

Exhibit D

Exit Revolver Facility Term Sheet

EXECUTION VERSION

**TERM SHEET
(ABL)****\$200 million ABL Facility****Summary of Terms and Conditions**

This Summary of ABL Terms and Conditions (“**ABL Term Sheet**”), summarizes certain terms and conditions of the ABL Facility (as defined below) that are to be entered into in connection with the Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (the “**Plan**”) of Cengage Learning, Inc. (the “**Company**”) and certain of the Company’s affiliates, each such affiliate, a debtor and debtor-in-possession (collectively, the “**Debtors**”) in a case (collectively, the “**Chapter 11 Cases**”) currently pending in the United States Bankruptcy Court for the Eastern District of New York (the “**Bankruptcy Court**”). It is intended that all material terms of the facilities described herein are herein set forth and matters that are not expressly set out in this ABL Term Sheet are subject to mutual agreement of the parties.

**Senior Secured Asset-Based
Revolving Credit Facility:**

A non-amortizing asset-based revolving credit facility in an aggregate principal amount of \$200 million (the “**ABL Facility**”), subject to availability as described under the heading “Availability” below, which will become effective as of the same date as the date of funding (the date of such funding, the “**Closing Date**”) of the \$1.5-1.75 billion senior secured term loan facility (the “**Term Exit Facility**”).

All loans outstanding under the ABL Facility (the “**ABL Loans**”) shall become due and payable on the ABL Maturity Date (as defined below).

Parent:

Cengage Learning Holdings II, L.P., which will be converted into a corporation in connection with the consummation of the Plan (the “**Parent**”).

Borrower:

Cengage Learning Acquisitions, Inc., a wholly-owned subsidiary of Parent or Intermediate Co. (the “**Borrower**”).

Guarantors:

All obligations of the Borrower under the ABL Facility and under any interest rate protection or other swap or hedging arrangements or cash management arrangements entered into with a Lender, the Agent or any affiliate of a Lender or the Agent (“**Hedging/Cash Management Arrangements**”) will be unconditionally guaranteed jointly and severally on a senior secured basis (the “**Guarantees**”) by Parent, a newly formed or existing direct, wholly-owned subsidiary of Parent (“**Inter-**

mediate Co.”) and direct parent company of the Borrower, and each existing and subsequently acquired or organized restricted subsidiary (other than any excluded subsidiary) that is a wholly-owned material domestic restricted subsidiary of the Borrower, other than any domestic subsidiary of a direct or indirect foreign subsidiary (collectively, the “*Guarantors*”); *provided* that none of the following shall constitute a Guarantor (a) any subsidiary of Parent, to the extent the provision of a Guarantee by such subsidiary would result in material adverse tax consequences to the Parent and its subsidiaries as determined by the Parent, in consultation with the Agent, (b) Immaterial Subsidiaries (to be mutually defined), (c) captive insurance companies, (d) special purpose entities, (e) any subsidiary that is prohibited by applicable law, rule or regulation or by any contractual obligation existing on the Closing Date (as defined below) from guaranteeing the ABL Facility or which would require governmental (including regulatory) consent, approval, license or authorization to provide a Guarantee unless such consent, approval, license or authorization has been received prior to the Closing Date and (f) any restricted subsidiary acquired pursuant to a Permitted Acquisition (as defined below) financed with secured indebtedness permitted to be incurred pursuant to the ABL Facility Documentation as assumed indebtedness (and not incurred in contemplation of such Permitted Acquisition) and any restricted subsidiary thereof that guarantees such indebtedness, in each case to the extent such secured indebtedness prohibits such subsidiary from becoming a Guarantor or enter into a Guarantee.

Notwithstanding the foregoing, subsidiaries of the Parent may be excluded from the guarantee requirements in circumstances where the Borrower and the Agent reasonably agree that the cost of providing such Guarantee or of providing collateral security to secure such Guarantee is excessive in relation to the value afforded thereby.

The Guarantors and the Borrower are collectively referred to herein as the “*Loan Parties*” and shall exclude “*Excluded Subsidiaries*” (to be defined in a manner to be mutually agreed).

***Administrative Agent and
Collateral Agent:***

An affiliate of Citigroup Global Markets Inc. (in such capacity, the “*ABL Agent*”).

ABL Lead Arrangers and Bookrunners:

Citigroup Global Markets Inc. (“*Citi*”), Morgan Stanley Senior Funding, Inc. (“*MSSF*”), Deutsche Bank Securities Inc. (“*DBSI*”), Credit Suisse Securities (USA) LLC (“*Credit Suisse*”) and KKR Capital Markets LLC (“*KKR*”) (in such capacity, the “*ABL Arrangers*”).

Lenders:

Such institutions that may become parties to the financing arrangements from time to time as Lenders as are reasonably acceptable to the Company (excluding any Disqualified Lender (as defined below)) with respect to the ABL Facility (collectively, “*Lenders*”).

“*Disqualified Lenders*” shall mean (x) any financial institutions and entities identified by the Borrower to the ABL Arrangers by name in writing on or prior to the syndication launch and (y) any competitors of the Borrower or affiliates of such competitors identified by the Borrower by name in writing but excluding (in the case of clause (y)) bona fide debt funds.

