Table of Contents

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

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from to

Commission file number: 1-13011

Comfort Systems USA, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**76-0526487**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

9753 Katy Freeway
Suite 700
Houston, Texas 77024
(713) 830-9600
(Address and telephone number of Principal Executive Offices)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, $.01 par value	FIX	New York Stock Exchange

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

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

Indicate by check mark whether the registrant 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 Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant at June 30, 2025 was approximately $18.64 billion, based on the $536.21 last sale price of the registrant's common stock on the New York Stock Exchange on June 30, 2025.

As of February 13, 2026, 35,174,967 shares of the registrant's common stock were outstanding (excluding treasury shares of 5,948,398).

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III (other than the required information regarding executive officers) is incorporated by reference from the registrant's definitive proxy statement, which will be filed with the Commission not later than 120 days following December 31, 2025.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

Certain statements and information in this Annual Report on Form 10-K may constitute forward-looking statements regarding our future business expectations, which are subject to applicable securities laws and regulations. The words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could," or other similar expressions are intended to identify forward-looking statements, which are generally not historic in nature. These forward-looking statements are based on the current expectations and beliefs of the Company concerning future developments and their effect on the Company. While the Company's management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Company will be those that it anticipates, and the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Annual Report on Form 10-K. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Annual Report on Form 10-K, those results or developments may not be indicative of our results or developments in subsequent periods. All comments concerning the Company's expectations for future revenue and operating results are based on the Company's forecasts for its existing operations and do not include the potential impact of any future acquisitions. The Company's forward-looking statements involve significant risks and uncertainties (some of which are beyond the Company's control) and assumptions that could cause actual future results to differ materially from the Company's historical experience and its present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: the use of incorrect estimates for bidding a fixed-price contract; undertaking contractual commitments that exceed the Company's labor resources; failing to perform contractual obligations efficiently enough to maintain profitability; national or regional weakness in construction activity and economic conditions; economic downturns in the markets where the Company operates; shortages of labor and specialty building materials or material increases to the cost thereof; financial difficulties affecting projects, vendors, customers, or subcontractors; unexpected adjustments or cancellations in our backlog resulting in the Company's backlog failing to translate into actual revenue or profits; inflation, supply chain disruptions, and capital market volatility; the loss of significant customers; intense competition in the Company's industry; risks associated with acquisitions, including the ability to successfully integrate those companies; impairment charges for goodwill and intangible assets; reductions or reversals of previously recorded revenue or profits as a result of the Company's cost-to-cost input method of accounting; difficulties in the financial and surety markets; delays and/or defaults in customer payments; difficult work environment; worldwide political and economic uncertainties, including international conflicts and epidemics or pandemics; attraction and retention of key management and employees; the Company's decentralized management structure; our ability to effectively manage our backlog and the size and cost of our operations; failure of third party subcontractors and suppliers to complete work as anticipated; difficulty in obtaining, or increased costs associated with, bonding and insurance; our ability to remain in compliance with covenants under our credit agreement, service our indebtedness, or fund our other liquidity needs; our inability to properly utilize our workforce; increases and uncertainty in insurance costs; regulatory and legal risks, including adverse litigation results, failure to comply with laws and regulations; changes in United States trade policy, and tax-related risks; the imposition of past and future liability from environmental, safety, and health regulations including the inherent risk associated with self-insurance; an increase in our effective tax rate; a material information technology failure or a material cybersecurity breach; risks related to our common stock; failure or circumvention of our disclosure controls and procedures or internal control environment; our ability to manage growth and geographically-dispersed operations; severe weather conditions (such as storms, droughts, extreme heat or cold, wildfires and floods), including as a result of climate change, and any resulting regulations or restrictions related thereto; force majeure events; deliberate, malicious acts, including terrorism and sabotage; findings of inadequate internal controls; changes in accounting rules and regulations; and other risks detailed in our reports filed with the Securities and Exchange Commission (the "SEC").

For additional information regarding known material factors that could cause the Company's results to differ from its projected results, please see its filings with the SEC, including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether because of new information, future events, or otherwise, except as otherwise required by law.

PART I

The terms "Comfort Systems," "we," "us," "our," or "the Company" refer to Comfort Systems USA, Inc. or Comfort Systems USA, Inc. and its consolidated subsidiaries, as appropriate in the context.

ITEM 1. *Business*

Comfort Systems USA, Inc., a Delaware corporation, was established in 1997. We provide mechanical and electrical contracting services. Our mechanical segment principally includes heating, ventilation and air conditioning ("HVAC"), plumbing, piping and controls, as well as off-site construction, monitoring and fire protection. Our electrical segment includes installation and servicing of electrical systems. We build, install, maintain, repair and replace mechanical, electrical and plumbing ("MEP") systems through our 50 operating units with 190 locations in 142 cities throughout the United States.

We operate primarily in the commercial, industrial and institutional MEP markets and perform most of our services in manufacturing, healthcare, education, office, technology, retail and government facilities. Substantially all of our consolidated 2025 revenue was derived from commercial, industrial and institutional customers and multi-family residential projects. Approximately 63.2% of our revenue was attributable to installation services in newly constructed facilities and 36.8% was attributable to renovation, expansion, maintenance, repair and replacement services in existing buildings. Our consolidated 2025 revenue was derived from the following service industries:

Service Activity	Percentage of Revenue
Mechanical Services	73.3 %
Electrical Services	26.7 %
Total	100.0 %

Industry Overview

We believe that commercial, industrial, and institutional mechanical and electrical contracting generate annual revenue in the United States of approximately $700 billion. Mechanical and electrical systems are necessary to virtually all commercial, industrial and institutional buildings. Because most buildings are sealed, HVAC systems provide the primary method of circulating fresh air in such buildings. Replacing an aging building's existing systems with modern, energy-efficient systems significantly reduces a building's energy consumption, carbon footprint, and operating costs while improving air quality and overall system effectiveness. Older commercial, industrial and institutional facilities frequently have poor air quality and provide less comfortable environments, and older HVAC systems result in significantly higher energy consumption than modern systems. As electrical systems age, they require service and replacement, and changing building configurations and technological power load requirements lead to the need to reconfigure and improve electrical systems in buildings on a regular basis.

Many factors affect mechanical and electrical services industry growth, including but not limited to, (i) population growth, which increases the need for commercial, industrial and institutional space, (ii) an aging installed base of buildings and equipment, (iii) increasing sophistication, complexity and efficiency of mechanical and electrical systems, and (iv) growing emphasis on internal air quality, environmental sustainability and energy efficiency.

Our industry can be broadly divided into two categories:

- construction of and installation in new buildings, which provided approximately 63.2% of our revenue in 2025, and
- renovation, expansion, maintenance, repair and replacement in existing buildings, which provided the remaining 36.8% of our 2025 revenue.

Construction, Installation, Expansion and Renovation Services—Construction, installation, expansion and renovation services consist of "design and build" and "plan and spec" projects. In "design and build" projects, the commercial MEP company is responsible for designing, engineering and installing a cost-effective, energy-efficient

system customized to the specific needs of the building owner. Costs and other project terms are normally negotiated between the building owner or its representative and the contracting company. Companies that specialize in "design and build" projects use a consultative approach with customers and tend to develop long-term relationships with building owners and developers, general contractors, architects, consulting engineers and property managers. "Plan and spec" installation refers to projects in which a third-party architect or consulting engineer designs the MEP systems, and the installation project is "put out for bid." We believe that "plan and spec" projects usually take longer to complete and frequently result in less efficient outcomes than "design and build" projects because the system design and installation process are not integrated, thus resulting in more frequent adjustments to project specifications, work requirements and schedules. Our investments in design and building information modeling enable us to collaborate with our customers to achieve reliable and energy efficient construction outcomes and to eliminate unnecessary waste.

Maintenance, Repair and Replacement Services—The Company's services further include maintaining, repairing, replacing, reconfiguring and monitoring previously installed systems and building automation controls. The growth and aging of the installed base of MEP and related systems, changing requirements due to increasing technology deployment and the demand for more efficient systems and more capable building automation controls have fueled growth in these services. The increasing complexity of these systems leads many commercial, industrial and institutional building owners and property managers to outsource maintenance and repair, often through service agreements with service providers. State-of-the-art control and monitoring systems feature electronic sensors and microprocessors that are crucial to energy efficient operations. These systems require specialized training to install, maintain and repair. We believe that the work we perform to enhance and upgrade systems and controls helps Comfort Systems to optimize energy use and fundamentally reduce our nation's carbon footprint.

Strategy

At Comfort Systems USA, Inc., our core purpose is to "Build Legacies" with our people, customers, and the companies who join us. To accomplish this purpose, we strive every day to be the best organization in the world (i) for a craft worker to build a successful career, (ii) for construction, service and administrative professionals to grow and thrive, (iii) for customers to meet their crucial building and service needs, and (iv) for any company in our industry to join with the assurance that their people will be respected and nurtured and that their legacy will be perpetuated and built upon. We focus on strengthening core operating competencies, on leading in sustainability, efficiency, and technological improvement, and on being fairly compensated for the work we do and the risks we manage on behalf of our customers. The key objectives of our strategy are to improve profitability and generate growth in our operations, to enable sustainable and efficient building environments, to improve the productivity of our workforce, and to acquire complementary businesses. Specifically, we are currently focused on the following elements:

Achieve Excellence in Core Competencies—We have identified seven core competencies that we believe are critical to attracting and retaining customers, increasing operating income and cash flow, and maximizing the productivity of our skilled labor force. The seven core competencies are: (i) safety, (ii) customer service, (iii) design and build expertise, (iv) effective pre-construction processes, (v) job and cost tracking, (vi) leadership in energy efficient and sustainable design, and (vii) best-in-class servicing of existing building systems.

Attract, Retain and Invest in our Employees—We seek to attract and retain quality employees by providing an enhanced career path that offers a stable income, attractive benefits, and excellent growth opportunities. We continually invest in training, including programs for project managers, field superintendents, service managers, service technicians, sales managers, estimators, and leadership and development of key managers and leaders. We believe that skilled labor forces in the building and services trades have become increasingly scarce and valuable, and we are increasingly focused on growing and improving our skilled labor force, including through recruitment, development, and skills training for our hourly workers.

Achieve Operating Efficiencies—We think we can achieve operating efficiencies and cost savings through purchasing economies, adopting "best practices," and focusing on efficient job management. We are continually improving the "job loop" at our locations—qualifying, estimating, pricing, and executing projects effectively and efficiently. We also use our combined spend to gain purchasing advantages on products and services such as MEP components, raw materials, services, vehicles, bonding, insurance, and employee benefits.

Focus on Industrial, Commercial and Institutional Markets—We focus on the industrial, commercial, and institutional building markets, including construction, maintenance, repair, and replacement services. We believe that

these complex markets are attractive because of their growth opportunities, large and diverse customer bases, attractive margins, and potential for long-term relationships with building owners.

Leverage Resources and Capabilities—We believe significant efficiencies can be achieved by leveraging resources among our operating locations. We have shifted certain fabrication activities to centralized locations to increase asset utilization. We opportunistically allocate our engineering, field, and supervisory labor from one operation to another to use our employee base more fully, meet our customers' needs and share expertise. Our ability to share resources frequently allows us to pursue work that would otherwise not be available to us and allows us to provide a more diversified and steady deployment of our labor.

Maintain a Diverse Customer, Geographic, and Project Base—We have a distribution of revenue across end-use sectors that we believe reduces our exposure to negative developments in any given sector. We also have significant geographical diversification across all regions of the United States, again reducing our exposure to negative developments in any given region. Our distribution of revenue in 2025 by end-use sector was as follows:

Technology	45.0 %
Manufacturing	22.1 %
Healthcare	8.9 %
Education	7.3 %
Government	5.0 %
Office Buildings	5.0 %
Retail, Restaurants and Entertainment	3.7 %
Multi-Family and Residential	1.4 %
Other	1.6 %
Total	100.0 %

Approximately 92.7% of our revenue is earned on a project basis for installation of systems in newly constructed or existing facilities. As of December 31, 2025, we had 8,427 projects in process with an aggregate contract value of approximately $24.17 billion. Our average project takes six to nine months to complete, with an average contract price of approximately $2.9 million. This average project size, when taken together with the approximately 7.3% of our revenue derived from maintenance and service, provides us with a broad base of work in the construction services sector.

Develop and Adopt Leading Technologies—We are improving productivity by increasing use of innovative techniques in prefabrication, project design and planning, as well as in coordination and production methods. We have invested in the refinement and adoption of prefabrication practices. We work to identify, develop, and implement new materials, products and methods that can achieve greater productivity and more efficient and sustainable outcomes. Above all, we have concluded that as technology develops in our industry, the fundamental prerequisite for leadership is adopting such opportunities in the quality, accuracy, and buildability of our designs. Accordingly, we have invested in experts, training, and internal and external knowledge transfer to ensure that we are properly scaling, optimizing buildability, and fundamentally and continuously improving our design capabilities to meet our customers' evolving requirements. Our goal is to use our scale and strategic investments to maintain a leading position in design and modeling excellence, increase productivity and quality, and ultimately position ourselves to capitalize from ongoing or future technological developments.

Excel at Modular and Off-Site Construction—We believe that modular and off-site construction – the ability to build superior quality plants and systems away from the construction site – has become increasingly important in complex construction projects. Accordingly, we have invested in that capability through acquisitions, and after acquisition we have further invested in improving and growing that service offering. This has led to meaningful growth in our ability to provide this expertise. Through development and acquisitions, we plan to continue to improve our unmatched capability in mechanical off-site or modular construction.

Service Growth Initiative—Over the last several years, we have made substantial investments to expand our service and maintenance revenue by increasing the value we can offer to service and maintenance customers. We are actively concentrating managerial and sales resources on training and hiring experienced employees to sell and profitably perform service work. In many locations we have added or upgraded our capability, and we believe our investments and efforts have provided customer value and stimulated growth in all aspects of our businesses.

