicer.

(g) Credit and Collection Policy. The Servicer or the applicable Originator has complied in all material respects with the Credit and Collection Policy of such Originator with regard to each Pool Receivable originated by such Originator.

(h) Investment Company Act. The Servicer is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(i) Anti-Money Laundering/International Trade Law Compliance. No: (a) Covered Entity, nor any employees, officers, directors, affiliates, consultants, brokers, or agents acting on a Covered Entity's behalf in connection with this Agreement: (i) is a Sanctioned Person; or (ii) directly, or indirectly through any third party, is engaged in any transactions or other dealings with or for the benefit of any Sanctioned Person or Sanctioned Jurisdiction in violation of sanctions or any transactions or other dealings that otherwise are prohibited by any Anti-Terrorism Laws; and (b) Pool Asset is Blocked Property. Each Covered Entity has (a) conducted its business in compliance with all Anti-Corruption Laws and (b) has instituted and maintains policies and procedures reasonably designed to ensure compliance with such laws.

3. Representations, Warranties and Agreements Relating to the Security Interest. The Borrower hereby makes the following representations, warranties and agreements with respect to the Pool Receivables and Related Security:

(a) The Receivables.

(i) Creation. This Agreement creates a valid and continuing security interest (as defined in the UCC) in the Receivables included in the Receivables Pool in favor of the Administrator (for the benefit of the Lenders), which security interest is prior to all other Adverse Claims other than any Adverse Claim in favor of an Obligor on a Receivable that represents amounts billed to such Obligor for service to be provided during the immediate subsequent billing period, and is enforceable as such as against creditors of and Lenders from the Borrower.

(ii) Nature of Receivables. The Receivables included in the Receivables Pool constitute “accounts”, “general intangibles” or “tangible chattel paper” within the meaning of the applicable UCC.

(iii) Ownership of Receivables. The Borrower owns and has good and marketable title to the Receivables transferred to the Borrower pursuant to the Sale Agreement and included in the Receivables Pool and Related Security free and clear of any Adverse Claim other than Permitted Adverse Claims.

(iv) Perfection and Related Security. The Borrower will cause (and will cause each Originator to cause), within ten (10) days after the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the sale of the Receivables and Related Security from such Originator to the Borrower pursuant to the Sale Agreement, and the security interest therein from the Borrower to the Administrator under this Agreement, to the extent that such collateral constitutes “accounts”, “general intangibles” or “tangible chattel paper.”

(v) Tangible Chattel Paper. With respect to any Receivables included in the Receivables Pool that constitute “tangible chattel paper”, if any, the Borrower (or the Servicer on its behalf) has in its possession the original copies of such tangible chattel paper that constitute or evidence such Receivables, and the Borrower has caused (and will cause the applicable Originator to cause), within ten (10) days after the Closing Date, the filing of financing statements described in clause (iv), above, each of which will contain a statement that: “A purchase of, or security interest in, any collateral described in this financing statement will violate the rights of the Administrator”. The Receivables to the extent they are evidenced by “tangible chattel paper” do not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Borrower or the Administrator.

(b) The Lock-Box Accounts.

(i) Nature of Account. Each Lock-Box Account constitutes a “deposit account” within the meaning of the applicable UCC.

(ii) Ownership. The Borrower owns and has good and marketable title to the Lock-Box Accounts free and clear of any Adverse Claim.

(iii) Perfection. The Borrower has delivered to the Administrator a fully executed Lock-Box Agreement relating to each Lock-Box Account, pursuant to which each applicable Lock-Box Bank, respectively, has agreed to comply with all instructions originated by the Administrator (on behalf of the Lenders) directing the disposition of funds in such Lock-Box Account without further consent by the Borrower or the Servicer.

(c) Priority.

(i) Other than (i) the transfer, contribution or assignment of the Receivables to the Borrower under the Sale Agreement and this Agreement, respectively, (ii) the assignment of Contributed Receivables (as such term is defined in the Sale Agreement), and/or (iii) the security interest granted to the Borrower and the Administrator pursuant to the Sale Agreement and this Agreement, respectively, neither the Borrower nor any Originator has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Receivables transferred or purported to be transferred under the Transaction Documents, the Lock-Box Accounts or any subaccount thereof, except for any such pledge, grant or other conveyance which has been released or terminated. Neither the Borrower nor any Originator has authorized the filing of, or is aware of any financing statements against either the Borrower or such Originator that include a description of Receivables transferred or purported to be transferred under the Transaction Documents, the Lock-Box Accounts or any subaccount thereof, other than any financing statement (i) relating to the sale thereof by such Originator to the Borrower under the Sale Agreement, (ii) relating to the security interest granted to the Administrator under this Agreement, (iii) relating to the assignment of Contributed Receivables (as such term is defined in the Sale Agreement) or (iv) that has been released or terminated.

(ii) The Borrower is not aware of (x) any judgment, ERISA or tax lien filings against the Borrower, (y) any judgment or ERISA lien filings against the Servicer or the applicable Originator other than Permitted Adverse Claims, and (z) any tax lien filings against the Servicer or such Originator other than (i) those that would not reasonably be expected to have a Material Adverse Effect and (ii) Permitted Adverse Claims.

(iii) The Lock-Box Accounts are not in the name of any person other than the Borrower or the Administrator. Neither the Borrower nor the Servicer has consented to any bank maintaining such account to comply with instructions of any person other than the Administrator, the Borrower or the Servicer.

(d) Survival of Supplemental Representations. Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations contained in this Section 3 shall be continuing, and remain in full force and effect until such time as the Loan and all other obligations under this Agreement have been finally and fully paid and performed.

(e) [Reserved].

(f) Servicer to Maintain Perfection and Priority. In order to evidence the interests of the Administrator under this Agreement, the Servicer shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including, without limitation, such

actions as are reasonably requested by the Administrator or any Group Agent) to maintain and perfect, as a first-priority interest, the Administrator's security interest in the Pool Receivables, Related Security and Collections. The Servicer shall, from time to time and within the time limits established by law, prepare and present to the Administrator for the Administrator's authorization and approval, all financing statements, amendments, financing change statements, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrator's security interest as a first-priority interest. The Administrator's approval of such filings shall authorize the Servicer to file such financing statements under the UCC without the signature of the Borrower, any Originator or the Administrator where allowed by applicable law. Notwithstanding anything else in the Transaction Documents to the contrary, the Servicer shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements, without the prior written consent of the Administrator and each Group Agent.

(g) Collections. If made in accordance with the terms of this Agreement, each remittance of Collections by the Borrower to the Lenders hereunder will have been (i) in payment of a debt incurred by the Borrower in the ordinary course of business or financial affairs of the Borrower and (ii) made in the ordinary course of business or financial affairs of the Borrower.

4. Reaffirmation of Representations and Warranties. On the date of each Loan, issuance of each Letter of Credit and each Release hereunder, and on the date each Information Package or other report is delivered to the Administrator, any Group Agent or any Lender hereunder, the Borrower by accepting the proceeds of such Loan or Release or the issuance of such Letter of Credit and/or the provision of such information or report, shall be deemed to have certified that (i) all representations and warranties of the Borrower and the Servicer, as applicable, described in this Exhibit III, as from time to time amended in accordance with the terms hereof, are true and correct in all material respects on and as of such day as though made on and as of such day, except for representations and warranties which apply as to an earlier date (in which case such representations and warranties shall be true and correct as of such date), (ii) in the case of a Loan, no event has occurred and is continuing, or would result from such Loan, that constitutes an Event of Default or an Unmatured Event of Default and in the case of a Release, no event has occurred and is continuing, or would result from such Release, that constitutes an Event of Default, (iii) in the case of a Loan, no event or condition described in clause (j)(ii) of Exhibit V to this Agreement, without giving effect to the fifteen (15) Business Day grace period set forth therein, has occurred or is continuing, (iv) the Aggregate Capital, after giving effect to any such Loan or Release shall not be greater than the Facility Limit, and the Coverage Percentage shall not exceed 100% and (v) the Facility Termination Date has not occurred.

EXHIBIT IV
COVENANTS

1. Covenants of the Borrower. At all times from the date hereof until the Final Payout Date:

(a) Financial Reporting. The Borrower will maintain a system of accounting established and administered in accordance with generally accepted accounting principles as in effect in the appropriate jurisdiction, and the Borrower (or the Servicer on its behalf) shall furnish to the Administrator and each Group Agent:

(i) Annual Reporting. Promptly upon completion and in no event later than one hundred and twenty (120) days (or such other period, if any, as may be agreed in the New Credit Agreement for the delivery of annual financial reports) after the close of each fiscal year of Borrower, an annual unaudited income statement and balance sheet of the Borrower certified by a designated financial officer or other officer of the Borrower.

(ii) Information Packages. (A) As soon as available and in any event not later than two (2) Business Days prior to each Settlement Date, a Monthly Report as of the most recently completed calendar month and (B) during any Weekly Reporting Period, not later than the second Business Day of each calendar week, a Weekly Report as of the close of business on Friday of the most recently completed calendar week.