Incremental ABL Facility:

Provided that the representations and warranties in the ABL Facility Documentation shall be true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects) and there is no default or event of default then existing or would, arise therefrom, the Borrower shall be entitled on one or more occasions (in minimum amounts to be agreed) to request that the aggregate commitments under the ABL Facility be increased in an aggregate principal amount not to exceed the sum of the aggregate of \$100 million plus all voluntary permanent commitment reductions of the ABL Facility prior to the date of such incurrence (any such increase, an “*Incremental ABL Facility*”), it being understood that no Lender shall have any obligation to provide any portion of such Incremental ABL Facility. The terms of each Incremental ABL Facility shall be identical to the ABL Facility and each Incremental ABL Facility shall upon its effectiveness be added to (and be made a part of) the ABL Facility (in each case with customary “Sungard” exceptions if proceeds are being used for an acquisition).

The financial institutions party to any Incremental ABL Facility that are not already Lenders shall be subject to the consent of the ABL Agent, the Issuing Banks and, so long as there is no bankruptcy or payment event of default then existing, the

Borrower (such consent not to be unreasonably withheld or delayed).

Swingline Loans:

The ABL Agent (in such capacity, the “***Swingline Lender***”) shall make available to the Borrower a swingline facility to be available as swingline loans (“***Swingline Loans***”) with a sub-limit outstanding at any time of \$25 million under which the Borrower may make short-term borrowings in dollars upon same-day notice (in minimum amounts to be mutually agreed upon and integral multiples to be agreed upon). Any such swingline borrowings will reduce availability under the ABL Facility on a dollar-for-dollar basis.

Upon notice from the Swingline Lender, the ABL Lenders will be unconditionally obligated to purchase participations in any Swingline Loan pro rata based upon their commitments under the ABL Facility.

If any ABL Lender becomes a “defaulting Lender”, then the swingline exposure of such defaulting Lender will automatically be reallocated among the non-defaulting Lenders pro rata in accordance with their commitments under the ABL Facility up to an amount such that the ABL credit exposure of such non-defaulting Lender does not exceed its commitments. In the event such reallocation does not fully cover the exposure of such defaulting Lender, the Swingline Lender may require the Borrower to repay such “uncovered” exposure in respect of the Swingline Loans and will have no obligation to make Swingline Loans to the extent such Swingline Loans would exceed the commitments of the non-defaulting ABL Lenders.

Letters of Credit:

Up to \$50 million of the ABL Facility will be available to the Borrower in the form of letters of credit (“***LCs***”). LCs will be issued by the ABL Arrangers and/or one or more of its designees approved by the Borrower as follows, 29.5% by Citi, 23.5% by MSSF, 23.5% by Deutsche Bank AG New York Branch and 23.5% by Credit Suisse (in such capacity, the “***Issuing Banks***”). Each LC shall expire not later than the earlier of (a) 12 months after its date of issuance or such longer period of time as may be agreed by the applicable Issuing Bank and (b) the fifth business day prior to the final maturity of the ABL Facility; provided that any letter of credit may provide for renewal thereof for additional periods of up to 12 months or such longer period of time as may be agreed by the applicable Issuing Bank (which in no event shall extend beyond the date referred to in clause (b) above, except to the extent cash collateralized or backstopped pursuant to arrangements rea-

sonably acceptable to the relevant Issuing Banks). Any outstanding or drawn (and unreimbursed) LC will reduce availability under the ABL Facility on a dollar-for-dollar basis.

Drawings under any LC shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of borrowings under the ABL Facility) within one business day. To the extent that the Borrower does not reimburse an Issuing Bank within the time period specified above, the Lenders under the ABL Facility shall be irrevocably and unconditionally obligated to reimburse such Issuing Bank pro rata based upon their respective ABL Facility commitments.

If any ABL Lender becomes a “defaulting Lender”, then the ABL Facility LC exposure of such defaulting ABL Lender will automatically be reallocated among the non-defaulting ABL Lenders pro rata in accordance with their commitments under the ABL Facility up to an amount such that the ABL credit exposure of such non-defaulting ABL Lender does not exceed its commitments. In the event that such reallocation does not fully cover the exposure of such defaulting ABL Lender, the applicable Issuing Bank may require the Borrower to cash collateralize such “uncovered” exposure in respect of each outstanding LC and will have no obligation to issue new LCs, or to extend, renew or amend existing LCs to the extent LC exposure would exceed the commitments of the non-defaulting ABL Lenders, unless such “uncovered” exposure is cash collateralized to the Issuing Bank’s reasonable satisfaction.

Multicurrency Option:

ABL Loans and LCs will be available in U.S. Dollars, and may be available in other currencies to be agreed by all ABL Arrangers.

Mandatory Prepayments:

If at any time the sum of the amounts outstanding under the ABL Facility (including the letter of credit outstandings (except to the extent cash collateralized or backstopped) and swingline loans thereunder) exceeds the lesser of (a) the Borrowing Base as in effect at such time and (b) the aggregate commitments under the ABL Facility as in effect at such time, prepayments of ABL Loans and/or Swingline Loans (and/or the cash collateralization of LCs) shall be required in an amount equal to such excess. The above-described mandatory prepayments shall not reduce the aggregate amount of commitments under the ABL Facility and amounts prepaid may be reborrowed.