Seek Growth through Acquisitions—We believe that we can further increase our cash flow and operating income by continuing to opportunistically enter new markets or service lines through acquisition. We have dedicated a significant portion of our cash flow on an ongoing basis to seeking opportunities to acquire businesses that have strong assembled workforces, excellent historical safety performance, leading design and energy efficiency capabilities, attractive market positions, a record of consistent positive cash flow, and desirable market locations.

Operations and Services Provided

We provide a wide range of construction, renovation, expansion, maintenance, repair and replacement services for MEP and related systems in commercial, industrial and institutional properties. Our local management teams maintain responsibility for day-to-day operating decisions. Local management is augmented by regional leadership that focuses on core business competencies, regional financial performance, cooperation and coordination between locations, implementing best practices and corporate initiatives. In addition to senior management, local personnel generally include design engineers, energy efficiency and sustainability experts, sales personnel, customer service personnel, installation and service technicians, sheet metal and prefabrication technicians, estimators and administrative personnel. We have centralized certain administrative functions such as insurance, employee benefits, training, safety programs, and cash management to enable our local operating management to focus on pursuing new business opportunities and improving operating efficiencies.

Construction and Installation Services for New Buildings—Our installation business related to newly constructed facilities, which comprised approximately 63.2% of our consolidated 2025 revenue, involves the design, engineering, integration, installation and start-up of MEP and related systems. We provide “design and build” and “plan and spec” installation services for office buildings, retail centers, manufacturing plants, healthcare, education and government facilities and other commercial, industrial and institutional facilities. In a “design and build” installation, we work with the customer to determine the needed capacity and to optimize energy efficiency of the MEP systems that best suit the proposed facility. The final design, terms, price and timing of the project are then negotiated with the customer or its representatives, after which any necessary modifications are made to the system plan. In “plan and spec” installation, we participate in a bid process to provide labor, equipment, materials and installation based on the end user’s plans and engineering specifications.

Once an agreement has been reached, we order the necessary materials and equipment for delivery to meet the project schedule. In many instances, we fabricate ductwork, conduit and piping and assemble certain components for the system based on the mechanical drawing specifications. Finally, we install the systems at the project site, working closely with the owner or general contractor. Our average project takes six to nine months to complete, with an average contract price of approximately $2.9 million. We also perform larger project work, with 1,668 contracts in progress as of December 31, 2025 with contract prices in excess of $2 million. Our largest project in progress as of December 31, 2025 had a contract price of $496.9 million. Project contracts typically provide for periodic billings to the customer as we meet progress milestones or incur costs on the project. Project contracts in our industry also frequently allow for a small portion of progress billings or contract price to be withheld by the customer until after we have completed the work. Amounts withheld under this practice are known as retention or retainage.

Renovation, Expansion, Maintenance, Monitoring, Repair and Replacement Services for Existing Buildings—Our renovation, expansion, maintenance, monitoring, repair and replacement services in existing buildings comprised approximately 36.8% of our consolidated 2025 revenue. Maintenance and repair services are provided either in response to service calls or under a service agreement. Service calls are coordinated by customer service representatives or dispatchers to process orders, arrange service calls, dispatch technicians and communicate with and invoice customers. Service technicians work from service vehicles equipped with commonly used parts, supplies and tools to complete a variety of jobs. Optimal maintenance is crucial to energy efficient operations. Commercial, industrial and institutional service agreements usually have terms of one or more years, with automatic annual renewals, and frequently include 30- to 60-day cancellation notice periods. We also provide remote monitoring of power usage, temperature, pressure, humidity and air flow for MEP and other building systems.

Sources of Supply

The raw materials and components we install and service include MEP system components such as ductwork, pipe, valves, fittings, electrical wire, conduit and fixtures, fabricated steel and sheet metal. These raw materials and components are generally available from a variety of domestic or foreign suppliers at competitive prices. During ordinary times, delivery times are typically short for most raw materials and standard components. However, during periods of peak demand, lead-times for certain components may extend to several months. We estimate that the direct purchase of commodities and finished products comprises between 40% and 45% of our average project cost.

Orders for manufactured commercial HVAC equipment, electrical switch gear, and large application power generators have experienced the longest lead-times, and it is not uncommon for lead-times to be greater than six months.

We have procedures to reduce commodity cost exposure, including costs due to tariffs, such as purchasing commodities early for projects, as well as selectively including time or market-based escalation and escape provisions in bids and contracts.

The primary manufacturers of the major components in a commercial MEP system are: Trane, Carrier, York, Daikin (chillers and roof top units), Baltimore Aircoil and SPX (cooling towers), Schneider Electric, Eaton, ABB (electrical switchgear), Caterpillar, Cummins, Kohler (power generators), Johnson Controls, Automated Logic and Siemens (building automation). We do not have any significant contracts guaranteeing us a supply of raw materials or components.

Cyclicality and Seasonality

The construction industry is subject to business cycle fluctuation. As a result, our volume of business, particularly in new construction projects and renovation, may be adversely affected by declines in new installation and replacement projects in various geographic regions of the United States during periods of economic weakness.

The mechanical and electrical contracting industries are also subject to seasonal variations. The demand for new installation and replacement is generally lower during the winter months (the first quarter of the year) due to reduced construction activity during inclement weather and less use of air conditioning during the colder months. Demand for our services is generally higher in the second and third calendar quarters due to increased construction activity and increased use of air conditioning during the warmer months. Accordingly, we expect our revenue and operating results will generally be lower in the first calendar quarter.

Sales and Marketing

We have a diverse customer base, with our top customer representing 12.8% of consolidated 2025 revenue. Our largest customer can change from year to year. Management and a dedicated sales force are responsible for developing and maintaining successful long-term relationships with key customers. Customers generally include building owners and developers and property managers, as well as general contractors, architects and consulting engineers. We intend to continue our emphasis on developing and maintaining long-term relationships with our customers by providing superior, high-quality service in a professional manner. We believe we can continue to leverage the diverse technical and marketing strengths at individual locations to expand the services offered in other local markets. With respect to multi-location service opportunities, we maintain a national sales force in our national accounts group.

Human Capital Resources

Employees—As of December 31, 2025, we had approximately 22,700 employees as compared to approximately 18,300 employees as of December 31, 2024. We have collective bargaining agreements covering 9 employees. We have not experienced and do not expect any significant strikes or work stoppages and believe our relations with employees covered by collective bargaining agreements are good.

Culture and Core Values—Our values define, inform, and guide the way we operate both within the Company and in the communities where we do business. Our core values are to be safe; be honest; be respectful; be innovative; and be collaborative. These values set the foundation for our Code of Conduct, which applies to all employees, officers, and directors of the Comfort Systems family of companies. The Code of Conduct is regularly reinforced to the Company's employees and management through periodic ethics, equal opportunity employment, and anti-corruption

training. In addition, certain business partners, such as consultants, agents, suppliers, contractors, and other third parties, serve as an extension of the Company. They are expected to follow the spirit of our Code of Conduct, all applicable laws, and any applicable contractual provisions when working on our behalf.

We believe that the way we conduct business is just as important as the business we do. Operating with integrity helps us deliver on the promises we have made to each other, our customers, and the communities where we live and work. It is also the basis for ensuring continued growth and success. Everyone at the Company shares a responsibility for doing business ethically and in a sustainable manner, preserving our good name. We ensure that this responsibility applies at every level in our organization, and everyone from officers and directors to our field personnel is responsible for overseeing these efforts.

Recruiting and Training—Our continued success depends, in part, on our ability to continue to attract, retain and motivate qualified craft workers, engineers, service technicians, field supervisors and project managers. We believe our success in retaining qualified employees will be based on the quality of our recruiting, training, compensation, employee benefits and opportunities for advancement. We provide numerous training programs for management, sales, and leadership, as well as on-the-job training, technical training, apprenticeship programs, attractive benefit packages and career advancement opportunities within the Company.

Safety—We have established comprehensive safety programs throughout our operations to ensure that our employees comply with safety standards we have established and that are established under federal, state, and local laws and regulations. Safety leadership establishes safety programs and benchmarking to improve safety across the Company. Additionally, our employment screening process seeks to determine that prospective employees have requisite skills, sufficient background references and acceptable driving records, if applicable. Our rate of incidents recordable under the standards of the Occupational Safety and Health Administration ("OSHA") per one hundred employees per year, also known as the OSHA recordable rate, was 0.93 during 2025.

Diversity and Inclusion—We are an equal opportunity employer, and we welcome and celebrate our teams' differences, experiences, and beliefs. We expect all employees to be treated with dignity and respect in an environment free from discrimination and harassment regardless of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, veteran status, genetic information, or any other protected class. We believe that diversity is a competitive advantage that strengthens our workforce and helps drive growth and innovation. Our Board of Directors (the "Board") and Board committees provide oversight on certain human capital matters, including our diversity and inclusion strategy.

Insurance and Litigation

The primary insured risks in our operations are bodily injury, property damage and workers' compensation injuries. We retain the risk for workers' compensation, employer's liability, auto liability, general liability and employee group health claims resulting from uninsured deductibles per-incident or occurrence. Because we have very large per incident deductibles, the vast majority of our claims are paid by us, so as a practical matter we self-insure the great majority of these risks. Losses up to such per-incident deductible amounts are estimated and accrued based upon known facts, historical trends and industry averages using the assistance of an actuary to project the extent of these obligations.

We are subject to certain claims and lawsuits arising in the normal course of business. We maintain various insurance coverages to minimize financial risk associated with these claims. We have estimated and provided accruals for probable losses and related legal fees associated with certain litigation in our consolidated financial statements. While we cannot predict the outcome of these proceedings, in our opinion and based on reports of counsel, any liability arising from these matters individually and in the aggregate will not have a material effect on our operating results, cash flows or financial condition, after giving effect to provisions already recorded.

We typically warrant labor for the first year after installation on new MEP systems that we build and install, and we pass through to the customer manufacturers' warranties on equipment. We generally warrant labor for 30 days after servicing existing MEP systems. We do not expect warranty claims to have a material adverse effect on our financial position or results of operations.

Competition

The mechanical and electrical contracting industries are highly competitive and consist of thousands of local and regional companies. We believe that purchasing decisions in the commercial, industrial, and institutional markets are based on (i) competitive price, (ii) relationships, (iii) quality, timeliness, and reliability, (iv) tenure, financial strength,

and access to bonding, (v) range of capabilities, and (vi) scale of operation. To improve our competitive position, we focus on both the consultative "design and build" installation market and the maintenance, repair, and replacement market to develop and strengthen customer relationships. In addition, we believe our ability to provide multi-location coverage and a broad range of services gives us a strategic advantage over smaller competitors who may have more limited resources and capabilities.

We believe that we are larger than most of our competitors, which are generally small, owner-operated companies in a specific area. However, there are divisions of larger contracting companies, utilities and MEP equipment manufacturers that provide MEP services in some of the same service lines and geographic areas we serve. Some of these competitors and potential competitors have greater financial resources than we do to finance development opportunities and support their operations. We believe our smaller competitors generally compete with us based on price and their long-term relationships with local customers. Our larger competitors compete with us on those factors but may also provide attractive financing and comprehensive service and product packages.

Vehicles

We operate a fleet of various owned or leased service trucks, vans and support vehicles. We believe these vehicles generally are well maintained and sufficient for our current operations.

Climate Change and Sustainability

We recognize our environmental and societal responsibilities and are committed to sustainability and to improving our environmental footprint as well as operating our business in a manner that seeks to protect the health and safety of our employees, customers, and the public. Our focus on environmental stewardship and improving productivity drives not only our efforts to become more energy efficient but also improvements in our customers' impact on climate change. Replacing an aging building's existing systems with modern, energy-efficient systems significantly reduces a building's energy consumption and carbon footprint while improving cost, air quality, and overall system effectiveness.

We are subject to the requirements of numerous federal, state, and local laws, regulations, and rules that promote the protection of the environment. While capital expenditures or operating costs for environmental compliance cannot be predicted with certainty, we do not currently anticipate that they will have a material effect on our capital expenditures or competitive position in the short term.

In 2025, we continued our efforts to adhere to voluntary reporting standards by (i) submitting to CDP (formerly the Carbon Disclosure Project), wherein, among other things, we disclosed the results of our annual greenhouse gas emissions inventory, and (ii) publishing our 2024 sustainability report, which followed the Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standard Board's standards for the Engineering and Construction Services industry and the Global Reporting Initiative Standards: Core option. Further, we have published a number of policies and guidelines related to environmental, social and governance matters, including: a Supplier Diversity Policy, a Supplier Code of Conduct, an Environmental Policy and a Labor & Human Rights Policy.

Governmental Regulation and Environmental Matters

Our operations are subject to various federal, state and local laws and regulations, including: (i) licensing requirements applicable to engineering, construction and service technicians, (ii) building and MEP codes and zoning ordinances, (iii) regulations relating to consumer protection, including those governing residential service agreements, (iv) special bidding and procurement requirements on government projects, (v) wage and hour regulations, and (vi) regulations relating to worker safety and protection of the environment. For example, our operations are subject to the requirements of OSHA and comparable state laws directed towards protection of employees. We believe we have all required licenses to conduct our operations and are in substantial compliance with applicable regulatory requirements. If we fail to comply with applicable regulations, we could be subject to substantial fines or revocation of our operating licenses.

Many state and local regulations governing the MEP services trades require individuals to hold permits and licenses. In some cases, a required permit or license held by a single individual may be sufficient to authorize specified activities for all of our service technicians who work in the state or county that issued the permit or license. We seek to

ensure that, where possible, we have two employees who hold any such permits or licenses that may be material to our operations in a particular geographic region.