(iii) Other Information. Such other information (including non-financial information) as the Administrator may from time to time reasonably request.

(b) Notices. The Borrower will notify the Administrator and each Group Agent in writing of any of the following events promptly upon (but in no event later than three (3) Business Days after) a financial or other officer learning of the occurrence thereof, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto:

(i) Notice of Events of Default or Unmatured Events of Default. The occurrence of any Event of Default or Unmatured Event of Default together with a statement of the chief financial officer or chief accounting officer of the Borrower setting forth details of such Event of Default or such Unmatured Event of Default and any action which the Borrower proposes to take with respect thereto.

(ii) Representations and Warranties. The failure of any representation or warranty to be true in any material respect when made with respect to the Receivables included in the Receivables Pool.

(iii) Litigation. The institution of any litigation, arbitration proceeding or governmental proceeding which would reasonably be expected to have a Material Adverse Effect with respect to the Borrower.

(iv) Adverse Claim. (A) Any Person shall obtain an Adverse Claim, other than a Permitted Adverse Claim, upon the Pool Receivables or Collections with respect thereto, (B) any Person other than the Borrower, the Servicer or the Administrator shall obtain any rights or direct any action with respect to any Lock-Box Account (or related lock-box or post office box) or (C) any Obligor shall receive any change in payment instructions with respect to any Pool Receivable(s) from a Person other than the Servicer, CB, any Originator or the Administrator.

(v) ERISA and Other Claims. Upon the filing or receiving thereof, copies of all reports and notices that the Borrower or any ERISA Affiliate files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the Department of Labor or that the Borrower or any Affiliate receives from any of the foregoing or from any multiemployer plan (within the meaning of Section 4001(a)(3) of ERISA) to which the Borrower or any of its Affiliates is or was, within the preceding five years, a contributing employer, in each case in respect of any "reportable event" (as defined in Section 4043 of ERISA) that could, in the aggregate, result in the imposition of liability on the Borrower and/or any such Affiliate.

(vi) Notice of Debt Events. Upon the occurrence of any event or condition (without giving effect to any cure period, if any) described in paragraph (j) of Exhibit V to this Agreement, a statement of the chief financial officer, chief accounting officer or treasurer of the Borrower setting forth details of any failure, event or condition that exists relating to any Debt of the Borrower, CB or its Subsidiaries and for which the related agreement, mortgage, indenture or instrument does not provide a grace period for such event, and any action which the Borrower proposes to take with respect thereto.

(vii) Notice of CBT Public Notice. The issuance of an CBT Public Notice, together with a statement of the chief financial officer or chief accounting officer of the Borrower setting forth details of such CBT Public Notice and any action which the Borrower proposes to take with respect thereto.

(c) Conduct of Business. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and will do all things necessary to remain duly organized, validly existing and in good standing as a domestic organization in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(d) Compliance with Laws. The Borrower will comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

(e) Furnishing of Information and Inspection of Receivables. The Borrower will, to the extent it is in possession thereof or can reasonably obtain it, furnish to the Administrator and each Group Agent from time to time such information with respect to the Pool Receivables as the Administrator or such Group Agent may reasonably request, except to the extent prohibited by applicable law or licenses. The Borrower will, at any time and from time to time during regular business hours with reasonable prior written notice, subject to Section 6.7, (i) at the Borrower's expense, permit the Administrator or any Group Agent, or their respective agents or

representatives, (A) to examine and make copies of and abstracts from all books and records relating to the Pool Receivables and other Pool Assets and (B) to visit the offices and properties of the Borrower for the purpose of examining such books and records, and to discuss matters relating to the Pool Receivables, other Pool Assets or the Borrower's performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Borrower (provided that representatives of the Borrower are present during such discussions) having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, from time to time during regular business hours, upon reasonable prior written notice from the Administrator and the Group Agents, permit certified public accountants or other auditors acceptable to the Administrator to conduct a review of its books and records with respect to the Pool Receivables; provided, however, that the Borrower shall not be obligated to permit such examinations, visits or reviews under clauses (i) and (ii) above, together with any examinations, visits or reviews pursuant to Section 2(e) of this Exhibit IV, more than three times per year (commencing upon and including the Closing Date) during such time that no Event of Default has occurred and is continuing and the Borrower shall not be obligated to pay or reimburse any Person for the expenses of more than one such examination or visit pursuant to clause (i) above (together with any examination or visit pursuant to Section 2(e)(i) of this Exhibit IV) per year (commencing upon and including the Closing Date) during such time that no Event of Default has occurred and is continuing.

(f) Payments on Receivables, Accounts. The Borrower will, and will cause each Originator to, instruct all Persons who are Obligors to deliver payments on Pool Receivables to a Lock-Box Account; provided that the Borrower may permit Obligors to make On-Site Payments notwithstanding such instructions. If any such payments or other Collections are received by the Borrower or any Originator, including without limitation, any Collections received in connection with any On-Site Payments, it shall hold such payments in trust for the benefit of the Administrator and the Lenders and promptly (but in any event within three (3) Business Days after receipt) remit such funds into a Lock-Box Account; provided that the Borrower or any Originator that receives Collections may remit such Collections to an account other than a Lock-Box Account so long as (i) such amounts are subsequently swept or transferred to a Lock-Box Account within three (3) Business Days after the Borrower's or any Originator's receipt thereof and (ii) the aggregate amount of such Collections so deposited by any Originator, the Servicer or the Borrower in any calendar month does not exceed 1% of all Collections received in such calendar month. Except as otherwise provided in this Agreement, the Borrower will not permit funds other than Collections on Pool Receivables and other Pool Assets to be deposited into any Lock-Box Account; provided, that the Borrower may permit proceeds of accounts receivable originated by SpinCo Facility Originators ("SpinCo Facility Collections") to be deposited into Lock-Box Accounts so long as each of the following conditions are met: (i) the Borrower (or Servicer on its behalf) is undertaking commercially reasonable efforts to limit the amount of any such deposits (subject to obtaining any required regulatory approvals), (ii) the Borrower shall, and shall cause its Subsidiaries to, maintain a system of accounting that enables it to at all times determine the amount of Collections and the amount of SpinCo Facility Collections, in each case, on deposit in the Lock-Box Accounts, (iii) the Servicer shall remove any such SpinCo Facility Collections from the Lock-Box Accounts within two (2) Business Days of receipt thereof and (iv) if SpinCo Facility Collections in excess of \$2,000,000 are deposited in any calendar month occurring six or more months after the Closing Date, the Borrower, Servicer and PNC shall enter into an intercreditor agreement within 30 days of PNC's written request therefor. If such funds are nevertheless deposited into any Lock-Box

Account, the Borrower will promptly identify such funds for segregation. Except as otherwise provided in this Agreement, the Borrower will not, and will not permit the Servicer, any Originator or other Person to, commingle Collections or other funds to which the Administrator, any Group Agent or any Lender is entitled with any other funds. The Borrower shall only add, and shall only permit any Originator to add, a Lock-Box Bank (or the related lock-box or post office box), or Lock-Box Account to those listed on Schedule II to this Agreement, if the Administrator has received notice of such addition, a copy of any new Lock-Box Agreement and an executed and acknowledged copy of a Lock-Box Agreement in form and substance reasonably acceptable to the Administrator from any such new Lock-Box Bank. The Borrower shall only terminate a Lock-Box Bank or close a Lock-Box Account (or the related lock-box or post office box), upon thirty (30) days' advance notice to the Administrator. Notwithstanding anything to the contrary in this Agreement, Non-Receiveable Cash Deposits may be deposited in a Lock-Box Account so long as the following conditions are met: (A) the Borrower (or the Servicer on its behalf) shall promptly (but in any event within two (2) Business Days after such deposit) identify such Non-Receiveable Cash Deposits and transfer such Non-Receiveable Cash Deposits to an account other than a Lock-Box Account and (B) with respect to Non-Receiveable Cash Deposits described in clause (a) of the definition thereof, (x) the Administrator shall have approved of such third party billing arrangement in writing and (y) if so requested by the Administrator, such third party, the Servicer, such Originator and/or the Borrower (as specified by the Administrator) and the Administrator shall have entered into an intercreditor agreement, or other similar arrangement, reasonably acceptable to the Administrator.

(g) Sales, Liens, Etc. Except as otherwise provided herein, the Borrower will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Pool Receivable or other Pool Asset other than Permitted Adverse Claims, or assign any right to receive income in respect thereof.

(h) Extension or Amendment of Pool Receivables. Except as the Servicer is otherwise permitted in Section 4.2 of this Agreement, Borrower will not extend, amend or otherwise modify the terms of any Pool Receivable, or amend, modify or waive any term or condition of any Contract related thereto, without the prior written consent of the Administrator and the Majority Group Agents. The Borrower shall at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contract.