Optional Prepayments:

Voluntary reductions of the unutilized portion of the ABL Facility commitments and voluntary prepayments of ABL Loans will be permitted at any time in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the ABL Lenders' reasonable and documented redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period.

Use of Proceeds:

To be available after the Closing Date to (i) issue new LCs and (ii) finance the ongoing working capital, capital expenditure and general corporate needs of the Loan Parties.¹

Fees and Interest Rates:

As set forth on Annex I.

Availability:

Availability under the ABL Facility (the "***Availability***") will be equal to the lesser of (a) the then available unutilized commitments under the ABL Facility and (b) the then available unutilized Borrowing Base (as defined below).

"Borrowing Base" shall mean (a) 65% of eligible credit card and other eligible receivables, plus (b) 85% of the appraised net orderly liquidation value (as defined below, "***NOLV***") of eligible inventory, plus (c) 100% of eligible cash up to an amount to be agreed held in deposit accounts maintained with the ABL Agent and subject to the provisions of the section below entitled "Cash Management/Cash Dominion", less (d) such Reserves (as defined below, "***Reserves***") established by the Agent in its Permitted Discretion (as defined below, "***Permitted Discretion***") subject to customary limitations to be set forth in the ABL Facility Documentation.

"NOLV" means the net appraised recovery value of eligible inventory as set forth in the Borrower's stock ledger (expressed as a percentage of the cost of such inventory) as reasonably determined from time to time by reference to the most recent appraisal received by the ABL Agent conducted by an independent appraiser reasonably satisfactory to the ABL Agent.

"Reserves" shall mean the sum of all reserves (including availability reserves), in such amounts and with respect to such matters, as the ABL Agent may establish from time to time in its Permitted Discretion; provided, however, that (i) a reserve shall

¹ Minimum requirement at closing of unrestricted cash and cash equivalents of \$50 million.

not be established to the extent it is duplicative of any other reserves or items that are otherwise excluded through eligibility criteria, (ii) the amount of any reserve shall have a reasonable relationship as determined by the ABL Agent in its Permitted Discretion to the event, condition or other matter that is the basis therefor and (iii) such reserves shall only be established based on an event, condition or other circumstance arising on or after the Closing Date.

“**Permitted Discretion**” shall mean a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment by the ABL Agent in accordance with customary business practices for comparable asset-based transactions. In exercising its Permitted Discretion, the ABL Agent shall not establish or increase any Reserve except upon 3 business days’ prior notice (which may be by e-mail) to the Borrower; provided further that prior notice shall not be required for Reserves for: (a) hedging obligations and obligations under treasury services agreements, in each case to the extent included in secured obligations; (b) rent at locations leased by the Borrower or any Guarantor at which Inventory Collateral (as defined below) is stored not subject to a collateral access agreement reasonably satisfactory to the ABL Agent; (c) consignee’s, warehousemen’s and bailee’s charges; and (d) if in the good faith judgment of the ABL Agent, failure to implement such Reserve immediately could reasonably be expected to result in a Material Adverse Effect or materially and adversely affect the Collateral or the rights of the Lenders hereunder.

The Borrowing Base shall be computed on a monthly basis pursuant to a monthly borrowing base certificate to be delivered by the Borrower to the ABL Agent on the twentieth day of each month (or if during a Cash Dominion Period on a more frequent basis (but not more frequently than weekly) as shall be reasonably determined by the ABL Agent).

Eligibility criteria and reserves (including hedging reserves, if applicable) shall be consistent with the ABL Documentation Principles and shall initially be based on field exams and on appraisals conducted by the ABL Lead Arranger or third parties reasonably satisfactory to it and completed prior to the Closing Date (collectively, the “**Initial Field Exams and Appraisals**”).

Maturity:

The ABL Facility will mature, and the lending commitments thereunder will terminate, on the fifth anniversary of the Clos-

ing Date (the “**ABL Maturity Date**”); provided that the ABL Documentation shall provide the right of individual ABL Lenders to agree to extend the maturity of their commitments upon the request of the Borrower and without the consent of any other ABL Lender (it being understood that each ABL Lender under a tranche of ABL commitments that is being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other ABL Lender under such tranche).

Amortization:

None.

Collateral:

Subject to the limitations set forth below, obligations of the Borrowers under the ABL Facility, the Guarantees, any interest rate protection or other hedging arrangements entered into with any Lender, ABL Agent or any affiliate of any Lender or ABL Agent specifically designated as “ABL Pari Passu Secured Hedging Arrangements” (at the option of the Borrower, subject to customary procedures to be agreed) and the cash management obligations owing to any Lender, the ABL Agent or any affiliate of any Lender or the ABL Agent (at the option of the Borrower, subject to customary procedures to be agreed) will be secured (a) by a perfected first-priority (subject to permitted liens, including in respect of the Exit Facilities, and other exceptions to be agreed) security interest in the following: (i) all personal property of the Borrower and the Guarantors consisting of accounts receivable (including those arising from the sale of inventory and other goods and services including downloads of titles to customers but excluding those arising from the sale or other disposition of Term Priority Collateral), cash, deposit and securities accounts, including all amounts and property contained or on deposit therein or credited thereto (in each case, other than to the extent containing or constituting identifiable proceeds of Term Priority Collateral), tax refunds and related tax payments and, in each case, proceeds of the foregoing, subject to customary exceptions consistent with the ABL Documentation Principles (the “**Current Asset Collateral**”), (ii) substantially all currently owned and after acquired physical inventory of the Borrower and the Guarantors and proceeds thereof (the “**Inventory Collateral**”), (iii) the right to use on a non-exclusive basis trademarks, tradenames and other intellectual property in connection with the sale of inventory or accounts receivable under a royalty free license agreement, (iv) software or applications provided in connection with any “bundled” product or textbook now or in the future sold by the Borrower and the Guarantors, including all access codes for digital homework solutions and rights