Our operations are subject to the federal Clean Air Act, as amended, which governs air emissions and imposes specific requirements on the use and handling of ozone-depleting refrigerants generally classified as chlorofluorocarbons ("CFCs") or hydrochlorofluorocarbons ("HCFCs"). Clean Air Act regulations promulgated by the United States Environmental Protection Agency ("USEPA") require the certification of service technicians involved in the service or repair of equipment containing these refrigerants and also regulate the containment and recycling of these refrigerants. These requirements have increased our training expenses and expenditures for containment and recycling equipment. The Clean Air Act is intended ultimately to eliminate the use of ozone-depleting substances such as CFCs and HCFCs in the United States and to require alternative refrigerants to be used in replacement HVAC systems. Some replacement refrigerants, already in use, and classified as hydrofluorocarbons ("HFCs") are not ozone-depleting substances. HFCs are considered by USEPA to have high global warming potential. USEPA may at some point require the phase-out of HFCs and expand existing technician certification requirements to cover the handling of HFCs. We do not believe the existing regulations governing technician certification requirements for the handling of ozone-depleting substances or possible future regulations applicable to HFCs will materially affect our business on the whole because, although they require us to incur modest ongoing training costs, our competitors also incur such costs, and such regulations may encourage or require our customers to update their MEP systems.

Additional Information

Our Internet address is *www.comfortsystemsusa.com*. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. These materials are also available at *www.sec.gov*. Our website also includes our code of ethics, titled the "Code of Conduct," together with other governance materials including our corporate governance standards and our Board committee charters for the audit committee, the compensation committee, and the governance and nominating committee; the executive committee, formed in 2019, operates under written grants of authority that may be amended from time to time by the Board. Printed versions of our code of ethics and our corporate governance standards may be obtained upon written request to our Corporate Compliance Officer at our headquarters address.

The content of our websites is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

ITEM 1A. ***Risk Factors***

Our business is subject to a variety of risks and uncertainties, including, but not limited to, the risks and uncertainties described below. You should carefully consider the risks described below, together with all other information included in this report, including information contained in the "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures about Market Risk" sections. Our business, financial condition, results of operations and cash flows could be adversely affected by the occurrence of any of these events, which could cause actual results to differ materially from expected and historical results, and the trading price of our common stock could decline.

Risks Related to Our Business

Economic downturns in the markets in which we operate may materially and adversely affect our business because our business is dependent on levels of construction activity.

The demand for our services is dependent upon the existence of construction projects and service requirements within the markets in which we operate. Any period of economic recession affecting a market or industry in which we transact business is likely to adversely impact our business. Many of the projects we work on have long lifecycles from conception to completion, and the bulk of our performance generally occurs late in a construction project's lifecycle. We experience the results of economic trends well after an economic cycle begins and therefore have generally continued to experience the results of an economic recession well after conditions in the general economy have improved.

The industries and markets in which we operate have been and will continue to be vulnerable to macroeconomic downturns because they are cyclical in nature. When there is a reduction in demand, it often leads to greater price competition as well as decreased revenue and profit. The lasting effects of a recession can also increase economic instability with our vendors, subcontractors, developers, and general contractors, which can increase our liability exposure and result in us not being paid in full or at all on some projects, thus decreasing our revenue and profit. Further, to the extent some of our vendors, subcontractors, developers, or general contractors seek bankruptcy protection, we will likely incur additional attorneys' fees and other professional consultant fees and expenses in connection with pursuing payment in such bankruptcy proceedings, and such increased expenses will likely result in decreased revenue and profit. Additionally, because 5.0% of our revenue for the year ended December 31, 2025 was attributable to projects in the government sector, a reduction in federal, state, or local government spending in our industries and markets could have an adverse effect on our business, financial condition, results of operations and cash flows.

Because we bear the risk of cost overruns in most of our contracts, we may experience reduced profits or, in some cases, losses under these contracts if costs increase above our estimates.

Our contract prices are established largely based on estimates and assumptions regarding our projected costs, including assumptions about: future economic conditions; prices, including commodity prices and inflation; availability of labor, including the costs of providing labor, equipment, and materials; and other factors outside our control. If our estimates or assumptions prove to be inaccurate, circumstances change in a way that renders our assumptions and estimates inaccurate or we fail to successfully execute the work, cost overruns may occur, and we could experience reduced profits or a loss for affected projects. For instance, unanticipated technical problems may arise, we could have difficulty obtaining permits or approvals, local laws, labor costs or labor conditions could change, bad weather could delay construction, raw materials prices could increase, our suppliers or subcontractors may fail to perform as expected or site conditions may be different than we expected. Further, rising inflation may result in higher costs for labor and materials needed to complete our contracts, and we may be unable to pass these heightened costs to our customers. We are also exposed to increases in energy prices, particularly as they relate to gasoline prices. Additionally, in certain circumstances, we guarantee project completion or the achievement of certain acceptance and performance testing levels by a scheduled date. Failure to meet schedule or performance requirements typically results in additional costs to us, and in some cases, we may also create liability for consequential and liquidated damages. Performance problems for existing and future projects could cause our actual results of operations to differ materially from those we anticipate and could damage our reputation within our industry and our customer base.

Our backlog is subject to unexpected adjustments and cancellations, which means that amounts included in our backlog may not result in actual revenue or translate into profits.

Backlog reflects revenue still to be recognized under contracted or committed installation and replacement project work. Our backlog as of December 31, 2025 was $11.94 billion. The predictive value of backlog information is limited to indications of general revenue direction over the near term, and we cannot guarantee that the revenue projected from our backlog will be realized or, if realized, will be profitable. Projects may remain in our backlog for an extended period of time, or project cancellations or scope adjustments may occur with respect to contracts reflected in our backlog. Such changes could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The loss of one or a few customers could adversely affect our business, financial condition, results of operations and cash flows.

A limited number of customers have in the past and may in the future account for a significant portion of our revenue. For example, in 2025, one customer represented approximately 12.8% of our consolidated revenue. Although we have long-standing relationships with many of our significant customers and believe that our portfolio of customers is reasonably diverse, one or more of our significant customers may reduce, fail to renew, or terminate their contracts with us in the future. A loss of business from a significant customer, or a number of significant customers, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Rising inflation, interest rate volatility and an economic recession or downturn may have an adverse effect on our business, financial condition, results of operations, and cash flows.

The global economy has recently experienced high rates of inflation, which increased our costs for labor, materials, utilities and other goods and services. In order to combat inflation, the U.S. Federal Reserve raised interest rates multiple times in recent years and may do so again in 2026 (or may slow any rate reductions from what the market currently anticipates). Economic factors, including inflation and interest rate volatility, may have a negative impact on our business. For instance, we have exposure to changes in interest rates under our revolving credit facility, and as interest rates increase, our debt service obligations on our variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, may correspondingly decrease. The cost of our materials, labor, utilities and other goods and services may continue to rise as a result of inflation and interest rate hikes, and we may not be able to offset such higher costs through price increases. Further, there are concerns that the United States economy could experience a recession. As a result, these conditions have, and they or any similar future conditions may continue to have, an adverse effect on our business, financial condition, results of operations and cash flows.

Intense competition in our industry could reduce our market share and our profit.

The markets we serve are highly fragmented and competitive. Our industry is characterized by many small companies whose activities are geographically concentrated. We compete on the basis of our technical expertise and experience, financial and operational resources, nationwide presence, industry reputation and dependability. While we believe our customers consider a number of these factors in awarding contracts, a large portion of our work is awarded through a bid process. Consequently, price is often the principal factor in determining which contractor is selected, especially on smaller, less complex projects. Smaller competitors are sometimes able to win bids for these projects based on price alone due to their lower cost and financial return requirements. We expect competition to continue in our industry, presenting us with significant challenges in our ability to maintain strong growth rates and acceptable profit margins. We also expect increased competition from in-house service providers because some of our customers have employees who perform service work similar to the services we provide. Vertical consolidation could also contribute to competition in our industry. Moreover, if we do not employ new technologies as quickly or efficiently as our competitors, or if our competitors develop or utilize more cost-effective or customer-preferred technologies (such as data analytics, artificial intelligence and other new and emerging technologies) that give them a competitive advantage in the proposal bidding and selection process, it could have a material adverse effect on our ability to win and retain business from customers. If we are unable to meet these competitive challenges, we will lose market share to our competitors and experience an overall reduction in our profits. In addition, our profitability would be impaired if we have to reduce our prices to remain competitive.

Our recent and future acquisitions may not be successful.

We expect to continue to pursue selective acquisitions of businesses. We cannot guarantee that we will be able to identify acquisitions or that we will be able to consummate transactions on terms and conditions acceptable to us, or that acquired businesses will be profitable. Acquisitions may expose us to additional business risks different than those we have traditionally experienced. We also may encounter difficulties integrating acquired businesses and successfully managing the growth we expect to experience from these acquisitions.

We may choose to finance future acquisitions with debt, equity, cash or a combination of the three. Future acquisitions could dilute earnings or disrupt the payment of a stockholder dividend. To the extent we make acquisitions, a number of risks will result, including:

- the assumption of material liabilities (including for environmental-related costs);
- failure of due diligence to uncover situations that could result in legal exposure or to quantify the true liability exposure from known risks;
- the diversion of management's attention from the management of daily operations to the integration of operations;
- difficulties in the assimilation and retention of employees, in the assimilation of different cultures and practices, in the assimilation of broad and geographically dispersed personnel and operations, and the retention of employees generally;

- the risk of additional financial and accounting challenges and complexities in areas such as tax planning, treasury management, financial reporting and internal controls; and
- we may not be able to realize the cost savings, other financial benefits or synergies we anticipated prior to the acquisition.

The failure to successfully integrate acquisitions could have an adverse effect on our business, financial condition, results of operations, and cash flows.

Third parties contribute significantly to our completion of many projects and labor shortages or increased labor costs from third parties could adversely impact our results of operations.

We hire third-party subcontractors to perform work and depend on third-party suppliers to provide equipment and materials necessary to complete our projects. If we are unable to retain qualified subcontractors or suppliers, or if our subcontractors or suppliers do not perform as anticipated for any reason, our execution, reputation and profitability could be harmed.

Recent labor shortages may also lead to higher wages for employees and higher costs to purchase the services of third parties. Increases in labor costs, such as increases in minimum wage requirements, wage inflation and/or increased overtime, reduce our profitability and that of our customers. Increases in such labor costs for a prolonged period of time could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Earnings for future periods may be impacted by impairment charges for goodwill and intangible assets.

We carry a significant amount of goodwill and identifiable intangible assets on our Consolidated Balance Sheets. Goodwill is the excess of purchase price over the fair value of the net assets of acquired businesses. We assess goodwill for impairment each year, and more frequently if circumstances suggest an impairment may have occurred. We have determined in the past and may again determine in the future that a significant impairment has occurred in the value of our unamortized intangible assets, which could require us to write off a portion of our assets and could have an adverse effect on our financial condition and results of operations.

Our use of the cost-to-cost input method of accounting could result in a reduction or reversal of previously recorded revenue or profits.

A material portion of our revenue is recognized using the cost-to-cost input method of accounting, which results in our recognizing contract revenue and earnings ratably over the contract term in the proportion that our actual costs bear to our estimated contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenue, costs and profitability. We review our estimates of contract revenue, costs and profitability on an ongoing basis. Prior to contract completion, we may adjust our estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced or claims against the customer for increased costs incurred by us due to customer-induced delays and other factors. Contract losses are recognized in the fiscal period when the loss is determined. Contract profit estimates are also adjusted in the fiscal period in which it is determined that an adjustment is required. As a result of the requirements of the cost-to-cost input method of accounting, the possibility exists, for example, that we could have estimated and reported a profit on a contract over several periods and later determined, usually near contract completion, that all or a portion of such previously estimated and reported profits were overstated. If this occurs, the full aggregate amount of the overstatement will be reported for the period in which such determination is made, thereby eliminating all or a portion of any profits from other contracts that would have otherwise been reported in such period or even resulting in a loss being reported for such period. On a historical basis, we believe that we have made reasonably reliable estimates of the progress towards completion on our long-term contracts. However, given the uncertainties associated with these types of contracts, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits.

A significant portion of our business depends on our ability to provide surety bonds. Any difficulties in the financial and surety markets may adversely affect our bonding capacity and availability.

In the past we have been required to increase, and it is possible we will in the future be required to increase, the number and percentage of total contract dollars for which we utilize an underlying surety bond. Historically, surety

market conditions have experienced times of volatility as a result of significant losses incurred by many surety companies and the results of macroeconomic trends outside of our control, such as volatility in the capital markets and the possibility of an extended economic downturn or recession. Consequently, during times when less overall bonding capacity is available in the market, surety terms have become more expensive and more restrictive. If we are unable to maintain a sufficient level of bonding capacity in the future, it could preclude our ability to bid for certain contracts or successfully contract with some customers. Additionally, even if we continue to be able to access bonding capacity to sufficiently bond future work, we may be required to post collateral to secure bonds, which would decrease the liquidity we would have available for other purposes. Our surety providers are under no commitment to guarantee our access to new bonds in the future; thus, our ability to access or increase bonding capacity is at the sole discretion of our surety providers. If our surety companies were to limit or eliminate our access to bonds, our alternatives would include seeking bonding capacity from other surety companies, increasing business with clients that do not require bonds and posting other forms of collateral for project performance, such as letters of credit or cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all. As such, if we were to experience an interruption or reduction in the availability of bonding capacity, it is likely we would be unable to compete for or work on certain projects.

If we experience delays and/or defaults in customer payments, we could be unable to recover all expenditures.