(i) Change in Business. The Borrower will not (i) make any change in the character of its business, which change could impair the collectibility of any Pool Receivable or (ii) make any change in any Credit and Collection Policy that would reasonably be expected to materially adversely affect the collectibility of the Pool Receivables, the enforceability of any related Contract or its ability to perform its obligations under the related Contract or the Transaction Documents, in the case of either (i) or (ii) above, without the prior written consent of the Administrator and the Majority Group Agents. The Borrower shall not make any written change in any Credit and Collection Policy without giving prior written notice thereof to the Administrator and each Group Agent.

(j) Fundamental Changes. The Borrower shall not, without the prior written consent of the Administrator and the Majority Group Agents, permit itself (i) to merge, consolidate or amalgamate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person or (ii) to be owned by any Person other than the Servicer or an Affiliate thereof. The Borrower shall provide the Administrator with at least thirty (30) days' prior written notice before making any change in the Borrower's name, location, registered office, domicile or chief executive office or making any other change in the Borrower's identity, structure or jurisdiction of formation that would impair or otherwise render any UCC financing statement filed in connection with this Agreement "seriously misleading" as such term (or similar term) is used in the applicable UCC; each notice to the Administrator and the Group Agents pursuant to this sentence shall set forth the applicable change and the proposed effective date thereof. The Borrower will also maintain and implement (or cause the Servicer to maintain and implement) administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain (or cause the Servicer to keep and maintain) all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(k) Change in Payment Instructions to Obligors. The Borrower shall not add to, replace or terminate any of the Lock-Box Accounts (or any related lock-box or post office box) listed in Schedule II hereto or make any change in its (or their) instructions to the Obligors regarding payments to be made to the Lock-Box Accounts (or any related lock-box or post office box), unless the Administrator and each Group Agent shall have received (x) prior written notice of such addition, termination or change and (y) signed and acknowledged Lock-Box Agreements with respect to such new Lock-Box Accounts (or any related lock-box or post office box).

(l) Security Interest, Etc. The Borrower shall (and shall cause the Servicer to) (i) at its expense, take all action necessary or desirable to establish and maintain a valid and enforceable security interest in the Pool Receivables, the Related Security and Collections with respect thereto, and (ii) at its expense, in order to evidence the interests of the Administrator under this Agreement, from time to time take such action, or execute and deliver such instruments as may be necessary to maintain and perfect, as a first-priority security interest, the Administrator's security interest in the Pool Receivables, Related Security and Collections. The Borrower shall at its expense, from time to time and within the time limits established by law, prepare and present to the Administrator for the Administrator's authorization and approval, all financing statements, amendments, financing change statements, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrator's security interest as a first-priority security interest. The Administrator's approval of such filings shall authorize the Borrower to file such financing statements under the UCC without the signature of the Borrower, any Originator or the Administrator where allowed by applicable law. Notwithstanding anything else in the Transaction Documents to the contrary, the Borrower shall not have any authority to file a termination, partial termination, release, partial release, discharge, partial discharge, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements, except with respect to any Person that ceases to be any Originator, without the prior written consent of the Administrator.

(m) Certain Agreements. The Borrower will not amend, modify, waive, revoke or terminate (or permit or cause any change to) any Transaction Document to which it is a party (except in accordance with the terms of such Transaction Document) or any provision of the Borrower's organizational documents which requires the consent of the "Independent Director" (as defined in the Borrower's operating agreement).

(n) Restricted Payments. (i) Except pursuant to clause (ii) below, the Borrower will not: (A) purchase or redeem any shares of its capital stock or membership interests, (B) declare or pay any dividend or distribution or set aside any funds for any such purpose, (C) prepay, purchase or redeem any Debt, (D) lend or advance any funds or (E) repay any loans or advances to, for or from any of its Affiliates (the amounts described in clauses (A) through (E) being referred to as "Restricted Payments").

(ii) Subject to the limitations set forth in clause (iii) below, the Borrower may make Restricted Payments so long as such Restricted Payments are made only in one or more of the following ways: (A) the Borrower may make cash payments (including prepayments) on the Subordinated Loans in accordance with their respective terms, and (B) the Borrower may make payments to the Originators and increase the principal amounts of the Subordinated Loans, in each case, in accordance with Section 3.1 of the Sale Agreement and (C) the Borrower may declare and pay dividends or make distributions if, after giving effect thereto, the Tangible Net Worth of the Borrower would not be less than the Required Capital Amount.

(iii) The Borrower may make Restricted Payments only out of the funds, if any, it receives pursuant to Section 1.4(a) of this Agreement. Furthermore, the Borrower shall not pay, make or declare any Restricted Payment (including any dividend) if, prior to or after giving effect thereto, any Event of Default or Unmatured Event of Default shall have occurred and be continuing.

(o) Other Business. The Borrower will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents, (ii) create, incur or permit to exist any Debt of any kind (or cause or permit to be issued for its account any letters of credit or bankers' acceptances) other than pursuant to this Agreement or the Subordinated Loans or (iii) form any Subsidiary or make any investments in any other Person; provided, however, that the Borrower shall be permitted to incur obligations to the extent necessary for the day-to-day operations of the Borrower (such as expenses for stationery, audits, maintenance of legal status, etc.).

(p) [Reserved].

(q) Tangible Net Worth. The Borrower will not permit its Tangible Net Worth, at any time, to be less than the Required Capital Amount.

(r) Anti-Money Laundering/International Trade Law Compliance. The Borrower covenants and agrees that:

(i) it shall immediately notify each Credit Party in writing upon the occurrence of a Reportable Compliance Event;

(ii) if, at any time, any Pool Asset becomes Blocked Property, then, in addition to all other rights and remedies available to any Credit Party, upon request by any Credit Party, the Borrower shall provide substitute Pool Assets acceptable to the Administrator that is not Blocked Property;

(iii) it shall, and shall require each other Covered Entity to, conduct its business in compliance with all Anti-Corruption Laws and maintain policies and procedures designed to ensure compliance with such laws;

(iv) it and its Subsidiaries will not: (A) become a Sanctioned Person or allow any employees, officers, directors, affiliates, consultants, brokers, or agents acting on its behalf in connection with this Agreement to become a Sanctioned Person; (B) directly, or indirectly through a third party, engage in any transactions or other dealings with or for the benefit of any Sanctioned Person or Sanctioned Jurisdiction in violation of sanctions, including any use of the proceeds of the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Person or Sanctioned Jurisdiction in violation of sanctions; (C) pay or repay any obligations of the Borrower with Blocked Property or funds derived from any unlawful activity; (D) permit any Pool Asset to become Blocked Property; or (E) cause any Credit Party to violate any Anti-Terrorism Law; and

(v) it will not, and will not permit any of its Subsidiaries to, directly or indirectly, use the Loans or any proceeds thereof in any manner that would result in a violation by any Person (including the Administrator, LC Bank, any Lender, underwriter, advisor, investor, or otherwise) of any Anti-Corruption Law applicable to it.

(s) LCR Security. The Borrower shall not issue any LCR Security.

(t) Tax Status. The Borrower shall take all actions necessary to ensure that the Borrower does not become treated (i) as other than a “disregarded entity” within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes that is disregarded as separate from a United States person (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) and (ii) as an association (or publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

(u) [Reserved].

(v) [Reserved].

(w) Beneficial Ownership Certification. The Borrower shall provide to the Administrator and the Lenders: (i) confirmation of the accuracy of the information set forth in the most recent Certificate of Beneficial Ownership provided to the Administrator and the Lenders; (ii) a new Certificate of Beneficial Ownership, in form and substance acceptable to the Administrator and each Lender, when the individual(s) to be identified as a Beneficial Owner have changed; and (iii) such other information and documentation as may reasonably be requested by the Administrator or any Lender from time to time for purposes of compliance by the Administrator or such Lender with Applicable Laws (including the PATRIOT Act and other

“know your customer” and anti-money laundering rules and regulations), and any policy or procedure implemented by the Administrator or such Lender to comply therewith.

(x) Federal Assignment of Claims Act, Etc. If reasonably requested by the Administrator, the Borrower shall prepare and make any filings under the Federal Assignment of Claims Act (or any other similar Applicable Law, including any state or municipal law or regulation) with respect to Receivables from Obligor that are Federal Governmental Entities, that are necessary in order for the Administrator to enforce such Receivable against the Obligor thereof; it being understood and agreed that any such request made after an Event of Default shall be deemed to be reasonable and necessary.

2. Covenants of the Servicer. At all times from the date hereof until the Final Payout Date:

(a) Financial Reporting. The Servicer will maintain a system of accounting established and administered in accordance with generally accepted accounting principles as in effect in the appropriate jurisdiction, and the Servicer shall furnish to the Administrator and each Group Agent:

(i) Annual Reporting. Promptly upon completion and in no event later than one hundred and twenty (120) days (or such other period, if any, as may be agreed in the New Credit Agreement for the delivery of annual financial reports) after the close of each fiscal year of CB, annual audited financial statements of CB and subsidiaries certified by independent certified public accountants selected by CB, prepared in accordance with accounting principles generally accepted in the United States of America, including a consolidated balance sheet as of the end of such period and the related consolidated statements of operations, shareowners’ equity (deficit) and comprehensive income (loss) and cash flows, in each case for the period then ended.