relating thereto, including, but not limited to, as maintained on any data backup or disaster recovery site, and (v) general intangibles (other than capital stock, intercompany debt and intellectual property), supporting obligations, documents, chattel paper, commercial tort claims, books, records and instruments in each case governing, evidencing, relating to, or arising in connection with the sale of any ABL Priority Collateral, and proceeds of all of the foregoing, in each case, subject to permitted liens and to exceptions (including the Excluded Assets (as defined below)) and limitations consistent with the ABL Documentation Principles (the foregoing, collectively, the “*ABL Priority Collateral*”) and (b) a perfected second-priority (i) pledge of all the capital stock in subsidiaries held by Parent, Intermediate Co., the Borrower and the Guarantors (*provided* that, (x) in the case of any capital stock of any foreign subsidiary that is owned by the Borrower or any Guarantor that is a domestic subsidiary of Parent, such pledge shall be limited to 65% of the voting stock of first-tier foreign subsidiary, (y) equity interests in other subsidiaries of the Borrower and the Guarantors shall not be pledged to the extent prohibited under applicable law and (z) the capital stock of non-wholly owned subsidiaries shall not be pledged to the extent prohibited by the terms of such subsidiary’s organizational documents or related agreements, in the case of clauses (x) and (y), after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law and other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition), (ii) security interests in, and mortgages on, fee owned real property above a threshold to be agreed and (iii) a security interest in substantially all tangible and intangible personal property not constituting ABL Priority Collateral of the Borrower and each subsidiary Guarantor (as to which a first-priority perfected security interest shall exist), in each case, subject to permitted liens and to exceptions and limitations consistent with the ABL Facility Documentation Principles (such collateral described in clauses b(i), b(ii) and b(iii), the “*Term Priority Collateral*”, and together with the ABL Priority Collateral, the “*Collateral*”).

Notwithstanding anything to the contrary, the Collateral shall exclude the following: (i) any fee owned real property with a value of less than an amount to be agreed (with any required mortgages being permitted to be delivered post-closing) and all real property leasehold interests (including landlord waivers other than to the extent required to comply with the bor-

rowing base requirements of the ABL Facility, provided that the failure to provide a landlord waiver will only result in the creation of a rent reserve, not a default or event of default); (ii) motor vehicles and other assets subject to certificates of title, (iii) letter of credit rights (except to the extent a security interest therein can be perfected by the filing of Uniform Commercial Code financing statements) and commercial tort claims below an amount to be agreed; (iv) pledges and security interests prohibited by applicable law, rule or regulation or agreements with any governmental authority or which would require governmental (including regulatory) consent, approval, license or authorization to provide such security interest unless such consent, approval, license or authorization has been received, in each case after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law and other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition; (v) equity interests in any person other than wholly owned restricted subsidiaries to the extent not permitted by the terms of such subsidiary's organizational or joint venture documents after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law and other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition; (vi) assets to the extent a security interest in such assets would result in a material adverse tax consequence, as reasonably determined by the Borrower and with the consent of the ABL Agent (not to be unreasonably withheld or delayed), it being understood that 100% of the non-voting equity interest and no more than 65% of the voting equity interests, if any, of any first-tier foreign subsidiary owned directly by the Borrower or a Guarantor shall be included in the Collateral; (vii) except to the extent a security interest therein can be perfected by the filing of Uniform Commercial Code financing statements and other than cash and cash equivalents representing proceeds of other "Collateral," assets specifically requiring perfection through control agreements except as set forth under "Cash Management/Cash Dominion" below; (viii) stock and assets of unrestricted subsidiaries; (ix) any lease, license or other agreement or any property subject to a purchase money security interest or similar arrangement permitted by the ABL Facility Documentation to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement

or purchase money arrangement or create a right of termination in favor of, or require the consent of, any other party thereto (other than the Parent, Intermediate Co., the Borrower or a Guarantor) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code notwithstanding such prohibition; and (x) those assets as to which the ABL Agent in consultation with the Borrower reasonably determines that the burden or cost of obtaining such a security interest or perfection thereof outweighs the benefit to the Lenders of the security to be afforded thereby. The foregoing described in clauses (i) through (x) are, collectively, the “*Excluded Assets*”. No Excluded Assets shall be included in determining the Borrowing Base.