Because of the nature of our contracts, at times we commit resources to projects prior to receiving payments from the customer in amounts sufficient to cover expenditures on projects as they are incurred. Delays in customer payments may require us to make a working capital investment. If a customer defaults in making their payments on a project to which we have devoted resources, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business may be affected by the work environment.

We may need to perform our work under a variety of conditions, including but not limited to, difficult terrain, difficult site conditions and busy urban centers where delivery of materials and availability of labor may be impacted, clean-room environments where strict procedures must be followed and sites that may have been exposed to harsh and hazardous conditions and outbreaks of infectious disease. Extreme weather conditions (such as storms, droughts, extreme heat or cold, wildfires and floods) may limit the availability of resources, increase our costs, or may cause projects to be delayed or cancelled. To the extent climate change results in an increase in extreme weather events and adverse weather conditions, the likelihood of a negative impact on our results of operations may increase. If we are unable to manage the conditions required for certain of our jobs, including the availability of sufficient labor, adherence to environmental, health and safety or other standards, and adequately addressing harsh or hazardous conditions, our business, financial condition, results of operations, and cash flows could be materially and adversely affected.

We are susceptible to adverse weather conditions, which may harm our business and financial results.

Our business can be highly cyclical and subject to seasonal and other variations that can result in significant differences in operating results from quarter to quarter. Moreover, our business may be adversely affected by severe weather in areas where we have significant operations, which could have a material adverse effect on our financial condition, results of operations, and cash flows. Repercussions of severe weather conditions may include:

- curtailment of services;
- suspension of operations;
- inability to meet performance schedules in accordance with contracts and potential liability for liquidated damages;
- injuries or fatalities;
- weather-related damage to our facilities;
- disruption of information systems;
- inability to receive machinery, equipment and materials at jobsites; and
- loss of productivity.

Future climate change could adversely affect us.

Climate change may create physical and financial risk to our business. Physical risks from climate change could, among other things, include an increase in extreme weather events (such as wildfires, floods and hurricanes), rising sea levels and limitations on water availability and quality. Such extreme weather conditions may limit the availability of resources, increasing the costs of our projects, or may cause projects to be delayed or cancelled.

Evolving legislation, foreign and domestic policy, regulation or other restrictions related to climate change could negatively impact our operations or our customers' operations. Diverging concerns about climate change and other environmental issues may result in varying environmental regulations and restrictions on our operations. Operating in a number of jurisdictions could make our compliance with laws relating to climate change rules more complex and expensive and potentially expose us to greater levels of legal risks associated with our compliance. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of the federal, state, or local regulatory agencies, could increase the costs of projects for our customers or, in some cases, prevent a project from going forward, which could in turn have a material adverse effect on our business, financial condition, results of operations and cash flows. Our failure to comply with any applicable laws could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention.

Continuing worldwide political and economic uncertainties may adversely affect our business, financial condition, results of operations, and cash flows.

The last several years have been marked by worldwide political and economic uncertainty resulting from a number of factors, including decreased consumer confidence, the effects of international conflicts such as the wars between Russia and Ukraine and unrest in the Middle East, supply chain disruptions, tariffs, rising energy costs and inflation. This uncertainty has made (and may continue to make) it extremely difficult for our customers, vendors and us to accurately forecast and plan future business activities, and could lead to constrained spending on our services, delays and a lengthening of our business development efforts, the demand for more favorable pricing or other terms, and/or difficulty in collection of our accounts receivable. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects. Further, ongoing political and economic instability has caused (and could continue to cause) supply chain disruptions and volatility in the capital markets, which may increase our costs of capital and limit our ability to access the capital markets at a time when we would like, or need, to raise capital. These conditions could have a material adverse effect on our business, financial conditions, results of operation and cash flows.

Risks Related to Our Operations

If we are unable to attract and retain qualified managers and employees, we will be unable to operate efficiently, which could reduce our profitability.

Our business is labor intensive, and many of our operations experience a high rate of employee turnover. At times of low unemployment rates in the United States, it is typically more difficult for us to find qualified personnel at low cost in some geographic areas where we operate. Additionally, our business is managed by a small number of key executive and operational officers. We may be unable to hire and retain the sufficient skilled labor force necessary to operate efficiently and to support our growth strategy. Our labor expenses may increase as a result of a shortage in the supply of skilled personnel. Labor shortages, including the recent U.S. labor shortage, increased labor costs or the loss of key personnel could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, our relationships with some customers could suffer if we are unable to retain the employees with whom those customers primarily work and have established relationships.

Future growth could also impose significant additional responsibilities on members of our senior management, including the need to recruit and integrate new senior level managers and executives. To the extent that we are unable to manage our growth effectively, or are unable to attract and retain additional qualified management, we may not be able to expand our operations or successfully execute our business plan.

We are a decentralized company and place significant decision-making powers with our subsidiaries' management, which presents certain risks.

We believe that our practice of placing significant decision-making power with local management is important to our successful growth and allows us to be responsive to opportunities and to our customers' needs. However, this

practice presents certain risks, including the risk that we may be slower or less effective in our attempts to identify or react to problems affecting an important business than we would under a more centralized structure or that we would be slower to identify a misalignment between the overall business strategy of the Company and any of our subsidiaries. Further, if a subsidiary fails to follow the Company's compliance policies, we could be made party to a contract, arrangement or situation that requires the assumption of large liabilities or has less advantageous terms than is typically found in the market.

If we do not effectively manage our backlog and the size and cost of our operations, our existing infrastructure may become either strained or over-burdensome, and we may be unable to increase or sustain revenue growth.

The growth that we have experienced in the past, that we are currently experiencing, and that we may experience in the future, may provide challenges to our organization, requiring us to expand our personnel and our operations. Growth may strain our infrastructure, operations and other managerial and operating resources. We have also experienced in the past severe constriction in the markets in which we operate and, as a result, in our operating requirements. Failing to maintain the appropriate cost structure during a particular economic cycle may result in our incurring costs that affect our profitability or failing to be prepared for unprecedented growth. If our business resources become strained or over-burdensome, our earnings may be adversely affected, and we may be unable to increase revenue growth. Further, we may undertake contractual commitments that exceed our labor, managerial or other resources, which could have a material adverse effect on our business, financial condition, results of operations and cash flows and cause material reputational or other harm.

Information technology system failures, network disruptions or cybersecurity breaches could adversely affect our business.

We use and rely significantly on sophisticated information technology systems and infrastructure, including computer systems, hardware, software, technology and online sites and networks (collectively, "IT Systems"), in conducting our day-to-day operations, providing services to certain customers and protecting sensitive Company information. We own and manage some of these IT Systems but also rely on third-party software and information technology, including but not limited to cloud computing services, for certain of our critical accounting, project management and financial information systems. We and certain of our third-party providers collect and retain information about our customers, stockholders, vendors and employees, including information about individuals, as well as proprietary information belonging to our business (collectively, "Confidential Information").

We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Systems and Confidential Information, including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error (including the misuse of artificial intelligence tools by our employees), and as a result of malicious code embedded in open-source software, or misconfigurations, bugs or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT Systems, products or services. Because we make extensive use of third-party suppliers and service providers, such as cloud services that support our internal and customer-facing operations, successful cyberattacks that disrupt or result in unauthorized access to third party IT Systems can materially impact our operations and financial results. Remote and hybrid working arrangements at the Company (and at many third-party providers) also increase cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. Additionally, any integration of artificial intelligence in our or any service providers' operations, products or services is expected to pose new or unknown cybersecurity risks and challenges. Any circumvention or failure of our cybersecurity defenses or measures could compromise the confidentiality, integrity, and availability of our customers' own IT Systems and/or Confidential Information as well.

Moreover, cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools—including artificial intelligence to engage in automated, targeted, and coordinated attacks—that circumvent security controls, evade detection and remove forensic evidence. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. As a result, we may be required to expend significant resources to protect

against the threat of system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches.

IT Systems failures could disrupt our operations by causing transaction errors, processing inefficiencies, the loss of customers, other business disruptions or the loss of Confidential Information. We have in the past experienced system interruptions and delays and expect that such interruptions and delays may occur in the future, given the increasing diversity and sophistication of cybersecurity threats. In addition, our IT Systems could be damaged or interrupted by natural disasters, power loss, or telecommunications failures. These events could impact our customers, employees and reputation and lead to financial losses from remediation actions, loss of business or access to our business data, potential liability or an increase in expenses, all of which may have a material adverse effect on our business. Similar risks could affect our customers and vendors, indirectly affecting us.

We also periodically evaluate the need to upgrade or replace our IT Systems to protect our information technology environment, to stay current on vendor supported products and to improve the efficiency and scope of our IT Systems and information technology capabilities. The implementation of new IT Systems and information technology could adversely impact our operations by requiring substantial capital expenditures, diverting management's attention, or causing delays or difficulties in transitioning to new IT Systems. In addition, our IT Systems implementations may not result in productivity improvements at the levels anticipated. IT Systems implementation disruption and any other information technology disruption, if not anticipated and appropriately mitigated, could have an adverse effect on our business. Any failure by us or our third party vendors to maintain the security, proper function and availability of our IT Systems or Confidential Information could result in financial losses, interrupt our operations, damage to our reputation, cause us to be in default of material contracts and subject us to liability claims or proceedings (such as class actions), regulatory investigations or enforcement actions, fines and penalties, and/or significant incident response, system restoration or remediation and future compliance costs, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows, and the value of our securities.

In addition, current and future laws and regulations governing data privacy and the unauthorized disclosure of personal information may pose complex compliance challenges and result in additional costs. A failure to comply with such laws and regulations could result in penalties or fines, legal liabilities or reputational harm. The continuing and evolving threat of cyber-attacks has also resulted in increased regulatory focus on risk management and prevention.

Our insurance policies against many potential liabilities require high deductibles, and our risk management policies and procedures may leave us exposed to unidentified or unanticipated risks. Additionally, difficulties in the insurance markets may adversely affect our ability to obtain necessary insurance.

We insure various general liability, workers' compensation, property and auto risks as well as other risks through a variety of direct insurance policies and a captive insurance company that are reinsured for risks above certain deductibles and retentions. All of our insurance policies and programs are subject to high deductibles and retentions; as such, we are, in effect, self-insured for substantially all of our customary claims. We hire an actuary to determine any liabilities for unpaid claims and associated expenses for the three major lines of coverage (workers' compensation, general liability and auto liability). The determination of these claims and expenses and the appropriateness of the estimated liability are reviewed and updated quarterly. However, insurance liabilities are difficult to assess and estimate due to the many relevant factors, the effects of which are often unknown, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents that have occurred but are not reported and the effectiveness of our safety program. Our accruals are based on known facts, historical trends (both internal trends and industry averages) and our reasonable estimate of our future expenses. We believe our accruals are adequate. However, our risk management strategies and techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. If any of the variety of instruments, processes or strategies we use to manage our exposure to various types of risk are not effective, we may incur losses that are not covered by our insurance policies or that exceed our accruals or coverage limits.

Additionally, we typically are contractually required to provide proof of insurance for projects on which we work. Historically, insurance market conditions become more difficult for insurance consumers during periods when insurance companies suffer significant investment losses as well as casualty losses. Consequently, it is possible that insurance markets will become more expensive and restrictive. Also, our prior casualty loss history might adversely affect our ability to procure insurance within commercially reasonable ranges. As such, we may not be able to maintain commercially reasonable levels of insurance coverage in the future, which could preclude our ability to work on many

projects and increase our overall risk exposure. Our insurance providers are under no commitment to renew our existing insurance policies in the future; therefore, our ability to obtain necessary levels or kinds of insurance coverage is subject to market forces outside our control. If we were unable to obtain necessary levels of insurance, it is likely we would be unable to compete for or work on most projects.

Failure to remain in compliance with covenants under our credit agreement, service our indebtedness, or fund our other liquidity needs could adversely impact our business.

Our credit agreement and related restrictive and financial covenants are more fully described in Note 9 of "Notes to Consolidated Financial Statements." Our failure to comply with any of these covenants under the credit agreement, or to pay principal, interest or other amounts when due thereunder, would constitute an event of default under the credit agreement. Default under our credit agreement could result in (i) us no longer being entitled to borrow under the agreement; (ii) termination of the agreement; (iii) acceleration of the maturity of outstanding indebtedness under the agreement; and/or (iv) foreclosure on any collateral securing the obligations under the agreement. If we are unable to service our debt obligations or fund our other liquidity needs, we could be forced to curtail our operations, reorganize our capital structure (including through bankruptcy proceedings) or liquidate some or all of our assets in a manner that could cause holders of our securities to experience a partial or total loss of their investment in us.

Our inability to properly utilize our workforce could have a negative impact on our profitability.

The extent to which we utilize our workforce affects our profitability. Underutilizing our workforce could result in lower gross margins and, consequently, a decrease in short-term profitability. On the other hand, overutilization of our workforce could negatively impact safety, employee satisfaction and project execution, leading to a potential decline in future project awards. The utilization of our workforce is impacted by numerous factors, including:

- our estimate of headcount requirements and our ability to manage attrition;
- efficiency in scheduling projects and our ability to minimize downtime between project assignments; and
- productivity.

Regulatory and Legal Risks

Actual and potential claims, lawsuits and proceedings could ultimately reduce our profitability and liquidity and weaken our financial condition.

We have in the past, and will likely continue to be in the future, named as a defendant in legal proceedings claiming damages from us in connection with the operation of our business. We also may be required to indemnify third parties for litigation brought against such third parties, even if we are not a defendant. These actions and proceedings may involve claims for, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, breach of contract or property damage. In addition, we may be subject to class action lawsuits involving allegations of violations of the Fair Labor Standards Act and state wage and hour laws. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such actions or proceedings. We also are, and are likely to continue to be, from time to time, a plaintiff in legal proceedings against customers, in which we seek to recover payment of contractual amounts we are owed as well as claims for increased costs we incur. When appropriate, we establish provisions against possible exposures, and we adjust these provisions from time to time according to ongoing exposure. If our assumptions and estimates related to these exposures prove to be inadequate or inaccurate, it could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, claims, lawsuits and proceedings may harm our reputation or divert management resources away from operating our business.