(ii) Quarterly Reporting. Promptly upon completion and in no event later than sixty (60) days (or such other period, if any, as may be agreed in the New Credit Agreement for the delivery of quarterly financial reports) after the close of each of the first three financial quarters of each financial year of CB, unaudited financial statements of CB and subsidiaries certified by a designated financial officer of CB, in accordance with accounting principles generally accepted in the United States of America (except for the absence of footnotes and any year-end adjustments), including a condensed consolidated balance sheet of CB and subsidiaries as of the end of such period and the related condensed consolidated statements of operations and cash flows, in each case for the period then ended.

(iii) Compliance Certificates. Together with the annual report required above, a compliance certificate in the form of Annex F attached hereto, signed by its chief accounting officer, chief financial officer or treasurer solely in their capacities as officers of the Servicer stating, among other things, that no Event of Default or Unmatured Event of Default exists as of the date such annual report is delivered, or if any Event of Default or Unmatured Event of Default then exists, stating the nature and status thereof.

(iv) (A) As soon as available and in any event not later than two (2) Business Days prior to each Settlement Date, a Monthly Report as of the most recently completed calendar month and (B) during any Weekly Reporting Period, not later than the second Business Day of each calendar week, a Weekly Report as of the most recently completed calendar week.

(v) Other Information. Such other information as the Administrator or any Group Agent may from time to time reasonably request.

(b) Notices. The Servicer will notify the Administrator and each Group Agent in writing of any of the following events promptly upon (but in no event later than three (3) Business Days after) a financial or other officer learning of the occurrence thereof, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto:

(i) Notice of Events of Default or Unmatured Events of Default. The occurrence of any Event of Default or Unmatured Event of Default together with a statement of the chief financial officer or chief accounting officer of the Servicer setting forth details of such Event of Default or such Unmatured Event of Default and any action which the Servicer proposes to take with respect thereto.

(ii) Representations and Warranties. The failure of any representation or warranty to be true in any material respect when made with respect to the Pool Receivables.

(iii) Litigation. The institution of any litigation, arbitration proceeding or governmental proceeding which would reasonably be expected to have a Material Adverse Effect with respect to the Servicer.

(iv) Adverse Claim. (A) Any Person shall obtain an Adverse Claim, other than a Permitted Adverse Claim, upon the Pool Receivables or Collections with respect thereto, (B) any Person other than the Borrower, the Servicer or the Administrator shall obtain any rights or direct any action with respect to any Lock Box Account (or related lock-box or post office box) or (C) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer, CB, any Originator or the Administrator.

(v) ERISA and Other Claims. Upon the filing or receiving thereof, copies of all reports and notices that the Servicer or any ERISA Affiliate files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the Department of Labor or that the Servicer or any Affiliate receives from any of the foregoing or from any multiemployer plan (within the meaning of Section 4001(a)(3) of ERISA) to which the Servicer or any of its Affiliates is or was, within the preceding five years, a contributing employer, in each case in respect of any "reportable event" (as defined in Section 4043 of ERISA) that could, in the aggregate, result in the imposition of liability on the Servicer and/or any such Affiliate.

(vi) Notice of Debt Events. Upon the occurrence of any event or condition (without giving effect to any cure period, if any) described in paragraph (j) of Exhibit V to

this Agreement, a statement of the chief financial officer, chief accounting officer or treasurer of the Servicer setting forth details of any failure, event or condition that exists relating to any Debt of the Borrower, CB or its Subsidiaries and for which the related agreement, mortgage, indenture or instrument does not provide a grace period for such event, and the action which the Servicer proposes to take with respect thereto.

(c) Conduct of Business. The Servicer will (i) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and (ii) do all things necessary to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and (iii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, in each such case, if the failure to do so would reasonably be expected to have a Material Adverse Effect.

(d) Compliance with Laws. The Servicer will comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject if the failure to comply would reasonably be expected to have a Material Adverse Effect.

(e) Furnishing of Information and Inspection of Receivables. The Servicer will furnish to the Administrator and each Group Agent from time to time such information with respect to the Pool Receivables as the Administrator or such Group Agent may reasonably request, except to the extent prohibited by applicable law or licenses. The Servicer will, at any time and from time to time during regular business hours with reasonable prior written notice, subject to Section 6.7, (i) at the Servicer's expense, permit the Administrator or any Group Agent, or their respective agents or representatives, (A) to examine and make copies of and abstracts from all books and records relating to the Pool Receivables or other Pool Assets and (B) to visit the offices and properties of the Servicer for the purpose of examining such books and records, and to discuss matters relating to the Pool Receivables, other Pool Assets or the Servicer's performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Servicer (provided that representatives of the Servicer are present during such discussions) having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, from time to time during regular business hours, upon reasonable prior written notice from the Administrator and the Group Agents, permit certified public accountants or other auditors acceptable to the Administrator to conduct a review of its books and records with respect to the Pool Receivables; provided, however, that the Servicer shall not be obligated to permit such examinations, visits or reviews under clauses (i) and (ii) above, together with any examinations, visits or reviews pursuant to Section 1(e) of this Exhibit IV, more than three (3) times per year (commencing upon and including the Closing Date) during such time that no Event of Default has occurred and is continuing and the Servicer shall not be obligated to pay or reimburse any Person for the expenses of more than one such examination or visit pursuant to clause (i) above (together with any examination or visit pursuant to Section 1(e)(i) of this Exhibit IV) per year (commencing upon and including the Closing Date) during such time that no Event of Default has occurred and is continuing.

(f) Payments on Receivables, Accounts. The Servicer will instruct all Persons who are Obligor to deliver payments on the Pool Receivables to a Lock-Box Account; provided that, the Servicer may permit Obligor to make On-Site Payments notwithstanding such instructions. If any such payments or other Collections are received by the Servicer, including without limitation,

any Collections received in connection with On-Site Payments, it shall hold such payments in trust for the benefit of the Administrator and the Lenders and promptly (but in any event within three (3) Business Days after receipt) remit such funds into a Lock-Box Account; provided that the Servicer that receives Collections may remit such Collections to an account other than a Lock-Box Account so long as (i) such amounts are subsequently swept or transferred to a Lock-Box Account within three (3) Business Days after the Servicer's receipt thereof and (ii) the aggregate amount of such Collections so deposited by any Originator, the Servicer or the Borrower in any calendar month does not exceed 1% of all Collections received in such calendar month. Except as otherwise provided in this Agreement, the Servicer will not permit the funds other than Collections on Pool Receivables and other Pool Assets to be deposited into any Lock-Box Account; provided, that the Servicer may permit SpinCo Facility Collections to be deposited into Lock-Box Accounts so long as each of the following conditions are met: (i) the Servicer is undertaking commercially reasonable efforts to limit the amount of any such deposits (subject to obtaining any required regulatory approvals), (ii) the Servicer shall, and shall cause its Subsidiaries to, maintain a system of accounting that enables it to at all times determine the amount of Collections and the amount of SpinCo Facility Collections, in each case, on deposit in the Lock-Box Accounts, (iii) the Servicer shall remove any such SpinCo Facility Collections from the Lock-Box Accounts within two (2) Business Days of receipt thereof and (iv) if SpinCo Facility Collections in excess of \$2,000,000 are deposited in any calendar month occurring six or more months after the Closing Date, the Borrower, Servicer and PNC shall enter into an intercreditor agreement within 30 days of PNC's written request therefor. If such funds are nevertheless deposited into any Lock-Box Account, the Servicer will promptly identify such funds for segregation. Except as otherwise provided in this Agreement, the Servicer will not commingle Collections or other funds to which the Administrator, any Group Agent or any Lender is entitled with any other funds. The Servicer shall only add a Lock-Box Bank (or the related lock-box or post office box), or Lock-Box Account to those listed on Schedule II to this Agreement, if the Administrator has received notice of such addition, a copy of any new Lock-Box Agreement and an executed and acknowledged copy of a Lock-Box Agreement in form and substance reasonably acceptable to the Administrator from any such new Lock-Box Bank. The Servicer shall only terminate a Lock-Box Bank or close a Lock-Box Account (or the related lock-box or post office box), upon thirty (30) days' advance notice to the Administrator. Notwithstanding anything to the contrary in this Agreement, Non-Receiveable Cash Deposits may be deposited in a Lock-Box Account so long as the following conditions are met: (A) the Servicer shall promptly (but in any event within two (2) Business Days after such deposit) identify such Non-Receiveable Cash Deposits and transfer such Non-Receiveable Cash Deposits to an account other than a Lock-Box Account and (B) with respect to Non-Receiveable Cash Deposits described in clause (a) of the definition thereof, (x) the Administrator shall have approved of such third party billing arrangement in writing and (y) if so requested by the Administrator, such third party, the Servicer, such Originator and/or the Borrower (as specified by the Administrator) and the Administrator shall have entered into an intercreditor agreement, or other similar arrangement, reasonably acceptable to the Administrator and.