Notwithstanding anything to the contrary, the Borrower and the Guarantors shall not be required, nor shall the ABL Agent be authorized, (i) to perfect the above-described pledges, security interests and mortgages by any means other than through (A) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar central filing office) of the relevant State(s) and filings in the applicable real estate records with respect to mortgaged properties or any fixtures relating to mortgaged properties, (B) filings in United States government offices with respect to intellectual property as expressly required in the ABL Facility Documentation, (C) mortgages in respect of fee-owned real property with a fair market value in excess of an amount to be agreed, (D) delivery to the ABL Agent (or the Agent under the Term Exit Facility on its behalf pursuant to the Intercreditor Agreement) to be held in its possession of all Collateral consisting of intercompany notes, stock certificates of the Borrower and its and the Guarantors’ subsidiaries and instruments, in each case as expressly required in the ABL Facility Documentation, (E) control agreements in respect of deposit accounts and securities accounts as provided in clause (ii) below or (F) necessary perfection steps with respect to commercial tort claims or letters of credit over a materiality threshold to be mutually agreed, (ii) to enter into any deposit account control agreement or securities account control agreement with respect to any deposit account or securities account except as expressly set forth under “Cash Management/Cash Dominion” below or (iii) to take any action (other than the actions listed in clause (i)(A), (D) and (F) above) with respect to any assets located outside of the United States (it being understood that there shall be no secu-

rity agreements or pledge agreements governed under the laws of any jurisdiction other than the United States).

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation, consistent with the ABL Documentation Principles and subject to exceptions permitted under the ABL Facility Documentation (as defined below).

Intercreditor Matters:

The relative rights and priorities in the ABL Priority Collateral and in the Term Priority Collateral and among the Lenders under the ABL Facility and the Lenders under the Term Exit Facility will be set forth in a customary intercreditor agreement reasonably acceptable to the ABL Agent and Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent under the Term Exit Facility (in such capacity, the “***Term Agent***”) (the “***Intercreditor Agreement***”).

***Cash Management/
Cash Dominion:***

The Borrower and Guarantors shall deliver account control agreements on the Borrower’s and Guarantors’ concentration accounts designated to hold cash proceeds of ABL Priority Collateral and other accounts to be mutually determined within 60 days after the Closing Date, subject to extensions agreed to by the ABL Agent. During a Cash Dominion Period (as defined below), amounts in controlled concentration accounts will be swept into a core concentration account maintained with the ABL Agent, subject to customary exceptions and thresholds and consistent with the ABL Documentation Principles. “***Cash Dominion Period***” means (a) the period from the date Excess Availability shall have been, for 3 consecutive business days, less than the greater of (i) \$25 million (such amount to be increased by 12.5% of any increase in the commitments under the ABL Facility) and (ii) 12.5% of the lesser of (x) the Borrowing Base and (y) the commitments with respect to the ABL Facility for 3 consecutive business days to the date that Excess Availability shall have been, for 30 consecutive calendar days, at least the greater of (i) \$25 million (such amount to be increased by 12.5% of any increase in the commitments under the ABL Facility) and (ii) 12.5% of the lesser of (x) the Borrowing Base and (y) the commitments with respect to the ABL Facility (a “***Liquidity Condition***”) or (b) following the occurrence of (1) any payment event of default, (2) an event of default arising from the failure: to deliver Borrowing Base certificates or comply with cash management obligations or (3) any bankruptcy event of default (collectively, the “***Specified Defaults***”), for the period that such event of

default shall be continuing. The ABL Agent shall be obligated to release cash control upon the termination of any Cash Dominion Period.

“**Excess Availability**” shall mean, at any time, the remainder of (a) the lesser of (i) the commitments and (ii) the Borrowing Base as then in effect, minus (b) the sum of (i) the aggregate principal amount of all ABL Loans and Swingline Loans then outstanding and (ii) all LCs (except to the extent cash collateralized or backstopped) at such time (plus, without duplication, all unreimbursed disbursements with respect to any letters of credit).

Documentation Principles:

The definitive documentation with respect to the ABL Facility (the “**ABL Facility Documentation**”) will contain conditions to borrowing, definitions, representations, warranties, covenants and events of default generally based on the final documentation of the Term Exit Facility, with such changes and modifications as (a) reflect the terms set forth in this ABL Facility Term Sheet, (b) are otherwise customary for an ABL facility, (c) reflect operational, agency, amendment and waiver, assignment and related provisions not specifically set forth herein but not in contravention of anything specifically set forth in this ABL Facility Term Sheet, (d) needed to conform to Company structure at exit and (e) are mutually agreed, in light of then prevailing market conditions, if necessary in connection with the syndication of the ABL Facility (collectively, the “**ABL Documentation Principles**”).

Representations and Warranties:

Limited to the following (to be applicable to the Borrower and its restricted subsidiaries only and in cases that are mutually agreed to be applicable to Parent and Intermediate Co.): organizational status and good standing; power and authority, qualification, execution, delivery, binding effect and enforceability of the ABL Facility Documentation; with respect to the ABL Facility Documentation, no violation of, or conflict with, law, organizational documents or agreements; compliance with law; litigation; margin regulations; governmental and material third-party approvals; Investment Company Act; accurate and complete disclosure; accuracy of historical and pro forma financial statements and Borrowing Base certificates; no material adverse change (after the Closing Date); taxes; ERISA; employee and labor relations; subsidiaries; intellectual property; environmental laws; ownership of properties; senior debt; creation, perfection and validity of security interests (subject to permitted liens and other exceptions to perfection

to be mutually agreed); and consolidated Closing Date solvency of the Borrower and its subsidiaries, OFAC, FCPA, Patriot Act, subject, in the case of each of the foregoing representations and warranties, to customary qualifications and limitations for materiality to be provided in the ABL Facility Documentation.