We typically warrant the services we provide, guaranteeing the work performed against defects in workmanship and the material we supply. Historically, warranty claims have not been material as our customers evaluate much of the work we perform for defects shortly after work is completed. However, if warranty claims occur, we could be required to repair or replace warrantied items at our cost. In addition, in some circumstances, our customers may elect to repair or replace the warrantied item by using the services of another provider and require us to pay for the cost of the repair or replacement. Costs incurred as a result of warranty claims could adversely affect our business, financial condition, results of operations, and cash flows.

Misconduct by our employees, subcontractors or partners or our failure to comply with laws or regulations could harm our reputation, damage our relationships with customers, reduce our revenue and profits, and subject us to criminal and civil enforcement actions.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one or more of our employees, directors, executive officers, subcontractors or partners could have a significant negative impact on our business and reputation. Examples of such misconduct include employee or subcontractor theft, personal misconduct and failure to comply with health and safety standards, laws and regulations (including environmental laws), customer requirements, and any other applicable laws or regulations. While we take precautions to prevent and detect these activities, such precautions may not be effective and are subject to inherent limitations, including human error and fraud. Our failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, harm our reputation, lead to loss of the services of employees or members of management, damage our relationships with customers, have a material adverse effect on our business, financial condition, results of operations, and cash flows, and subject us to criminal and civil enforcement actions.

We have subsidiary operations throughout the United States and are exposed to multiple state and local regulations, as well as federal laws and requirements applicable to government contractors. Changes in law, regulations or requirements, or a material failure of any of our subsidiaries or us to comply with any of them, could increase our costs and have other negative impacts on our business.

Our 190 locations are located in 27 states, which exposes us to a variety of different state and local laws and regulations, particularly those pertaining to contractor licensing requirements. These laws and regulations govern many aspects of our business, and there are often different standards and requirements in different locations. In addition, our subsidiaries that perform work for federal government entities are subject to additional federal laws and regulatory and contractual requirements. Changes in any of these laws, or any of our subsidiaries' material failure to comply with them, can adversely impact our business, financial condition, results of operations, and cash flows by, among other things, increasing costs, distracting management's time and attention from other items, and harming our reputation.

As government contractors, our subsidiaries are subject to a number of rules and regulations, and their contracts with government entities are subject to audit. Violations of the applicable rules and regulations could result in a subsidiary being barred from future government contracts.

Government contractors must comply with many regulations and other requirements that relate to the award, administration and performance of government contracts. A violation of these laws and regulations could result in imposition of fines and penalties, the termination of a government contract or debarment from bidding on government contracts in the future. Further, despite our decentralized nature, a violation at one of our locations could impact other locations' ability to bid on and perform government contracts. Additionally, because of our decentralized nature, we face risks in maintaining compliance with all local, state and federal government contracting requirements. Because 5.0% of our revenue for the year ended December 31, 2025 was attributable to projects in the government sector, prohibitions against bidding on future government contracts could have an adverse effect on our business, financial condition, results of operations, and cash flows.

Past, current and future environmental, social, governance, sustainability, safety and health regulations could impose significant additional costs on us that could reduce our profits.

HVAC systems are subject to various environmental statutes and regulations, including the federal Clean Air Act and those regulating the production, servicing and disposal of certain ozone-depleting refrigerants used in HVAC systems. There can be no assurance that the regulatory environment in which we operate will not change significantly in the future. Various local, state and federal laws and regulations impose licensing standards on technicians who install and service HVAC systems. Additional laws, regulations and standards apply to contractors who perform work that is being funded by public money, particularly federal public funding. Our failure to comply with these laws and regulations could subject us to substantial fines, the loss of our licenses or potentially debarment from future publicly funded work. It is impossible to predict the full nature and effect of judicial, legislative or regulatory developments relating to health and safety regulations and environmental protection regulations applicable to our operations. Additionally, industries in which our customers or potential customers operate may be affected by new or changing environmental, safety, health or other regulatory requirements, leading to decreased demand for our services and potentially impacting our business, financial condition, results of operations, cash flows and ability to grow.

Additionally, actual or perceived environmental, social and corporate governance ("ESG") and other sustainability matters and our response to these matters could harm our business. Diverging and varied governmental and societal attention to ESG and sustainability matters, including expanding mandatory and voluntary reporting, diligence and disclosure on topics such as climate change, human capital, labor and risk oversight, could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. If we are unable to adequately address such ESG and sustainability matters or fail to comply with all laws, regulations, policies and related interpretations, it could negatively impact our reputation and our business results.

Unsatisfactory safety performance may subject us to penalties, affect customer relationships, result in higher operating costs, negatively impact employee morale and result in higher employee turnover.

Our projects are conducted at a variety of sites including construction sites and industrial facilities. Each location is subject to numerous safety risks, including fall risks, electrocutions, fires, explosions, mechanical failures, weather-related incidents, transportation accidents, damage to equipment and, with respect to indoor sites, an increased risk of infectious disease. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations, large damage claims and, in extreme cases, criminal liability. While we have taken what we believe are appropriate precautions to minimize safety risks and continuously focus on adopting improved safety practices, we have experienced serious accidents, including fatalities, in the past and may experience additional accidents in the future. Serious accidents may subject us to penalties, civil litigation or criminal prosecution. Claims for damages to property or persons, including claims for bodily injury or loss of life, could result in significant costs and liabilities, which could adversely affect our business, financial condition, results of operations, and cash flows. Poor safety performance could also jeopardize our relationships with our customers, negatively impact employee morale and harm our reputation.

Changes in U.S. foreign relations, in particular foreign trade policies could lead to the imposition of additional trade barriers and tariffs.

We cannot predict the full extent of new, extended, or changed trade policies, including tariffs, that may be made by the current or a future presidential administration or Congress, including whether existing tariff policies will be maintained or modified or if changes in the U.S. trade policy could result in reactions from U.S. trading partners, such as adopting responsive trade policies making it more difficult or costly for us to purchase materials or supplies. These changes in U.S. trade policy or in laws and policies governing foreign trade or foreign relations generally, and any resulting negative sentiments towards the United States as a result of such changes, could have an adverse impact on our business, financial condition, results of operations, and cash flows.

Tax matters, including changes in corporate tax laws and disagreements with taxing authorities, could impact our results of operations and financial condition.

We conduct business throughout the United States and file income taxes in federal and virtually all state jurisdictions. In the ordinary course of our business, there are transactions and calculations in which the ultimate tax determination is uncertain. Our accounting for income taxes requires significant judgments and may be impacted by changes to our assessment of our projected tax liability, including our ability to realize deductions or credits in various tax jurisdictions. Moreover, we may be affected by our ability to utilize, or in the valuation of, our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business. Changes in tax laws, tax rates and regulations, and/or changes in interpretations of tax laws, regulations or other tax guidance, could also materially impact our provision for income taxes, deferred tax assets and liabilities, and liabilities for uncertain tax positions.

Our results of operations are reported based on our determination of the amount of taxes we owe in various tax jurisdictions, and our provision for income taxes and tax liabilities are subject to review or examination by taxing authorities in applicable tax jurisdictions. The outcome of such a review or examination including any related tax liabilities, interest or penalties, could adversely affect our operating results and financial condition. Further, the results of tax examinations and audits could have a negative impact on our business, financial condition, results of operation, and cash flows where the results differ from the liabilities recorded in our financial statements.

Risks Related to Our Common Stock

Our common stock, which is listed on the New York Stock Exchange, has from time to time experienced significant price and volume fluctuations. These fluctuations are likely to continue in the future, and our stockholders may suffer losses.

The market price of our common stock may change significantly in response to various factors and events beyond our control. A variety of events may cause the market price of our common stock to fluctuate significantly, including the following: (i) the risk factors described in this Annual Report on Form 10-K; (ii) a shortfall in operating revenue or net income from that expected by securities analysts and investors; (iii) quarterly fluctuations in our operating results; (iv) changes in securities analysts' estimates of our financial performance or that of our competitors or companies in our industry generally; (v) general conditions in our customers' industries; (vi) general conditions in the securities markets; (vii) our announcements of significant contracts, milestones and acquisitions; (viii) our relationship with other companies; (ix) our investors' view of the sectors and markets in which we operate; and (x) additions or departures of key personnel. Some companies that have volatile market prices for their securities have been subject to security class action suits filed against them. If a suit were to be filed against us, regardless of the outcome, it could result in substantial costs and a diversion of our management's attention and resources. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Future sales of our common stock may depress our stock price.

Sales of a substantial number of shares of our common stock in the public market or otherwise, either by us, a member of management or a major stockholder, or the perception that these sales could occur, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

Our charter contains certain anti-takeover provisions that may inhibit or delay a change in control.

Our certificate of incorporation authorizes our Board to issue, without stockholder approval, one or more series of preferred stock having such preferences, powers and relative, participating, optional and other rights (including preferences over the common stock respecting dividends and distributions and voting rights) as the Board may determine. The issuance of this "blank-check" preferred stock could render more difficult or discourage an attempt to obtain control by means of a tender offer, merger, proxy contest or otherwise. Additionally, certain provisions of the Delaware General Corporation Law or even certain provisions of our credit agreement may also discourage takeover attempts that have not been approved by the Board.

General Risk Factors

Force majeure events, including natural disasters, outbreaks of infectious disease, and terrorists' actions, could negatively impact our business, which may affect our financial condition, results of operations, and cash flows.

Force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters, as well as outbreaks of infectious disease (*e.g.*, COVID-19) and terrorist actions, could negatively impact us. We typically negotiate contract language through which we are granted certain relief from force majeure events in private client contracts and review and attempt to mitigate force majeure events in both public and private client contracts. We remain obligated to perform our services after most extraordinary events subject to relief that may be available to us pursuant to a force majeure clause. If we are not able to react quickly to force majeure events, our operations may be affected significantly, which would have a negative impact on our business, financial position, results of operations, cash flows and liquidity and could also negatively affect our reputation in the marketplace.

Deliberate, malicious acts, including terrorism and sabotage, could damage our facilities, disrupt our operations or injure employees, contractors, customers or the public and result in liability to us.

Intentional acts of destruction could damage or destroy our facilities, reducing our operational production capacity and potentially requiring us to repair or replace our facilities at substantial cost. Additionally, employees, contractors and the public could suffer substantial physical injury from acts of terrorism for which we could be liable. Governmental authorities may also impose security or other requirements that could make our operations more difficult

or costly. The consequences of any such actions could adversely affect our business, financial condition, results of operations, and cash flows.

We are required to assess and report on our internal control over financial reporting each year. Findings of inadequate internal control could reduce investor confidence in the reliability of our financial information.

As directed by the Sarbanes-Oxley Act, the SEC adopted rules generally requiring public companies, including us, to include in their annual reports on Form 10-K a report of management that contains an assessment by management of the effectiveness of our internal control over financial reporting. In addition, the independent registered public accounting firm auditing our financial statements must report on the effectiveness of our internal control over financial reporting. A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by such company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and records of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

We may discover in the future that we have deficiencies in the design and operation of our internal control. In addition, we may acquire companies whose internal control has design or operational deficiencies, which could impair our ability to integrate those companies into our internal control environment. If any of the deficiencies in our internal control, either by itself or in combination with other deficiencies, becomes a "material weakness" such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis, we may be unable to conclude that we have effective internal control over financial reporting. In such event, investors could lose confidence in the reliability of our financial statements, which may significantly harm our business and cause our stock price to decline. In addition, the failure to maintain effective internal control could also result in unauthorized transactions.

Failure or circumvention of our disclosure controls and procedures or internal control over financial reporting could seriously harm our business, financial condition, results of operation, and cash flows.

We plan to continue to maintain and strengthen internal controls and procedures to enhance the effectiveness of our disclosure controls and internal control over financial reporting. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, and not absolute, assurances that the objectives of the system are met. Any failure of our disclosure controls and procedures or internal control over financial reporting could harm our business, financial condition, results of operations and cash flows.

Changes in accounting rules and regulations could adversely affect our business, reported financial results and/or our results of operations, cash flows, and liquidity.

Accounting rules and regulations are subject to review and interpretation by the Financial Accounting Standards Board (the "FASB"), the SEC and various other governing bodies. A change in U.S. generally accepted accounting principles could have a significant effect on our reported financial results. Additionally, the adoption of new or revised accounting principles could require that we make significant changes to our systems, processes and controls. We cannot predict the effect of future changes to accounting principles, which could have an adverse effect on our business, reported financial results, results of operations, and cash flows and liquidity.

ITEM 1B. ***Unresolved Staff Comments***

None.

ITEM 1C. Cybersecurity

Risk Management and Strategy

The Company has adopted processes designed to identify, assess and manage material risks from cybersecurity threats, and the Company's full Board and management are actively involved in overseeing the risk management process. These processes include response to, and an assessment of, internal and external threats to the security, confidentiality, integrity and availability of Company data and systems, along with other material risks to Company operations. We recognize the critical importance of maintaining the trust and confidence of our customers, business partners and employees.

As part of our risk management process, the Company engages in the periodic assessment and testing of the Company's policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. The Company regularly engages third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Board, and the Company adjusts its cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments, audits and reviews.

The Company's cybersecurity program is focused on the following key areas:

• Departmental Collaboration: The Company has implemented a comprehensive, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner.

• Technical Safeguards: The Company deploys technical safeguards that are designed to protect the Company's information systems from cybersecurity threats and are evaluated and improved through vulnerability assessments and cybersecurity threat intelligence.