(g) Extension or Amendment of Pool Receivables. Except as the Servicer is otherwise permitted in Section 4.2 of this Agreement, the Servicer will not extend, amend or otherwise modify the terms of any Pool Receivable, or amend, modify or waive any term or condition of any Contract related thereto, without the prior written consent of the Administrator and the Majority Group Agents. The Servicer shall at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Contracts

related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contract.

(h) Change in Business. The Servicer will not (i) make any change in the character of its business, which change could impair the collectibility of any Pool Receivable or (ii) make any change in any Credit and Collection Policy that would reasonably be expected to materially adversely affect the collectibility of the Pool Receivables, the enforceability of any related Contract or its ability to perform its obligations under the related Contract or the Transaction Documents, in the case of either (i) or (ii) above, without the prior written consent of the Administrator and the Majority Group Agents. The Servicer shall not make any written change in any Credit and Collection Policy without giving prior written notice thereof to the Administrator and each Group Agent.

(i) Records. The Servicer will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(j) Change in Payment Instructions to Obligors. The Servicer shall not add to, replace or terminate any of the Lock-Box Accounts (or any related lock-box or post office box) listed in Schedule II hereto or make any change in its instructions to the Obligors of Pool Receivables regarding payments to be made to the Lock-Box Accounts (or any related lock-box or post office box), unless the Administrator and each Group Agent shall have received (x) prior written notice of such addition, termination or change and (y) signed and acknowledged Lock-Box Agreements with respect to such new Lock-Box Accounts (or any related lock-box or post office box).

(k) Security Interest, Etc. The Servicer shall (i) at its expense, take all action necessary or desirable to establish and maintain a valid and enforceable security interest in the Pool Receivables, the Related Security and Collections with respect thereto, and (ii) at its expense, in order to evidence the interests of the Administrator under this Agreement, from time to time take such action, or execute and deliver such instruments as may be necessary to maintain and perfect, as a first-priority security interest, the Administrator's security interest in the Pool Receivables, Related Security and Collections. The Servicer shall at its expense, from time to time and within the time limits established by law, prepare and present to the Administrator for the Administrator's authorization and approval, all financing statements, amendments, financing change statements, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrator's security interest as a first-priority security interest. The Administrator's approval of such filings shall authorize the Servicer to file such financing statements under the UCC without the signature of the Borrower, any Originator or the Administrator where allowed by applicable law. Notwithstanding anything else in the Transaction Documents to the contrary, the Servicer shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements, except with respect to any Person that ceases to be any Originator, without the prior written consent of the Administrator.

(l) Anti-Money Laundering/International Trade Law Compliance. The Servicer covenants and agrees that:

(i) it shall immediately notify each Credit Party in writing upon the occurrence of a Reportable Compliance Event;

(ii) if, at any time, any Pool Asset becomes Blocked Property, then, in addition to all other rights and remedies available to any Credit Party, upon request by any Credit Party, the Borrower shall provide substitute Pool Assets acceptable to the Administrator that is not Blocked Property;

(iii) it shall, and shall require each other Covered Entity to, conduct its business in compliance with all Anti-Corruption Laws and maintain policies and procedures designed to ensure compliance with such laws;

(iv) it and its Subsidiaries will not: (A) become a Sanctioned Person or allow any employees, officers, directors, affiliates, consultants, brokers, or agents acting on its behalf in connection with this Agreement to become a Sanctioned Person; (B) directly, or indirectly through a third party, engage in any transactions or other dealings with or for the benefit of any Sanctioned Person or Sanctioned Jurisdiction in violation of sanctions, including any use of the proceeds of the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Person or Sanctioned Jurisdiction in violation of sanctions; (C) pay or repay any obligations of the Borrower with Blocked Property or funds derived from any unlawful activity; (D) permit any Pool Asset to become Blocked Property; or (E) cause any Credit Party to violate any Anti-Terrorism Law; and

(v) it will not, and will not permit any of its Subsidiaries to, directly or indirectly, use the Loans or any proceeds thereof in any manner that would result in a violation by any Person (including the Administrator, LC Bank, any Lender, underwriter, advisor, investor, or otherwise) of any Anti-Corruption Law applicable to it.

(m) [Reserved].

(n) [Reserved].

(o) [Reserved].

(p) [Reserved].

(q) Tax Status of the Borrower. The Servicer shall take all actions necessary to ensure that the Borrower does not become treated (i) as other than a “disregarded entity” within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes that is disregarded as separate from a United States person (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) and (ii) as an association (or publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

(r) Federal Assignment of Claims Act, Etc. If reasonably requested by the Administrator, the Servicer shall prepare and make any filings under the Federal Assignment of Claims Act (or any other similar Applicable Law, including any state or municipal law or regulation) with respect to Receivables from Obligor that are Federal Governmental Entities, that are necessary in order for the Administrator to enforce such Receivable against the Obligor thereof; it being understood and agreed that any such request made after an Event of Default shall be deemed to be reasonable and necessary.

3. Separate Existence. The Borrower and the Servicer hereby acknowledge that the Lenders and the Administrator are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Borrower's identity as a legal entity separate from CB, the Originators and their respective Affiliates. Therefore, from and after the date hereof, the Borrower and the Servicer shall take all steps specifically required by this Agreement or reasonably required by the Administrator or any Group Agent to continue the Borrower's identity as a separate legal entity and to make it apparent to third Persons that the Borrower is an entity with assets and liabilities distinct from those of CB, any Originator, the Servicer and any other Person, and is not a division of CB, any Originator, the Servicer or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, the Borrower and the Servicer shall take such actions as shall be required in order that:

(a) The Borrower will be a limited purpose company whose primary activities are restricted in its operating agreement to: (i) purchasing or otherwise acquiring from any Originators or CB owning, holding, servicing, granting security interests or selling interests in Pool Assets, (ii) entering into agreements for the selling and servicing of the Receivables Pool or for borrowing from banks, financial institutions or similar entities, (iii) to purchase, hold and sell common stock or similar equity interests ("Equity Investments") and to exercise all voting rights and other incidents of ownership with respect to the Equity Investments, (iv) to use proceeds derived from sale or ownership of Pool Assets and Equity Investments as determined by the board of directors of the Borrower and permitted by the Transaction Documents, and (v) conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(b) The Borrower shall not engage in any business or activity, or incur any indebtedness or liability (including, without limitation, any assumption or guaranty of any obligation of CB, any Originator or any Affiliate thereof), other than as expressly permitted by the Transaction Documents;

(c) Not less than one (1) member of the Borrower's board of directors (the "Independent Director") shall be a natural person (A) who is not at the time of initial appointment and has not been at any time during the five (5) years preceding such appointment: (1) an equityholder, director (other than an independent director), officer, employee, member (other than a special member or similar capacity), manager (other than an independent manager), attorney or partner of CB, the Borrower, the Servicer or any of their Affiliates; (2) a customer of, supplier to or other person who derives more than 1% of its purchases or revenues from its activities with CB, the Borrower, the Servicer or any of their Affiliates; (3) a person or other entity controlling, controlled by or under common control with any such equity holder, partner, member, manager, customer, supplier or other person; or (4) a member of the immediate family of any such equity

holder, director, officer, employee, member, manager, partner, customer, supplier or other person and (B) who has (1) prior experience as an independent director for a corporation or an independent director or independent manager of a limited liability company whose charter documents required the unanimous consent of all independent directors or independent managers thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (2) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities. Under this clause (c), the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise. The operating agreement of the Borrower shall provide that: (A) the Borrower’s board of directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Borrower unless the Independent Director shall approve the taking of such action in writing before the taking of such action, and (B) such provision cannot be amended without the prior written consent of the Independent Director;

(d) The Independent Director shall not at any time serve as a trustee in bankruptcy for the Borrower, CB, any Originator, the Servicer or any of their respective Affiliates;

(e) The Borrower shall conduct its affairs in accordance with its organizational documents and observe all necessary, appropriate and customary limited liability company formalities, including, but not limited to, holding all regular and special members’ and board of directors’ meetings appropriate to authorize all limited liability company action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;

(f) Any employee, consultant or agent of the Borrower will be compensated by the Borrower for services provided to the Borrower, and to the extent that the Borrower shares the same officers or other employees as CB, the Servicer or any Originator (or any other Affiliate thereof), the salaries and expenses relating to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with such common officers and employees. The Borrower will not engage any agents other than its attorneys, auditors and other professionals, and a servicer and any other agent contemplated by the Transaction Documents for the Receivables Pool, which servicer will be fully compensated for its services by payment of the Servicing Fee, and a manager, which manager will be fully compensated from the Borrower’s funds;