Affirmative Covenants:

Limited to the following (to be applicable to the Borrower and its restricted subsidiaries only except for further assurances on collateral, which shall also be applicable to Parent and Intermediate Co.): delivery of annual audited and quarterly unaudited financial statements (which such financial statements will be delivered within (i) in the case of the annual audited financial statements, 150 days after fiscal year end for the first fiscal year ended after the Closing Date and 90 days after fiscal year end for fiscal year thereafter and (ii) in the case of quarterly financial statements, 90 days after quarter end for the first fiscal quarter ended after the Closing Date and 45 days for each quarter ended thereafter), accountants' letters, officers certificates and other information reasonably requested by the Agent, as the case may be; notices of defaults, material litigation and material adverse changes; maintenance of property (subject to casualty, condemnation and normal wear and tear) and customary insurance (but not, for the avoidance of doubt, flood insurance except to the extent required by applicable law); maintenance of existence and corporate franchises, rights, licenses and privileges; maintenance and inspection of books and records; payment of taxes and similar claims; compliance with laws (including OFAC, Patriot Act and FCPA) and regulations; additional Guarantors and Collateral (subject to certain limitations); use of proceeds; and further assurances on collateral matters; delivery of monthly Borrowing Base certificates (subject to more frequent delivery (but not more frequently than weekly) as reasonably determined by the ABL Agent during a Cash Dominion Period or upon certain events of default consistent with the ABL Documentation Principles) and quarterly covenant compliance certificates (whether or not the financial covenant is in effect); and permit annual third-party audit, field examinations and appraisal rights consistent with the ABL Documentation Principles (provided that the ABL Agent shall be entitled to conduct two third-party audits, field examinations and one third-party appraisal at the Borrower's expense annually and an additional third-party audit and/or appraisal at the Borrower's expense in any one year period if the Borrower has Excess Availability under the ABL Facility of less than the greater of \$30 million (such amount

to be increased by 15% of any increase in the commitments under the ABL Facility) and 15% of the lesser of (x) the Borrowing Base and (y) the commitments with respect to the ABL Facility; provided further, that following the occurrence and during the continuation of an event of default, such audits and/or appraisals may be conducted at the Borrower's expense as many times as the ABL Agent shall consider reasonably necessary; and subject, in the case of each of the foregoing covenants, to exceptions and qualifications to be provided in the ABL Facility Documentation.

Negative Covenants:

Limited to (to be applicable to the Borrower and its restricted subsidiaries) limitations on:

- (a) the incurrence of debt;
- (b) liens;
- (c) fundamental changes;
- (d) asset sales (including sales of capital stock of restricted subsidiaries) and sale leasebacks;
- (e) investments, and acquisitions (which shall be permitted by Guarantors in the indebtedness and equity interests of non-Guarantors in connection with the post-closing restructuring);
- (f) dividends or distributions on, or redemptions of, the Borrower's equity interests (which shall include customary exceptions for taxes, other overhead expenses of direct and indirect parents thereof attributable to the ownership of the Borrower and its subsidiaries);
- (g) change in nature of business;
- (h) transactions with affiliates;
- (i) prepayments of junior indebtedness or first lien or pari passu credit facility indebtedness (other than as provided in clause (j) below and other customary exceptions to be agreed);
- (j) voluntary prepayments of indebtedness under the Term Exit Facility or other first lien or pari passu credit facility unless the Payment Conditions are satisfied and as provided below and subject to other customary exceptions to be agreed;

- (k) modifications and amendments of junior indebtedness or first lien or pari passu credit facility indebtedness (other than as provided in clause (l) below) which are materially adverse to the Lenders;
- (l) modifications and amendments of indebtedness under the Term Exit Facility which would adversely affect the ABL Priority Collateral, the Borrowing Base or the ability to make any payments required under the ABL Facility;
- (m) amendments of organizational documents which are materially adverse to the Lenders; and
- (n) burdensome agreements and negative pledge clauses.

Notwithstanding the foregoing, the ABL Facility Documentation will, among other exceptions, permit (i) dividends and other payments in respect of capital stock, (ii) permitted acquisitions, and debt assumed or incurred in connection therewith, subject to pari and senior lien restrictions on ABL Priority Collateral, (iii) unsecured, non-amortizing long-term debt and (iv) a basket for the repurchase of Term Loans, subject to only the following conditions (such conditions, collectively the "*Payment Conditions*"):

- (a) no event of default is then continuing;
- (b) the Borrower has pro forma Excess Availability equal to the greater of (x) \$30 million (such amount to be increased by 15% of any increase in the commitments under the ABL Facility) and (y) 15.0% of the lesser of (1) the commitments with respect to the ABL Facility and (2) the Borrowing Base on such date; and
- (c) the Borrower has a pro forma Fixed Charge Coverage Ratio (with such Fixed Charge Coverage Ratio to be tested quarterly for the four fiscal quarters then ended) of greater than 1.00 to 1.00, provided that the condition set forth in this clause (c) shall not apply if the Borrower has pro forma Excess Availability equal to the greater of (x) \$40 million (such amount to be increased by 20% of any increase in the commitments under the ABL Facility) and (y) 20.0% of the lesser of (1) the commitments with respect to the ABL Facility and (2) the Borrowing Base.