• Incident Response and Recovery Planning: The Company has established and maintains comprehensive incident response and recovery plans that fully address the Company's response to a cybersecurity incident, and such plans are tested and evaluated on a regular basis.

• Third-Party Risk Management: The Company maintains a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers, potential acquisition targets and other external users of the Company's systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.

• Education and Awareness: The Company provides regular training for personnel regarding cybersecurity threats as a means to equip the Company's personnel with effective tools to address cybersecurity threats, and to communicate the Company's evolving information security policies, standards, processes and practices.

• Governance: As discussed in more detail under the heading "Governance," the Board's oversight of cybersecurity risk management is supported by members of management and relevant management committees.

Cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected and are not reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. However, because of the inherent nature of cybersecurity threats and the evolution of such threats over time, the Company's processes, oversight and risk management cannot provide absolute assurance that a cybersecurity threat will not have a material effect on the Company in the future.

Governance

The Company has established a risk committee (the "Risk Committee") consisting of executive officers, including the Company's Chief Information Security Officer ("CISO"), that is directly responsible for the Company's risk management process. The Company's cybersecurity policies, standards, and practices are integrated into the Company's risk management process. The Board oversees information technology, data security, and cybersecurity risk management through regular reports and presentations from the CISO and other management members. The Risk Committee meets at least annually to define and improve the risk-mapping process and considers any updates at least quarterly. In addition, the Risk Committee presents comprehensive reports directly to the Board at least annually through the enterprise risk management matrix, which, as described below, is reviewed by the Audit Committee.

The Company's Audit Committee is briefed on cybersecurity risks at least once each calendar year and as necessary with respect to any material cybersecurity incidents. The Audit Committee also reviews the enterprise risk management matrix presented by the Risk Committee on an annual basis. The process of reviewing the matrix includes an overall assessment of the Company's compliance with cybersecurity policies, including topics such as risk assessment, risk management and control decisions, service provider arrangements, test results, security incidents and responses, and recommendations for changes and updates to policies and procedures.

ITEM 2. ***Properties***

As of December 31, 2025, we owned 25 properties. Other than these owned properties, we lease the real property and buildings from which we operate. Our facilities are located in 27 states and consist of offices, shops and fabrication, maintenance and warehouse facilities. Generally, leases range from 3 to 15 years and are on terms we believe to be commercially reasonable. A majority of these premises are leased from individuals or entities with whom we have no other business relationship. In certain instances, these leases are with current or former employees. To the extent we renew, enter into leases or otherwise change leases with current or former employees, we enter into such agreements on terms that reflect a fair market valuation for the properties. Leased premises range in size from approximately 1,000 square feet to 500,000 square feet. To maximize available capital, we generally intend to continue to lease our properties but may consider further purchases of property where we believe ownership would be more economical. We believe that our facilities are sufficient for our current needs.

We lease our executive and administrative offices in Houston, Texas.

ITEM 3. ***Legal Proceedings***

We are subject to certain legal and regulatory claims, including lawsuits arising in the normal course of business. We maintain various insurance coverages to minimize financial risk associated with these claims. We have estimated and provided accruals for probable losses and related legal fees associated with certain litigation in our consolidated financial statements. While we cannot predict the outcome of these proceedings, in management's opinion and based on reports of counsel, any liability arising from these matters individually and in the aggregate will not have a material effect on our operating results, cash flows or financial condition, after giving effect to provisions already recorded.

In 2023, we recorded a pre-tax gain of $6.8 million from legal developments and settlements that primarily relate to disputes with customers regarding the outcome of completed projects as well as an obligation to perform subcontract work under two executed letters of intent for subsequent projects that we believed were not enforceable. The pre-tax gain of $6.8 million was recorded as an increase in gross profit of $6.6 million, a reduction in SG&A of $0.7 million, an increase in interest income of $1.3 million and an increase in the change in fair value of contingent earn-out obligations expense of $1.8 million in our Consolidated Statements of Operations.

As of December 31, 2025, we recorded an accrual for unresolved matters, which is not material to our financial statements, based on our analysis of likely outcomes related to the respective matters; however, it is possible that the ultimate outcome and associated costs will deviate from our estimates and that, in the event of an unexpectedly adverse outcome, we may experience additional costs and expenses in future periods.

ITEM 4. ***Mine Safety Disclosures***

Not applicable.

ITEM 4A. ***Executive Officers of the Registrant***

Executive officers are appointed by our Board of Directors and hold office until their successors are elected and duly qualified. The following persons serve as executive officers of the Company.

Brian E. Lane, age 68, has served as Chief Executive Officer since December 2011 and as a Director since November 2010. Mr. Lane served as President from December 2011 to December 2025 and as President and Chief Operating Officer from March 2010 until December 2011. Mr. Lane joined the Company in October 2003 and served as Vice President and then Senior Vice President for Region One of the Company until he was named Executive Vice President and Chief Operating Officer in January 2009. Prior to joining the Company, Mr. Lane spent fifteen years at Halliburton, the global service and equipment company devoted to energy, industrial, and government customers. During his tenure at Halliburton, he held various positions in business development, strategy, and project initiatives. He departed as the Regional Director of Europe and Africa. Mr. Lane's additional experience included serving as a Regional Director of Capstone Turbine Corporation, a distributed power manufacturer. He also was a Vice President of Kvaerner, an international engineering and construction company where he focused on the chemical industry. Mr. Lane is a member of the Board of Directors of Main Street Capital Corporation and previously served as a member of the Board of Directors of Griffin Dewatering Corporation. Mr. Lane earned a Bachelor of Science in Chemistry from the University of Notre Dame and his MBA from Boston College.

William George, age 61, has served as our Executive Vice President and Chief Financial Officer since May 2005, was our Senior Vice President, General Counsel and Secretary from May 1998 to May 2005, and was our Vice President, General Counsel and Secretary from March 1997 to April 1998. Since October 2011, Mr. George has also served as Regional Vice President. Mr. George was a member of our founding management team in connection with our formation in 1997. From October 1995 to February 1997, Mr. George was Vice President and General Counsel of American Medical Response, Inc., a publicly-traded healthcare transportation company. From September 1992 to September 1995, Mr. George practiced corporate and antitrust law at Ropes & Gray, a Boston, Massachusetts, law firm. Mr. George holds a Bachelor of Science in Economics from Brigham Young University and a Juris Doctorate from Harvard Law School.

Trent T. McKenna, age 53, has served as President and Chief Operating Officer since January 2026. Prior to his current position, Mr. McKenna served as Chief Operating Officer for the Company from January 2022 to December 2025. Mr. McKenna also served in various roles at the Company since 2004, including Senior Vice President, Vice President – Region 4, General Counsel and Secretary. Prior to joining the Company, from February 1999 to August 2004, Mr. McKenna was a practicing attorney in the area of complex commercial litigation in the Houston, Texas, office of Akin Gump Strauss Hauer & Feld LLP, an international law firm. Mr. McKenna earned a Bachelor of Arts degree in English from Brigham Young University and his Juris Doctorate from Duke University School of Law.

Julie S. Shaeff, age 60, has served as our Senior Vice President and Chief Accounting Officer since May 2005, was our Vice President and Corporate Controller from March 2002 to May 2005, and was our Assistant Corporate Controller from September 1999 to February 2002. From 1996 to August 1999, Ms. Shaeff was Financial Accounting Manager—Corporate Controllers Group for Browning-Ferris Industries, Inc., a publicly-traded waste services company. From 1987 to 1995, she held various positions with Arthur Andersen LLP. Ms. Shaeff is a Certified Public Accountant and holds a Bachelor of Business Administration in Accounting from Texas A&M University.

Rachel R. Eslicker, age 35, has served as Senior Vice President and General Counsel for the Company since December 2025. Prior to her current position, Ms. Eslicker served as Associate General Counsel and Assistant Corporate Secretary from January 2023 to December 2025 and as Senior Corporate Counsel from January 2019 to December 2022. Ms. Eslicker started her career as an associate in the Mergers and Acquisitions and Capital Markets department of the Houston, Texas, office of Vinson & Elkins LLP. Ms. Eslicker holds Bachelor of Arts degrees in Government and History from the University of Texas and a Juris Doctorate from Duke University School of Law.

Terrence Reed, age 66, has served as Senior Vice President, Chief Human Resources Officer since January 2024 and formerly served as Senior Vice President of People and Leadership Development from March 2021 to

December 2023. Mr. Reed joined the Company after working in various senior manufacturing and HR leadership positions in several organizations, including Koch Engineered Solutions and Buckeye Technologies. Mr. Reed is a graduate of the University of South Alabama, where he completed studies in Mechanical Engineering, and is a former US Army officer.

PART II

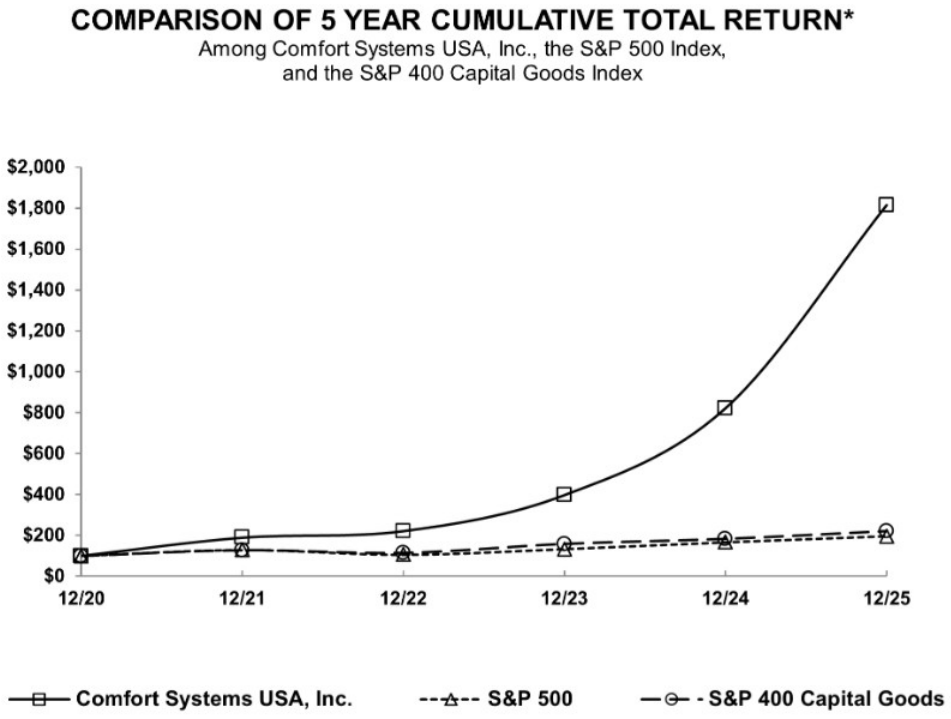
ITEM 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our Common Stock is traded under the symbol FIX on the New York Stock Exchange.

As of February 13, 2026, there were approximately 211 stockholders of record of our Common Stock, and the last reported sale price on that date was $1,337.95 per share.

We expect to continue paying cash dividends quarterly, although there is no assurance as to future dividends because they depend on future earnings, capital requirements, and financial condition. In addition, our credit agreement may limit the amount of dividends we can pay at any time that our Net Leverage Ratio exceeds 2.75 to 1.00.

The following Corporate Performance Graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.



*$100 invested on 12/31/20 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

Copyright© 2026 Standard & Poor's, a division of S&P Global. All rights reserved.
Copyright© 2026 Russell Investment Group. All rights reserved.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

On March 29, 2007, our Board approved a stock repurchase program to acquire up to 1.0 million shares of our outstanding common stock. Subsequently, the Board has from time to time increased the number of shares that may be acquired under the program and approved extensions of the program. On May 16, 2025, the Board approved an extension to the program by increasing the shares authorized for repurchase by 0.4 million shares. Since the inception of the repurchase program, the Board has approved 11.8 million shares to be repurchased. As of December 31, 2025, we have repurchased a cumulative total of 10.9 million shares at an average price of $50.15 per share under the repurchase program.

The share repurchases will be made from time to time at our discretion in the open market or privately negotiated transactions, including pursuant to Rule 10b5-1 share repurchase plans, as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. The Board may modify, suspend, extend or terminate the program at any time. During the year ended December 31, 2025, we repurchased 0.4 million shares for approximately $217.9 million, inclusive of the applicable excise tax, at an average price of $489.40 per share.

During the year ended December 31, 2025, we purchased our common shares in the following amounts at the following average prices:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31	3,000	$ 426.13	10,436,482	919,069
February 1 - February 28	63,450	$ 378.18	10,499,932	855,619
March 1 - March 31	197,604	$ 338.91	10,697,536	658,015
April 1 - April 30	56,909	$ 309.22	10,754,445	601,106
May 1 - May 31	4,619	$ 429.21	10,759,064	998,900
June 1 - June 30	850	$ 472.27	10,759,914	998,050
July 1 - July 31	—	$ —	10,759,914	998,050
August 1 - August 31	5,080	$ 684.30	10,764,994	992,970
September 1 - September 30	13,875	$ 701.04	10,778,869	979,095
October 1 - October 31	—	$ —	10,778,869	979,095
November 1 - November 30	74,010	$ 923.67	10,852,879	905,085
December 1 - December 31	25,775	$ 934.21	10,878,654	879,310
	445,172	$ 489.40	10,878,654	879,310

(1) Purchased as part of a stock repurchase program announced on March 29, 2007 under which, since the inception of this program, 11.8 million shares have been approved for repurchase.

Under our stock incentive plans, employees may elect to have us withhold common shares to satisfy statutory federal, state and local tax withholding obligations arising on the vesting of restricted stock awards and exercise of options. When we withhold these shares, we are required to remit to the appropriate taxing authorities the market price of the shares withheld, which could be deemed a purchase of the common shares by us on the date of withholding.