(g) The Borrower will contract with the Servicer to perform for the Borrower all operations required on a daily basis to service the Receivables Pool. The Borrower will pay the Servicer the Servicing Fee pursuant hereto. The Borrower will not incur any material indirect or overhead expenses for items shared with CB, the Servicer or any Originator (or any other Affiliate thereof) that are not reflected in the Servicing Fee. To the extent, if any, that the Borrower (or any Affiliate thereof) shares items of expenses not reflected or covered in the Servicing Fee or the manager’s fee, such as legal, auditing and other professional services, such expenses will be

allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered; it being understood that CB, in its capacity as Servicer, shall pay all expenses relating to the preparation, negotiation, execution and delivery of the Transaction Documents, including legal, agency and other fees;

(h) The Borrower shall be responsible for payment or reimbursement of all its operating expenses;

(i) The Borrower will conduct its business in its own name;

(j) The Borrower's books and records will be maintained separately from those of CB, the Servicer, each Originator and any other Affiliate thereof and in a manner such that it will not be difficult or costly to segregate, ascertain or otherwise identify the assets and liabilities of the Borrower;

(k) All financial statements of CB, the Servicer or any Originator or any Affiliate thereof that are consolidated to include the Borrower will disclose that (i) the Borrower is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the Borrower's assets prior to any assets or value in of Borrower becoming available to of Borrower's equity holders and (ii) the assets of the Borrower are not available to pay creditors of CB, the Servicer or any Originators or any other Affiliates of CB, the Servicer or any Originators;

(l) The Borrower's assets will be maintained in a manner that facilitates their identification and segregation from those of CB, the Servicer, each Originators or any Affiliates thereof;

(m) The Borrower will observe limited liability company formalities in its dealings with CB, the Servicer, any Originators or any Affiliates thereof, and funds or other assets of the Borrower will not be commingled with those of CB, the Servicer, any Originators or any Affiliates thereof except as permitted by this Agreement in connection with servicing the Pool Receivables. The Borrower shall not maintain joint bank accounts or other depository accounts to which CB or any Affiliate thereof (other than CB in its capacity as the Servicer) has independent access. The Borrower is not named, and has not entered into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy with respect to any loss relating to the property of CB, any Originators or any Subsidiaries or other Affiliates thereof;

(n) The Borrower will maintain arm's-length relationships with CB, the Servicer, any Originators (and any Affiliates thereof). Any Person that renders or otherwise furnishes services to the Borrower will be compensated by the Borrower at market rates for such services it renders or otherwise furnishes to the Borrower. Neither the Borrower on the one hand, nor CB, the Servicer or any Originator will be or will hold itself out to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other. The Borrower, CB, the Servicer and each Originator will promptly correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity;

(o) [Reserved]; and

(p) To the extent not already covered in paragraphs (a) through (o) above, the Borrower shall comply and/or act in accordance with the provisions of Section 6.4 of the Sale Agreement.

4. Duplication of Notices, Etc. Notwithstanding anything in this Exhibit IV to the contrary, to the extent that the Borrower and the Servicer are each required to deliver the same notice, document, report or other information, delivery by either will be deemed to be delivery by both.

EXHIBIT V
EVENTS OF DEFAULT

Each of the following shall be an “Event of Default”:

(a) (i) the Borrower, CB or the Servicer shall fail to perform or observe any term, covenant or agreement under this Agreement or any other Transaction Document, except as otherwise provided herein, such failure shall, solely to the extent capable of cure, continue for thirty (30) days after the earlier of any such Person’s knowledge or notice thereof or (ii) the Borrower, CB or the Servicer shall fail to make when due any payment or deposit to be made by it under this Agreement or any other Transaction Document and such failure shall remain unremedied for two (2) Business Days after the earlier of any such Person’s knowledge or notice thereof;

(b) a Servicer Default (other than of the type set forth in clause (e) or (f) of the definition thereof) shall occur;

(c) any representation or warranty made or deemed made by the Borrower or the Servicer (or any of their respective officers) under or in connection with this Agreement or any other Transaction Document, or any information or report delivered by the Borrower or the Servicer pursuant to this Agreement or any other Transaction Document, shall fail to have been true or correct in any material respect when made or deemed made or delivered and except as otherwise provided herein, such failure shall, solely to the extent capable of cure, continue for thirty (30) days after the earlier of any such Person’s knowledge or notice thereof;

(d) the Borrower or the Servicer shall fail to deliver any Information Package when due pursuant to this Agreement, and such failure shall remain unremedied for two (2) Business Days after the earlier of such Person’s knowledge or notice thereof;

(e) this Agreement shall for any reason: (i) cease to create a valid and enforceable first priority perfected security interest in each Pool Receivable, the Related Security and Collections with respect thereto, free and clear of any Adverse Claim other than Permitted Adverse Claims or (ii) cease to create with respect to the Pool Assets, or the interest of the Administrator (for the benefit of the Lenders) with respect to such Pool Assets shall cease to be, a valid and enforceable first priority perfected security interest, free and clear of any Adverse Claim other than Permitted Adverse Claims;

(f) the Borrower, CB, the Servicer or any Originator shall generally not pay its debts as such debts become due, shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower, CB, the Servicer or any Originator seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a Receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such

proceeding shall remain undismissed or unstayed for a period of ninety (90) days, or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a Receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower, CB, the Servicer or any Originator shall take any corporate action to authorize any of the actions set forth above in this paragraph;

(g) (i) the (A) Default Ratio shall exceed 4.5% or (B) Delinquency Ratio shall exceed 17.0%, (ii) the average for three consecutive calendar months of: (A) the Default Ratio shall exceed 3.5%, (B) the Delinquency Ratio shall exceed 16.0%, or (C) the Dilution Ratio shall exceed 4.0% or (iii) the Days' Sales Outstanding exceeds the DSO Trigger; provided that any of the percentage thresholds set forth in this clause (g) may be amended upon five (5) days' notice upon the written agreement by the Administrator, each Purchaser Agent and the Borrower;

(h) a Change in Control shall occur;

(i) the Coverage Percentage shall exceed 100% for two (2) Business Days after the earlier of the Borrower's or the Servicer's knowledge or notice thereof;

(j) (i) the Borrower, CB or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any of its Debt that is outstanding in a principal amount of at least the Threshold Amount in the aggregate (or, solely with respect to the Borrower, \$15,775) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement, mortgage, indenture or instrument relating to such Debt or (ii) any other event shall occur or condition shall exist under any agreement, mortgage, indenture or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement, mortgage, indenture or instrument, if the effect of such event or condition is to give the applicable debtholders the right (whether acted upon or not) to accelerate the maturity of such Debt and, in the case of this clause (ii), if the agreement, mortgage, indenture or instrument relating to such Debt does not provide for a grace period upon the occurrence of such failure, event or condition, then (A) such failure, event or condition shall be continuing and such Debt shall have been accelerated or (B) such failure, event or condition shall be continuing for a period of fifteen (15) Business Days without such failure, event or condition having been cured, waived or otherwise remedied under the agreement, mortgage, indenture or instrument relating to such Debt;

(k) either the Internal Revenue Service or the Pension Benefit Guaranty Corporation shall have filed one or more notices of lien asserting a claim or claims in an amount in excess of \$500,000 pursuant to the Internal Revenue Code, or ERISA, as applicable, against the assets of Borrower, CB or any ERISA Affiliate;

(l) any "Purchase and Sale Termination Date" (as defined in the Sale Agreement) shall have occurred;

(m) CB shall fail to perform any of its obligations under the Performance Guaranty and, except as otherwise provided herein, such failure shall, solely to the extent capable of cure,

continue for thirty (30) days after the earlier of CB's knowledge or notice thereof, as applicable; or

(n) any Letter of Credit is drawn upon and not fully reimbursed within two (2) Business Days from the date of such draw.

(o) the Borrower or the Servicer shall breach Section 1(r) of Exhibit IV or Section 2(l) of Exhibit IV.

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SCHEDULE I
CREDIT AND COLLECTION POLICY
[Attached]

Schedule I-1

SCHEDULE II
LOCK-BOX BANKS AND LOCK-BOX ACCOUNTS

Bank Accounts

| <u>Financial Institutions</u> | <u>Account Number</u> |
|-------------------------------|-----------------------|
| Fifth Third Bank | 07029127433 |
| PNC Bank, N.A. | 4003617240 |
| First Hawaiian Bank | 01-178806 |
| Bank of Hawaii | 0003-231267 |
| Truist Bank | 1180000238203 |
| Truist Bank | 1180000238173 |

Schedule II-1

Post Office and Lock Boxes

| <u>Address</u> | <u>Location</u> |
|--|------------------------|
| P.O. Box 748001 Cincinnati, Ohio 45274-8001 | Dalton Street Facility |
| P.O. Box 748003 Cincinnati, Ohio 45274-8003 | Dalton Street Facility |
| **P.O. Box 631782 Cincinnati, Ohio 45263-1782 | Dalton Street Facility |
| **P.O. Box 631783 Cincinnati, Ohio 45263-1783 | Dalton Street Facility |
| PO Box 30770 Honolulu, HI 96820-0770 | N/A |
| PO Box 29880 Honolulu, HI 96820-2280 | N/A |
| PO Box 30760 Honolulu, HI 96820-0760 | N/A |
| 3600 Aolele St RM 400 Honolulu, HI 96820-9711 | N/A |

*Prior to such time that the Servicer notifies the Administrator that such account has been closed.