Financial Covenant:

None, as long as Excess Availability is not less than the greater of (a) 10.0% of the lesser of (i) the Borrowing Base or (ii) the commitments with respect to the ABL Facility, and (b) \$20

million (such amount to be increased by 10% of any increase in the commitments under the ABL Facility). In the event that Excess Availability falls below such threshold, the Borrower will not permit the Fixed Charge Coverage Ratio (for the four fiscal quarter period most recently ended for which the Borrower has delivered financial statements) to be less than 1.00 to 1.00. Once tested, the financial covenant shall continue to be tested quarterly until the Borrower exceeds the threshold for 30 consecutive days.

For purposes of determining compliance with the financial covenant, any cash equity (which to the extent constituting other than common equity will be on terms and conditions reasonably acceptable to the ABL Agent) contribution made to Parent after the beginning of the relevant fiscal quarter after the Closing Date and on or prior to the day that is (i) with respect to a breach of the financial Fixed Charge Coverage ratio that occurs on the date that such financial covenant is triggered, the date that is ten (10) days after such trigger date or (ii) otherwise, the date that is ten (10) days after the date on which financial statements are required to be delivered for such fiscal quarter will, at the request of Parent, be included in the calculation of EBITDA for the purposes of determining compliance with the financial covenant at the end of such fiscal quarter and applicable subsequent periods which include such fiscal quarter (any such equity contribution so included in the calculation of EBITDA, a “*Specified Equity Contribution*”), provided that (a) in each four consecutive fiscal quarter period, there shall be at least two consecutive fiscal quarters in respect of which no Specified Equity Contribution is made, (b) no more than five Specified Equity Contributions may be made during the term of the ABL Facility, (c) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Borrower to be in compliance with the financial covenant, (d) any reduction in indebtedness with the proceeds of any Specified Equity Contribution shall be ignored for purposes of determining compliance with the financial covenant, (e) all Specified Equity Contributions shall be disregarded for the purposes of determining pricing, financial ratio-based conditions or any baskets with respect to the covenants contained in the ABL Facility, and (f) the proceeds of any such Specified Equity Contribution shall have been contributed to the Borrower as cash equity.

“*Fixed Charge Coverage Ratio*” means the ratio of (a) Consolidated EBITDA (to be defined in a manner to be mutually agreed) for such Test Period (to be defined in a manner to be

mutually agreed) minus the unfinanced portion of Capital Expenditures (to be defined in a manner to be mutually agreed) made by the Borrower and the restricted subsidiaries during such Test Period to (b) Consolidated Fixed Charges (to be defined in a manner to be mutually agreed) for such Test Period all calculated for the Borrower and the restricted subsidiaries on a consolidated basis.

Unrestricted Subsidiaries:

The Borrower will have the ability to designate certain subsidiaries as unrestricted subsidiaries in a manner to be mutually agreed (subject to the ABL Documentation Principles). Any subsidiary not designated as an unrestricted subsidiary shall constitute a restricted subsidiary.

Events of Default:

Limited to the following (except as otherwise expressly indicated, to be applicable to the Borrower and its restricted subsidiaries only): nonpayment of principal when due; nonpayment of interest or other amounts after a customary five business day grace period; violation of covenants (subject to a 30 day grace period in the case of affirmative covenants that are capable of cure other than maintenance of existence, notice of default and failure to comply with a Cash Dominion Period which shall have no grace period); incorrectness of representations and warranties in any material respect (subject to a 30 day grace period in the case of misrepresentations that are capable of cure other than misrepresentations with respect to, or which would effect, the Borrowing Base shall have no grace period); cross default and cross acceleration to indebtedness in excess of \$50,000,000; bankruptcy or other insolvency events of the Borrower or its material subsidiaries (with a customary grace period for involuntary events); the failure to pay any monetary judgments in excess of \$50,000,000, which judgments are not discharged or effectively waived or stayed for a period of 60 consecutive days; ERISA events; actual or asserted invalidity of material guarantees or security documents; failure to deliver a Borrowing Base certificate (subject to a 5-day cure period, provided, however, there shall be no cure period when a Borrowing Base certificate is required to be delivered weekly); and change of control as set forth below.

Change of Control:

The change of control definition will reflect a widely-held-entity style change of control test only.

Conditions Precedent to Initial Borrowing:

The conditions to effectiveness will be those conditions precedent described in Section 3 of the Joinder and ABL Commitment Letter to which this Exhibit A is attached.

Conditions Precedent to Each Borrowing:

The making of ABL Loans and the issuance, amendment, modification, renewal or extension of LCs under the ABL Facility, including the initial credit extension thereunder, shall be conditioned upon (a) delivery of notice of borrowing and/or request for issuance of LC, as applicable, (b) Availability (subject to the then applicable Borrowing Base), (c) the accuracy of representations and warranties in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects) and (d) the absence of defaults or events of default at the time of, or after giving effect to the making of, such extension of credit.