ITEM 6. [Reserved]

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

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K. Also see "Forward-Looking Statements" discussion.

Introduction and Overview

We are a national provider of comprehensive mechanical and electrical installation, renovation, maintenance, repair and replacement services within the mechanical and electrical services industries. We operate primarily in the commercial, industrial and institutional markets and perform most of our work in manufacturing, healthcare, education, office, technology, retail and government facilities. We operate our business in two business segments: mechanical and electrical.

Nature and Economics of Our Business

In our mechanical business segment, customers hire us to ensure heating, ventilation and air conditioning ("HVAC") systems deliver specified or generally expected heating, cooling, conditioning and circulation of air in a facility. This entails installing core system equipment such as packaged heating and air conditioning units, or in the case of larger facilities, separate core components such as chillers, boilers, air handlers, and cooling towers. We also typically install connecting and distribution elements such as piping and ducting.

In our electrical business segment, our principal business activity is electrical construction and engineering in the commercial and industrial fields. We also perform electrical logistics services and electrical service work.

In both our mechanical and electrical business segments, our responsibilities usually require conforming the systems to pre-established engineering drawings and equipment and performance specifications, which we frequently participate in establishing. Our project management responsibilities include staging equipment and materials to project sites, deploying labor to perform the work, and coordinating with other service providers on the project, including any subcontractors we might use to deliver our portion of the work.

Approximately 92.7% of our revenue is earned on a project basis for installation services in newly constructed facilities or for replacement of systems in existing facilities. When competing for project business, we usually estimate the costs we will incur on a project and then propose a bid to the customer that includes a contract price and other performance and payment terms. Our bid price and terms are intended to cover our estimated costs on the project and provide a profit margin to us commensurate with the value of the installed system to the customer, the risk that project costs or duration will vary from estimate, the schedule on which we will be paid, the opportunities for other work that we might forego by committing capacity to this project, and other costs that we incur to support our operations but which are not specific to the project. Typically, customers will seek pricing from competitors for a given project. While the criteria on which customers select a provider vary widely and include factors such as quality, technical expertise, on-time performance, post-project support and service, and company history and financial strength, we believe that price for value is the most influential factor for most customers in choosing a mechanical or electrical installation and service provider.

After a customer accepts our bid, we generally enter into a contract with the customer that specifies what we will deliver on the project, what our related responsibilities are and how much and when we will be paid. Our overall price for the project is typically set at a fixed amount in the contract, although changes in project specifications or work conditions that result in unexpected additional work are usually subject to additional payment from the customer via what are commonly known as change orders. Project contracts typically provide for periodic billings to the customer as we meet progress milestones or incur costs on the project. Project contracts in our industry also frequently allow for a small portion of progress billings or contract price to be withheld by the customer until after we have completed the work. Amounts withheld under this practice are known as retention or retainage.

Labor, materials and overhead costs account for the majority of our cost of service. Accordingly, labor management and utilization have the most impact on our project performance. Given the fixed price nature of much of our project work, if our initial estimate of project costs is wrong or we incur cost overruns that cannot be recovered in change orders, we can experience reduced profits or even significant losses on fixed price project work. We also perform some project work on a cost-plus or a time and materials basis, under which we are paid our costs incurred plus an agreed-upon profit margin, and such projects are sometimes subject to a guaranteed maximum cost. These margins are frequently less than fixed-price contract margins because there is less risk of unrecoverable cost overruns in cost-plus or time and materials work.

As of December 31, 2025, we had 8,427 projects in process. Our average project takes six to nine months to complete, with an average contract price of approximately $2.9 million. Our projects generally require working capital funding of equipment and labor costs. Customer payments on periodic billings generally do not recover these costs until late in the job. Our average project duration, together with typical retention terms as discussed above, generally allow us to complete the realization of revenue and earnings in cash within one year. We have what we consider to be a well-diversified distribution of revenue across end-use sectors that we believe reduces our exposure to negative developments in any given sector. Because of the integral nature of our services to most buildings, we have the legal right in almost all cases to attach liens to buildings or related funding sources when we have not been fully paid for installing systems, except with respect to some government buildings. The service work that we do, which is discussed further below, usually does not give rise to lien rights.

We also perform larger projects. Taken together, projects with contract prices of $2 million or more totaled $22.44 billion of aggregate contract value as of December 31, 2025, or approximately 93%, out of a total contract value for all projects in progress of $24.17 billion. Generally, projects closer in size to $2 million will be completed in one year or less. It is unusual for us to work on a project that exceeds two years in length.

A stratification of projects in progress as of December 31, 2025, by contract price, is as follows:

Contract Price of Project	No. of Projects	Aggregate Contract Price Value (in millions)
Under $2 million	6,759	$ 1,723.7
$2 million - $10 million	1,215	4,631.8
$10 million - $20 million	194	2,751.1
$20 million - $40 million	140	3,936.7
Greater than $40 million	119	11,122.4
Total	8,427	$ 24,165.7

In addition to project work, approximately 7.3% of our revenue represents maintenance and repair service on already installed HVAC, electrical, and controls systems. This kind of work usually takes from a few hours to a few days to perform. Prices to the customer are based on the equipment and materials used in the service as well as technician labor time. We usually bill the customer for service work when it is complete, typically with payment terms of up to thirty days. We also provide maintenance and repair services under ongoing contracts. Under these contracts, we are paid regular monthly or quarterly amounts and provide specified service based on customer requirements. These agreements typically are for one or more years and frequently contain 30- to 60-day cancellation notice periods.

A relatively small portion of our revenue comes from national and regional account customers. These customers typically have multiple sites and contract with us to perform maintenance and repair service. These contracts may also provide for us to perform new or replacement systems installation. We operate a national call center to dispatch technicians to sites requiring service. We perform the majority of this work with our own employees, with the balance being subcontracted to third parties that meet our performance qualifications.

Profile and Management of Our Operations

We manage our 50 operating units based on a variety of factors. Financial measures we emphasize include profitability and use of capital as indicated by cash flow and by other measures of working capital principally involving project cost, billings and receivables. We also monitor selling, general, administrative and indirect project support expense, backlog, workforce size and mix, growth in revenue and profits, variation of actual project cost from original estimate, and overall financial performance in comparison to budget and updated forecasts. Operational factors we emphasize include project selection, estimating, pricing, safety, management and execution practices, labor utilization, training, and the make-up of both existing backlog as well as new business being pursued, in terms of project size, technical application, facility type, end-use customers and industries and location of the work.

Most of our operations compete on a local or regional basis. Attracting and retaining effective operating unit managers is an important factor in our business, particularly in view of the relative uniqueness of each market and operation, the importance of relationships with customers and other market participants, such as architects and consulting engineers, and the high degree of competition and low barriers to entry in most of our markets. Accordingly,

we devote considerable attention to operating unit management quality, stability, and contingency planning, including related considerations of compensation and non-competition protection where applicable.

Economic and Industry Factors

As a mechanical and electrical services provider, we operate in the broader nonresidential construction services industry and are affected by trends in this sector. While we do not have operations in all major cities of the United States, we believe our national presence is sufficiently large that we experience trends in demand for and pricing of our services that are consistent with trends in the national nonresidential construction sector. As a result, we monitor the views of major construction sector forecasters along with macroeconomic factors they believe drive the sector, including trends in gross domestic product, interest rates, business investment, employment, demographics and the fiscal condition of federal, state and local governments.

Spending decisions for building construction, renovation and system replacement are generally made on a project basis, usually with some degree of discretion as to when and if projects proceed. With larger amounts of capital, time, and discretion involved, spending decisions are affected to a significant degree by uncertainty, particularly concerns about economic and financial conditions and trends. We have experienced periods of time when economic weakness caused a significant slowdown in decisions to proceed with installation and replacement project work.

Operating Environment and Management Emphasis

We have experienced increasing demand since 2022, culminating in an unprecedented overall demand environment in 2025. We currently expect that the demand environment, especially for manufacturing and technology customers, will remain at high levels during 2026. Over the last several years, we have also experienced increases in labor costs and delays in delivery of certain materials and equipment. We anticipate that cost pressures and intermittent delays in our supply chain will persist over the next several quarters.

We have a credit facility in place with terms we believe are favorable that does not expire until October 2030. As of December 31, 2025, we had $921.0 million of credit available to borrow under our credit facility. We have strong surety relationships to support our bonding needs, and we believe our relationships with the surety markets are strong and benefit from our operating history and financial position. We have generated positive free cash flow in each of the last 27 calendar years and will continue our emphasis in this area. We believe that the relative size and strength of our Balance Sheet and surety relationships, as compared to most companies in our industry, represent competitive advantages for us.

As discussed at greater length in “Results of Operations” below, we expect price competition to continue as local and regional industry participants compete for customers.

Critical Accounting Estimates

Management’s discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates, judgments and assumptions that can have a meaningful effect on the amounts reported within our consolidated financial statements. Note 2, “Summary of Significant Accounting Policies and Estimates” of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K describes the significant accounting policies and methods used in the preparation of the Company’s consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances. The Company has identified the following as its critical accounting estimates:

Revenue Recognition – The Company recognizes revenue based on the extent of progress towards completion of the performance obligation using the cost-to-cost input method of accounting, as it best depicts the transfer of assets to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. The cost-to-cost input method of accounting is also affected by changes in job performance, job conditions, and final contract settlements. These factors may result in revisions to estimated costs and, therefore, revenue. Such revisions are frequently based on further estimates and subjective assessments. Variations from

estimated project costs could have a significant impact on our operating results, depending on project size, and the recoverability of the variation from change orders collected from customers.

Accounting for Self-Insurance Liabilities – We are substantially self-insured for workers' compensation, employer's liability, auto liability, general liability and employee group health claims, in view of the relatively high per-incident deductibles we absorb under our insurance arrangements for these risks. Losses are estimated and accrued based upon known facts, historical trends and industry averages. Insurance liabilities are difficult to estimate due to various required judgements, including the severity of an injury, the determination of our liability in proportion to other parties, timely reporting of occurrences, ongoing treatment or loss mitigation, general trends in litigation recovery outcomes and the effectiveness of safety and risk management programs.

Accounting for Income Taxes – Our provision for income taxes, deferred tax assets and liabilities, and liabilities for uncertain tax positions reflect management's best estimate of current and future taxes to be paid. Significant judgments and estimates are required in the determination of our income taxes, including the ability to recover our deferred tax assets based on assumptions about future taxable income. We record liabilities for uncertain tax positions when we determine whether it is more likely than not that the positions will be sustained based on their technical merits, and we recognize tax benefits that are more than 50 percent likely to be realized upon ultimate settlement with the relevant taxing authority.

Acquisitions – We recognize assets acquired and liabilities assumed in business combinations based on fair value estimates as of the date of acquisition. In certain acquisitions, we agree to pay additional amounts to sellers contingent upon achievement by the acquired businesses of certain predetermined profitability targets. We recognize liabilities for these contingent obligations based on their estimated fair value at the date of acquisition. Key assumptions used to determine the fair value of contingent obligations include, but are not limited to, future cash flows and operating income, probabilities of achieving such future cash flows and operating income and a weighted average cost of capital.

Recoverability of Goodwill and Identifiable Intangible Assets – Determining whether impairment indicators exist and estimating the fair value of the Company's goodwill reporting units and intangible assets for impairment testing requires significant judgment.

In the evaluation of goodwill for impairment, we have to first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of one of our reporting units is greater than its carrying value. If we perform a quantitative assessment, then we calculate the fair value of the reporting unit and compare the fair value with the carrying value of the reporting unit. We estimate the fair value of the reporting unit based on a market approach and an income approach, which utilizes discounted future cash flows. Assumptions critical to the fair value estimates under the discounted cash flow model include discount rates, cash flow projections, projected long-term growth rates and the determination of terminal values. Key assumptions in the market approach include multiples used to value each reporting unit.

We amortize identifiable intangible assets with finite lives over their estimated useful lives. Changes in strategy and/or market condition may result in adjustments to recorded intangible asset balances or their useful lives.

Results of Operations (in thousands, except percentages):

	Year Ended December 31,					
	2025		2024		2023	
Revenue	$ 9,101,641	100.0 %	$ 7,027,476	100.0 %	$ 5,206,760	100.0 %
Cost of services	6,905,742	75.9 %	5,551,065	79.0 %	4,216,251	81.0 %
Gross profit	2,195,899	24.1 %	1,476,411	21.0 %	990,509	19.0 %
Selling, general and administrative expenses	883,284	9.7 %	730,072	10.4 %	574,423	11.0 %
Gain on sale of assets	(1,974)	—	(3,030)	—	(2,302)	—
Operating income	1,314,589	14.4 %	749,369	10.7 %	418,388	8.0 %
Interest income	21,604	0.2 %	11,554	0.2 %	3,492	0.1 %
Interest expense	(9,009)	(0.1)%	(6,648)	(0.1)%	(10,281)	(0.2)%
Changes in the fair value of contingent earn-out obligations	(33,473)	(0.4)%	(88,146)	(1.3)%	(23,607)	(0.5)%
Other income (expense)	(258)	—	432	—	202	—
Income before income taxes	1,293,453	14.2 %	666,561	9.5 %	388,194	7.5 %
Provision for income taxes	270,895		144,128		64,796	
Net income	$ 1,022,558		$ 522,433		$ 323,398	

2025 Compared to 2024

We had 47 operating locations as of December 31, 2024. In the first quarter of 2025, we completed the acquisition of Century Contractors, LLC ("Century"), which reports as a separate operating location. In the second quarter of 2025, we combined two operating locations into one operating location. Additionally, we completed the acquisition of Right Way Plumbing & Mechanical LLC ("Right Way"), which reports as a separate operating location. In the fourth quarter of 2025, we completed the acquisitions of Feyen-Zylstra Holdings, LLC ("Feyen Zylstra") and Meisner Electric, Inc. ("Meisner"), which both report as separate operating locations. We had 50 operating locations as of December 31, 2025. Acquisitions are included in our results of operations from the respective acquisition date. The same-store comparison from 2025 to 2024, as described below, excludes Feyen Zylstra, which was acquired on October 1, 2025, Meisner, which was acquired on October 1, 2025, Right Way, which was acquired May 1, 2025, Century, which was acquired on January 1, 2025, one month of results for Summit Industrial Construction, LLC ("Summit"), which was acquired on February 1, 2024 and one month of results for J & S Mechanical Contractors, Inc. ("J&S"), which was acquired on February 1, 2024. An operating location is included in the same-store comparison on the first day it has comparable prior year operating data, except for immaterial acquisitions that are often absorbed and integrated with existing operations.