**On and after the date on which such accounts have been opened and subject to a Lock-Box Agreement.

Schedule II-2

SCHEDULE III

GROUP COMMITMENTS

| Group | | | | |
|-----------|-----|--------------------------|--------------|------------------|
| Name | | Capacity | Commitment | Group Commitment |
| PNC Group | | Group | N/A | \$55,000,000 |
| | PNC | Related Committed Lender | \$55,000,000 | |
| | PNC | LC Participant | \$55,000,000 | |
| | PNC | Group Agent | N/A | |
| | PNC | LC Bank | N/A | |

Schedule III-1

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ANNEX A-1
FORM OF MONTHLY REPORT
[Attached]

Annex A-1

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ANNEX A-2
FORM OF WEEKLY REPORT
[Attached]

Annex A-2

771962042

ANNEX B

FORM OF BORROWING NOTICE

[Letterhead of Borrower]

[Date]

[Administrator]

Re: [Borrowing Notice]

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”; the terms defined therein being used herein as therein defined), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc., an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent. Capitalized terms used in this Borrowing Notice and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

This letter constitutes a Borrowing Notice pursuant to Section 1.2(a) of the Agreement. The Borrower hereby requests a Loan in the amount of [\$_____] to be made on [____, 20__] (of which \$[____] will be funded by PNC and \$[____] will be funded by [____]. The proceeds of such Loan should be deposited to [Account number], at [Name, Address and ABA Number of Bank]. After giving effect to such Loan, the Aggregate Capital will be [\$_____.]

On the date hereof, and after giving effect to the Loan requested hereunder, the statements in Section 2(b) of Exhibit II of the Agreement are true.

Annex B-1

IN WITNESS WHEREOF, the undersigned has executed this letter by its duly authorized officer as of the date first above written.

Very truly yours,

CINCINNATI BELL FUNDING LLC

By:

Name: Angela J. Huber

Title: Vice President and Treasurer

Annex B-2

771962042

ANNEX C

FORM OF ASSUMPTION AGREEMENT

Dated as of [_____, 20__]

THIS ASSUMPTION AGREEMENT (this “AGREEMENT”), dated as of [_____, ____], is among CINCINNATI BELL FUNDING LLC (the “Borrower”), [_____] as lender (the “[_____] Conduit Lender”), [_____] as the related committed lender (the “[_____] Related Committed Lender”), [_____] as the related LC Participant (the “[_____] LC Participant”), and together with the Conduit Lender, Related Committed Lender and LC Participant, the “[_____] Lenders”), and [_____] as agent for the [_____] Lenders (the “[_____] Group Agent” and together with the [_____] Lenders, the “[_____] Group”).

BACKGROUND

The Borrower and various others are parties to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Receivables Financing Agreement”), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower (the “Borrower”), Cincinnati Bell Inc., an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent. Capitalized terms used and not otherwise defined herein have the respective meaning assigned to such terms in the Receivables Financing Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. This letter constitutes an Assumption Agreement pursuant to Section 6.3 of the Receivables Financing Agreement. The Borrower desires [the [_____] Lenders] [the [_____] Related Committed Lenders] [the [_____] related LC Participant] to [become Lenders under] [increase its existing Commitment under] the Receivables Financing Agreement and upon the terms and subject to the conditions set forth in the Receivables Financing Agreement, the [_____] Lenders agree to [become Lenders thereunder] [increase its Commitment in an amount equal to the amount set forth as the “Commitment” under the signature of such [_____] Related Committed Lender hereto] [increase its Commitment in an amount equal to the amount set forth as the “Commitment” under the signature of such [_____] related LC Participant hereto].

The Borrower hereby represents and warrants to the [_____] Lenders as of the date hereof, as follows:

(i) the representations and warranties of the Borrower contained in Exhibit III of the Receivables Financing Agreement are true and correct in all material respects on and as the date of such loan as though made on and as of such date (except for representations and warranties which apply as to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date);

Annex C-1

- (ii) no event has occurred and is continuing, or would result from such loan, that constitutes an Event of Default or an Unmatured Event of Default; and
- (iii) the Facility Termination Date has not occurred.

SECTION 2. Upon execution and delivery of this Agreement by the Borrower and each member of the [] Group, satisfaction of the other conditions to assignment specified in Section 6.3 of the Receivables Financing Agreement (including the written consent of the Administrator and each Group Agent) and receipt by the Administrator and the Borrower of counterparts of this Agreement (whether by facsimile or otherwise) executed by each of the parties hereto, [the [] Lenders shall become a party to, and have the rights and obligations of Lenders under, the Receivables Financing Agreement][the [] Related Committed Lender shall increase its Commitment in the amount set forth as the “Commitment” under the signature of the [] Related Committed Lender hereto][the [] related LC Participant shall increase its Commitment in the amount set forth as the “Commitment” under the signature of the [] related LC Participant hereto].

SECTION 3. Each party hereto hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, any Conduit Lender, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and one day after the latest maturing Note issued by such Conduit Lender is paid in full. The covenant contained in this paragraph shall survive any termination of the Receivables Financing Agreement.

SECTION 4. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF A SECURITY INTEREST OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. This Agreement may not be amended, supplemented or waived except pursuant to a writing signed by the party to be charged. This Agreement may be executed in counterparts, and by the different parties on different counterparts, each of which shall constitute an original, but all together shall constitute one and the same agreement.

(continued on following page)

Annex C-2

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date first above written.

[_____] , as a Conduit Lender

By:

Name Printed:

Title:

[Address]

[_____] , as a Related Committed Lender

By:

Name Printed:

Title:

[Address]

[Commitment]

[_____] , as a related LC Participant

By:

Name Printed:

Title:

[Address]

[Commitment]

[_____] , as Group Agent for [_____]

By:

Name Printed:

Title:

[Address]

CINCINNATI BELL FUNDING LLC, as Borrower

Annex C-3

By: _____
Name Printed: _____
Title: _____

Consented and Agreed:

PNC BANK, NATIONAL ASSOCIATION, as Administrator

By: _____
Name Printed: _____
Title: _____

Address: [_____]

PNC BANK, NATIONAL ASSOCIATION, as LC Bank

By: _____
Name Printed: _____
Title: _____

Address: [_____]

[THE GROUP AGENTS]

By: _____
Name Printed: _____
Title: _____

Annex C-4

ANNEX D

FORM OF TRANSFER SUPPLEMENT

Dated as of [_____, 20__]

Section 1.

Commitment assigned: \$ _____
Assignor's remaining Commitment: \$ _____
Capital allocable to Commitment assigned: \$ _____
Assignor's remaining Capital: \$ _____
Interest (if any) allocable to
Capital assigned: \$ _____
Interest (if any) allocable to Assignor's
remaining Capital: \$ _____

Section 2.

Effective Date of this Transfer Supplement: [_____]

Upon execution and delivery of this Transfer Supplement by transferee and transferor and the satisfaction of the other conditions to assignment specified in Section 6.3(c) of the Receivables Financing Agreement (as defined below), from and after the effective date specified above, the transferee shall become a party to, and have the rights and obligations of a Related Committed Lender that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the "Agreement", by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc., an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent.

Annex D-1

ASSIGNOR: _____], as a Related Committed Lender

By: _____
Name: _____
Title: _____

ASSIGNEE: _____], as a Related Committed Lender

By: _____
Name: _____
Title: _____
[Address]

Accepted as of date first above
written:

_____, as Group Agent for
the _____ Group
By: _____
Name: _____
Title: _____

ANNEX E

FORM OF PAYDOWN NOTICE

[LETTERHEAD OF BORROWER]

[Date]

[Administrator]

Re: Paydown Notice

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc., an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank and PNC Capital Markets LLC, as Structuring Agent. Capitalized terms used in this Paydown Notice and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

This letter constitutes a Paydown Notice pursuant to Section 1.1(b) of the Agreement. The Borrower hereby notifies the Administrator and the Lenders that it shall prepay the outstanding Capital of the Lenders in the amount of [\$ _____] to be made on [____, 20__]. After giving effect to such prepayment, the Aggregate Capital will be [\$ _____].

On the date hereof, and after giving effect to the payment contemplated hereunder, the statements in Section 2(b) of Exhibit II of the Agreement are true.

Annex E-1

IN WITNESS WHEREOF, the undersigned has executed this letter by its duly authorized officer as of the date first above written.

Very truly yours,

CINCINNATI BELL FUNDING LLC

By:

Name: Angela J. Huber

Title: Vice President and Treasurer

Annex E-2

771962042

ANNEX F

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date:

To: PNC Bank, National Association, as Administrator

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”; the terms defined therein being used herein as therein defined), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc. (individually, “CB”), an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent.