Expenses and Indemnification:

The Borrower shall pay all reasonable and documented or invoiced out-of-pocket costs and expenses of the ABL Agent, the ABL Arrangers and the Issuing Banks (without duplication) associated with the syndication of the ABL Facility and the preparation, execution and delivery, administration, amendment, modification, waiver and/or enforcement of the ABL Facility Documentation (including the reasonable fees, disbursements and other charges of one firm of counsel and one local counsel in applicable jurisdictions, which may include a single counsel acting in multiple jurisdictions) or otherwise retained with the Borrower’s consent (such consent not to be unreasonably withheld or delayed)). The Borrower shall pay all reasonable and documented or invoiced out-of-pocket costs and expenses of the Lenders (without duplication) associated with the enforcement of the ABL Facility.

The Borrower will indemnify the ABL Agent, the ABL Arrangers, the Issuing Banks, the Lenders and each of their affiliates, and their respective directors, officers, employees, counsel, agents, trustees, investment advisors and attorneys-in-fact of the foregoing (the “*indemnified persons*”), and hold them harmless from and against any and all losses, liabilities, damages, claims and reasonable and documented or invoiced out-of-pocket fees and expenses (including reasonable fees, disbursements and other charges of one counsel for all indemnified persons and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all indemnified persons (and, in the case of an actual or reasonably perceived conflict of interest, where the indemnified person affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected indemnified person)) of any such indem-

nified person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such indemnified person is a party thereto and whether or not such proceedings are brought by the Borrower, its equity holders, its affiliates, creditors or any other third person) that relates to the ABL Facility; provided that no indemnified person will be indemnified for any liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements to the extent it has resulted from (i) the gross negligence, bad faith or willful misconduct of such person or any of its controlled affiliates or controlling persons or any of the officers, directors, employees, agents, advisors, or members of any of the foregoing, in each case who are involved in or aware of the ABL Facility (as determined by a court of competent jurisdiction in a final and non-appealable decision), (ii) a material breach of the ABL Facility Documentation by any such person or one of its affiliates (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (iii) disputes between and among indemnified persons to the extent such disputes do not arise from any act or omission of the Borrower or any of its affiliates (other than claims against an indemnified person acting in its capacity as an agent or arranger, issuing bank or similar role under the ABL Facility unless such claims arise from the gross negligence, bad faith or willful misconduct of such indemnified person, as determined by a court of competent jurisdiction in a final and non-appealable decision).

Governing Law and Forum:

New York. Each of the parties shall (i) waive its right to a trial by jury and (ii) submit to exclusive New York jurisdiction.

Cost and Yield Protection:

The ABL Facility Documentation will contain customary provisions, including with respect to increased costs, payments free and clear of withholding or other taxes (including a customary exception to the gross-up obligations for withholdings relating to FATCA), capital adequacy and yield protection, including with respect to Dodd Frank and Basel III.

Annex I
Interest Rates and Fees

Interest Rate Options:

Borrower may elect that the Loans (other than Swingline Loans) bear interest at a rate per annum equal to:

- (i) the Base Rate plus the Applicable Margin; or
- (ii) the LIBOR Rate plus the Applicable Margin.

Swingline Loans will bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

As used herein:

“**Base Rate**” shall be defined in a manner to be mutually agreed.

“**LIBOR Rate**” shall be defined in a manner to be mutually agreed.

“**Applicable Margin**” means: initially (i) [REDACTED] in the case of LIBOR Rate Loans and (ii) [REDACTED] in the case of Base Rate Loans. Following delivery of the first Borrowing Base certificate for the first full fiscal quarter after the Closing Date, the Applicable Margin shall be based on the grid set forth below (with the Excess Availability dollar amount to be increased on a pro rata basis with the use of the incremental facility):

Pricing Level	Excess Availability	Applicable Margin	
		Base Rate Loans	LIBOR Rate Loans
I	Less than \$67 million	[REDACTED]	[REDACTED]
II	Greater than or equal to \$67 million but less than \$133 million	[REDACTED]	[REDACTED]
III	Greater than \$133 million	[REDACTED]	[REDACTED]

The Borrower may elect interest periods of one week or 1, 2, 3 or 6 months (or, if agreed by all relevant Lenders, 12 months) for adjusted LIBOR borrowings.

Interest Payment Dates:

In the case of Loans bearing interest based upon the Base Rate (“***Base Rate Loans***”), quarterly in arrears.

In the case of Loans bearing interest based upon the LIBOR Rate (“***LIBOR Rate Loans***”), on the last day of each relevant interest period, except in the case of any interest period in excess of three months, every three months.

Letter of Credit Fees:

[REDACTED]

Default Rate:

With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to Base Rate Loans (as defined in Annex I) plus 2.00% per annum and in each case, shall be payable on demand.

Rate and Fee Basis:

All per annum rates shall be calculated on the basis of a year of 360 days and the actual number of days elapsed.

Unused Line Fee:

[REDACTED]

Upfront Fees:

[REDACTED]