The undersigned [chief accounting officer, chief financial officer or treasurer] hereby certifies as of the date hereof that he/she is the [chief accounting officer, chief financial officer or treasurer] of CB, and that, as such, he/she is authorized to execute and deliver this certificate to the Administrator on the behalf of CB, and that:

1. Attached hereto is the year-end audited financial statement required by Section 2(a)(i) of Exhibit IV of the Agreement for the fiscal year of CB ended as of the above date.

[select one:]

[2. To the best knowledge of the undersigned, as of the date hereof no Event of Default or Unmatured Event of Default has occurred and is continuing.]

[2. The following is a list of each Event of Default or Unmatured Event of Default and its nature and status:]

[The remainder of this page is intentionally left blank.]

Annex F-1

IN WITNESS WHEREOF, the undersigned has executed this certificate as of _____, _____.

CINCINNATI BELL INC.

By: _____

Name: _____

Title: _____

Annex F-2

ANNEX G

FORM OF LETTER OF CREDIT APPLICATION

[Attached]

Annex G-1

771962042

ANNEX H

[Reserved]

Annex H-1

ANNEX I
DESIGNATED OBLIGORS AND DESIGNATED TERMS

None.

771962042

Annex I-1

ANNEX J
DSO TRIGGER

“DSO Trigger” means forty five (45) days.

771962042

Annex J-1

ANNEX K

[Reserved]

Annex K-1

771962042

ANNEX L
TAX FORMS
[Attached]

Annex L-1

771962042

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc. (individually, “CB”), an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto and PNC Bank, National Association, as Administrator. All terms used but not defined herein shall have their respective meanings in the Agreement.

Pursuant to the provisions of Section 2.10 of the Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrator and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrator, and (2) the undersigned shall have at all times furnished the Borrower and the Administrator with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF LENDER]

By:
Name:
Title:

Date: __, 20[]

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc. (individually, “CB”), an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto and PNC Bank, National Association, as Administrator. All terms used but not defined herein shall have their respective meanings in the Agreement.

Pursuant to the provisions of Section 2.10 of the Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By:
Name:
Title:

Date: __, 20[]

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc. (individually, “CB”), an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto and PNC Bank, National Association, as Administrator. All terms used but not defined herein shall have their respective meanings in the Agreement.

Pursuant to the provisions of Section 2.10 of the Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By:
Name:
Title:

Date: __, 20[]

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Receivables Financing Agreement, dated as of January 31, 2023 (as amended, modified, restated or supplemented from time to time, the “Agreement”), by and among Cincinnati Bell Funding LLC, a Delaware limited liability company, as Borrower, Cincinnati Bell Inc. (individually, “CB”), an Ohio corporation, as initial Servicer, the various Lenders and Group Agents from time to time party thereto and PNC Bank, National Association, as Administrator. All terms used but not defined herein shall have their respective meanings in the Agreement.

Pursuant to the provisions of Section 2.10 of the Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “ten percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrator and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrator, and (2) the undersigned shall have at all times furnished the Borrower and the Administrator with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF LENDER]

By:
Name:
Title:

Date: __, 20[]

Subsidiaries of the Registrant
(as of March 18, 2025)

| Subsidiary Name | State or Country of Incorporation or Formation |
|--|--|
| Cincinnati Bell Wireless, LLC | Ohio |
| Cincinnati Bell Funding LLC | Delaware |
| Cincinnati Bell Telephone Company LLC | Ohio |
| Cincinnati Bell Extended Territories LLC | Ohio |
| Hawaiian Telcom Holdco, Inc. | Delaware |
| Hawaiian Telcom Communications, Inc. | Delaware |
| Hawaiian Telcom Federal LLC | Delaware |
| Hawaiian Telcom, Inc. | Hawaii |
| Hawaiian Telcom Services Company, Inc. | Delaware |
| Wavecom Solutions Corporation | Hawaii |
| SystemMetrics Corporation | Hawaii |
| Agile IWG Holdings, LLC | Delaware |
| Agile Network Builders LLC | Delaware |
| Agile Connect, LLC | Delaware |
| Agile Towers, LLC | Delaware |
| Agile Airband Ohio, LLC | Delaware |
| Agile Networks Indiana, LLC | Delaware |
| Agile Networks Site Development, LLC | Delaware |
| Digital Access Ohio LLC | Delaware |
| Agile TT Holdings LLC | Delaware |
| Ohio TT Coshocton Project LLC | Ohio |
| Ohio TT Coshocton Tower LLC | Ohio |
| Ohio TT Connect Coshocton LLC | Ohio |
| Ohio TT Perry County Project LLC | Ohio |
| Ohio TT Perry County Tower LLC | Ohio |
| Ohio TT Connect Perry County LLC | Ohio |
| Ohio TT Ashtabula Project LLC | Ohio |
| Ohio TT Ashtabula Tower LLC | Ohio |
| Ohio TT Connect Ashtabula LLC | Ohio |
| altafiber Procurement Company LLC | Delaware |

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 7th day of March, 2025.

/s/ Kelly C. Atkinson
Kelly C. Atkinson
Director

STATE OF NORTH CAROLINA)
) SS
COUNTY OF NEW HANOVER)

On this 7th day of March, 2025, personally appeared before me Kelly C. Atkinson, to me known and known to me to be the person described in and who executed the foregoing one-page instrument titled Power of Attorney, dated March 7th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 7th day of March, 2025.

/s/ Chandler Miller
Chandler Miller
Notary Public, State of North Carolina
My Commission Expires: October 25, 2028

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the “Company”), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 14th day of March, 2025.

/s/ Felix A. Bernshteyn
Felix A. Bernshteyn
Director

STATE OF CALIFORNIA)
) SS:
COUNTY OF LOS ANGELES)

On this 14th day of March, 2025, personally appeared before me Felix A. Bernshteyn, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 14th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 14th day of March, 2025.

/s/ Mari Newhoff
Mari Newhoff
Notary Public, State of California
My commission expires: October 24, 2025

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the “Company”), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 10th day of March, 2025.

/s/ Mikhail Y. Dyadyuk
Mikhail Y. Dyadyuk
Director

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 10th day of March, 2025, personally appeared before me Mikhail Y. Dyadyuk, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 10th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 10th day of March, 2025.

/s/ Kerry L. Trenkle
Kerry L. Trenkle
Notary Public, State of New York
My commission expires: July 10, 2026

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 7th day of March, 2025.

/s/ Colleen W. Hanabusa
Colleen W. Hanabusa
Director

STATE OF Hawaii)
) SS:
COUNTY OF Honolulu)

On this 7th day of March, 2025, personally appeared before me Colleen W. Hanabusa, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 7th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 7th day of March, 2025.

/s/ Ryan J. Loeffers
Ryan J. Loeffers
Notary Public, State of Hawaii
My Commission Expires: January 29, 2027

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the “Company”), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 11th day of March, 2025.

/s/ John T. Komeiji
John T. Komeiji
Director

STATE OF Hawaii)
) SS:
COUNTY OF Honolulu)

On this 11th day of March, 2025, personally appeared before me John T. Komeiji, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 11th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 11th day of March, 2025.

/s/ Charlene M. Moriwaki
Charlene M. Moriwaki
Notary Public, State of Hawaii
My Commission Expires: June 11, 2028

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 12th day of March, 2025.

/s/ Steven R. Kutos
Steven R. Kutos
Director

STATE OF CALIFORNIA)
) SS:
COUNTY OF LOS ANGELES)

On this 12th day of March, 2025, personally appeared before me Steven R. Kutos, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 12th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 12th day of March, 2025.

/s/ Mari Newhoff
Mari Newhoff
Notary Public, State of California
My Commission Expires: October 24, 2025

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the “Company”), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 12th day of March, 2025.

/s/ Anton Z. Moldan
Anton Z. Moldan
Director

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 12th day of March, 2025, personally appeared before me Anton Z. Moldan, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 12th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 12th day of March, 2025.

/s/ Catherine Maud Kleszczewski
Catherine Maud Kleszczewski
Notary Public, State of New York
My Commission Expires: August 21, 2025

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the “Company”), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2024 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Joshua T. Duckworth and Mary E. Talbott, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 13th day of March, 2025.

/s/ John L. Scarano
John L. Scarano
Director

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 13th day of March, 2025, personally appeared before me John L. Scarano, to me known and known to me to be the person described in and who executed the foregoing one page instrument titled Power of Attorney, dated March 13th, 2025, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 13th day of March, 2025.

/s/ Alexis Ford
Alexis Ford
Notary Public, State of South Carolina
My Commission Expires: June 28, 2029

Certifications

I, Leigh R. Fox, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Cincinnati Bell 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 and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2025

/s/ Leigh R. Fox

Leigh R. Fox
Chief Executive Officer

Certifications

I, Joshua T. Duckworth, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Cincinnati Bell 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 and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2025

/s/ Joshua T. Duckworth

Joshua T. Duckworth
Chief Financial Officer