Revenue—Revenue increased $2.07 billion, or 29.5%, to $9.10 billion in 2025 compared to 2024. The increase included a 3.4% increase related to the Feyen Zylstra, Meisner, Right Way, Century, Summit and J&S acquisitions, as well as a 26.1% increase in revenue related to same-store activity. The same-store revenue growth was largely driven by strong market conditions, including the increase in our backlog. The increase in demand has been especially strong in the technology sector, particularly for data centers.

The following table presents our operating segment revenue (in thousands, except percentages):

	Year Ended December 31,			
	2025		2024	
Revenue:				
Mechanical Segment	$ 6,673,745	73.3 %	$ 5,527,604	78.7 %
Electrical Segment	2,427,896	26.7 %	1,499,872	21.3 %
Total	$ 9,101,641	100.0 %	$ 7,027,476	100.0 %

Revenue for our mechanical segment increased $1.15 billion, or 20.7%, to $6.67 billion in 2025 compared to 2024. Of this increase, $169.3 million resulted from the acquisition of Right Way, Century, Summit and J&S, and $976.8 million was attributable to same-store activity. The same-store revenue increase primarily resulted from an increase in activity in the technology sector at one of our North Carolina operations ($267.5 million), our Texas modular operation ($206.5 million), one of our Indiana operations ($137.2 million) and one of our Virginia operations ($109.7 million).

Revenue for our electrical segment increased $928.0 million, or 61.9%, to $2.43 billion in 2025 compared to 2024. Of this increase, $66.8 million resulted from the acquisition of Feyen Zylstra and Meisner, and $861.2 million was attributable to same-store activity. The same-store revenue increase primarily resulted from an increase in activity in the technology sector at our Texas electrical operation ($649.3 million).

Backlog reflects revenue still to be recognized under contracted or committed installation and replacement project work. Project work generally lasts less than one year. Service agreement revenue, service work and short duration projects, which are generally billed as performed, do not flow through backlog. Accordingly, backlog represents only a portion of our revenue for any given future period, and it represents revenue that is likely to be reflected in our operating results over the next six to twelve months. As a result, we believe the predictive value of backlog information is limited to indications of general revenue direction over the near term, and should not be interpreted as indicative of ongoing revenue performance over several quarters.

The following table presents our operating segment backlog (in thousands, except percentages):

	December 31, 2025		December 31, 2024	
Backlog:				
Mechanical Segment	$ 9,026,661	75.6 %	$ 4,687,619	78.2 %
Electrical Segment	2,917,940	24.4 %	1,306,347	21.8 %
Total	$ 11,944,601	100.0 %	$ 5,993,966	100.0 %

Backlog as of December 31, 2025 was $11.94 billion, a 27.4% increase from September 30, 2025 backlog of $9.38 billion and a 99.3% increase from December 31, 2024 backlog of $5.99 billion. The sequential backlog increase included the acquisitions of Feyen Zylstra ($90.9 million) and Meisner ($72.5 million), as well as a same-store increase of $2.40 billion, or 25.6%. Same-store sequential backlog increased primarily due to increased project bookings and strong market conditions in the technology sector at our Texas modular operation ($1.20 billion) and one of our Texas operations ($539.9 million) and in the manufacturing sector at one of our North Carolina operations ($372.2 million). The year-over-year backlog increase included the acquisitions of Right Way ($106.2 million), Century ($91.6 million), Feyen Zylstra ($90.9 million) and Meisner ($72.5 million), as well as a same-store increase of $5.59 billion, or 93.2%. Same-store year-over-year backlog increased primarily due to increased project bookings and strong market conditions in the technology sector at our Texas modular operation ($1.48 billion), one of our North Carolina operations ($1.26 billion), one of our Indiana operations ($901.1 million), one of our Texas operations ($850.2 million) and at our Texas electrical operation ($803.4 million).

Gross Profit—Gross profit increased $719.5 million, or 48.7%, to $2.20 billion in 2025 as compared to 2024. The increase included a $44.8 million, or 3.0%, increase related to the Feyen Zylstra, Meisner, Right Way, Century, Summit and J&S acquisitions, as well as a $674.6 million, or 45.7%, increase on a same-store basis. The same-store increase in gross profit was primarily driven by both higher revenues in the current year as well as improved execution in our operations, including increased volumes at our Texas electrical operation ($161.5 million), one of our North Carolina operations ($71.6 million) and one of our Indiana operations ($76.0 million). Additionally, we achieved improvements in project execution at our Texas modular operation ($124.3 million). As a percentage of revenue, gross profit increased from 21.0% in 2024 to 24.1% in 2025, primarily due to the factors discussed above and improvements in our mechanical segment gross profit margin.

Selling, General and Administrative Expenses ("SG&A")—SG&A increased $153.2 million, or 21.0%, to $883.3 million for 2025 as compared to 2024. On a same-store basis, excluding amortization expense, SG&A increased $124.9 million, or 18.5%. The same-store increase is primarily due to higher same-store revenue and increased compensation costs ($96.6 million), largely attributable to increased headcount and increased cost of labor. Amortization expense for intangible assets increased $5.5 million during the period primarily as a result of the Right Way, Century and Summit acquisitions. As a percentage of revenue, SG&A decreased from 10.4% in 2024 to 9.7% in 2025 due to leverage resulting from the increase in revenue.

We have included same-store SG&A, excluding amortization expense, because we believe it is an effective measure of comparative results of operations. However, same-store SG&A, excluding amortization, is not considered under generally accepted accounting principles to be a primary measure of an entity's financial results, and accordingly, should not be considered an alternative to SG&A as shown in our Consolidated Statements of Operations.

	Year Ended December 31,	
	2025	2024
	(in thousands)	
SG&A	$ 883,284	$ 730,072
Less: SG&A from companies acquired	(22,729)	—
Less: Amortization expense	(60,908)	(55,369)
Same-store SG&A, excluding amortization expense	$ 799,647	$ 674,703

Interest Income—Interest income increased $10.1 million, or 87.0%, in 2025 as compared to 2024. The increase in interest income is due to an increase in our average cash balance compared to the prior year.

Interest Expense—Interest expense increased $2.4 million, or 35.5%, in 2025 as compared to 2024. The increase in interest expense is primarily due to an increase in our average outstanding debt balance compared to the prior year. Additionally, we expensed $0.3 million in 2025 related to unamortized debt issuance costs for lenders who exited the credit facility when we amended our senior credit facility in August of 2025.

Changes in the Fair Value of Contingent Earn-out Obligations—The contingent earn-out obligations are measured at fair value each reporting period, and changes in estimates of fair value are recognized in earnings. Expense from changes in the fair value of contingent earn-out obligations decreased $54.7 million, or 62.0%, in 2025 compared to 2024. This decrease was primarily caused by lower earn-out expenses for Summit, driven by larger changes in their forecasted results in the prior year and as a result of them reaching their maximum cumulative earn-out target.

Provision for Income Taxes—We conduct business throughout the United States in virtually all fifty states. Our effective tax rate changes based upon our relative profitability, or lack thereof, in the federal and various state jurisdictions with differing tax rates and rules. In addition, discrete items, such as tax law changes, judgments and legal structures can impact our effective tax rate. These items can also include the tax treatment for impairment of goodwill and other intangible assets, changes in fair value of acquisition-related assets and liabilities, uncertain tax positions, and accounting for losses associated with underperforming operations.

Our provision for income taxes for 2025 was $270.9 million with an effective tax rate of 20.9%, as compared to the provision for income taxes of $144.1 million with an effective tax rate of 21.6% for 2024. The effective rate for 2025 was slightly lower than the 21% federal statutory rate primarily due to a $30.5 million credit for increasing research activities (“R&D tax credit”) (2.4%) partially offset by $30.3 million of net state income taxes (2.3%). The effective rate for 2024 was slightly higher than the 21% federal statutory rate primarily due to $21.6 million of net state income taxes (3.2%) partially offset by a $23.2 million R&D tax credit (3.5%). Refer to Note 11 in the Consolidated Financial Statements for a reconciliation of the federal statutory rates to the effective tax rates reflected in our financial statements.

2024 Compared to 2023

For a discussion of the period-to-period comparison of 2024 to 2023, please refer to “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—2024 Compared to 2023” in our Annual Report on Form 10-K for the year ended December 31, 2024.

Outlook

We experienced an unprecedented demand environment in 2025, and we continue to experience increased labor costs and intermittent supply chain shortages, including delays in delivery of certain materials and equipment. We are recognizing these challenges in our job planning and pricing, and we are ordering materials on an earlier timeline and seeking to collaborate with customers to share supply risks and to mitigate the effects of these challenges. We have been generally successful in maintaining productivity and in procuring needed materials despite ongoing challenges.

We have a good pipeline of opportunities and potential backlog. Considering our substantial advance bookings, we anticipate high ongoing demand leading to solid earnings in 2026. Although we are preparing for a wide range of future challenges and economic circumstances, including a potential recession, we currently expect that supportive conditions for our industry, especially for our industrial and technology customers, are likely to continue in 2026.

Liquidity and Capital Resources

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Net cash provided by (used in):			
Operating activities	$ 1,186,356	$ 849,057	$ 639,568
Investing activities	(467,272)	(343,509)	(193,008)
Financing activities	(287,125)	(160,759)	(298,624)
Net increase in cash and cash equivalents	$ 431,959	$ 344,789	$ 147,936
Free cash flow:			
Net cash provided by operating activities	$ 1,186,356	$ 849,057	$ 639,568
Purchases of property and equipment	(154,903)	(111,071)	(94,838)
Proceeds from sales of property and equipment	3,695	5,538	5,951
Free cash flow	$ 1,035,148	$ 743,524	$ 550,681

Cash Flow

Our business does not require significant amounts of investment in long-term fixed assets. The substantial majority of the capital used in our business is working capital that funds our costs of labor and installed equipment deployed in project work until our customer pays us. Customary terms in our industry allow customers to withhold a small portion of the contract price until after we have completed the work, typically for six months. Amounts withheld under this practice are known as retention or retainage. Our average project duration, together with typical retention terms, generally allows us to complete the realization of revenue and earnings in cash within one year.

2025 Compared to 2024

Net Cash Provided by Operating Activities—Cash flow from operations is primarily influenced by demand for our services and operating margins but can also be influenced by working capital needs associated with the various types of services that we provide. In particular, working capital needs may increase when we commence large volumes of work under circumstances where project costs, primarily associated with labor, equipment and subcontractors, are required to be paid before the receivables resulting from the work performed are billed and collected. Working capital needs are generally higher during the late winter and spring months as we prepare and plan for the increased project demand when favorable weather conditions exist in the summer and fall months. Conversely, working capital assets are typically converted to cash during the late summer and fall months as project completion is underway. These seasonal trends are sometimes offset by changes in the timing of major projects, which can be impacted by the weather, project delays or accelerations and other economic factors that may affect customer spending.

We generated $1.19 billion of net cash flow from operating activities during 2025 compared to $849.1 million during 2024. The $337.3 million increase in cash provided by operating activities was primarily driven by higher earnings before non-cash expenses such as amortization of intangible assets in the current year and an $877.9 million benefit from changes in billings in excess of costs and estimated earnings and deferred revenue driven by the timing of customer billings and payments. These increases were partially offset by a $778.9 million decrease in accounts payable and other current liabilities driven by the size and timing of payments. We made an $80.0 million federal tax payment in the first quarter of 2025 that otherwise would have been paid in the second half of 2024, as a result of tax relief from the Internal Revenue Service due to Hurricane Beryl. In 2023, we filed our 2022 federal tax return requesting a refund of our $107.1 million overpayment, which was received in April 2025 and positively impacted our second quarter cashflows. Along with the refund, we received $11.3 million (or $8.9 million, net of tax) of interest income that reduced our provision for income taxes in the first quarter of 2025.

Net Cash Used in Investing Activities—Cash used in investing activities was $467.3 million for 2025 compared to $343.5 million during 2024. The $123.8 million increase in cash used primarily relates to an increase in cash paid (net of cash acquired) for acquisitions and purchases of property and equipment in the current year compared to 2024.

Net Cash Used in Financing Activities—Cash used in financing activities was $287.1 million for 2025 compared to $160.8 million during 2024. The $126.3 million increase in cash used is primarily due to an increase in share repurchases of $158.1 million and an increase in payments of dividends to stockholders of $26.1 million in the current year. These increases were partially offset by higher net borrowings of debt in the current year compared to 2024.

2024 Compared to 2023

For a discussion of the period-to-period comparison of 2024 to 2023, please refer to "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—2024 Compared to 2023" in our Annual Report on Form 10-K for the year ended December 31, 2024.

Free Cash Flow

We define free cash flow as cash provided by operating activities, less customary capital expenditures, plus the proceeds from asset sales. We believe free cash flow, by encompassing both profit margins and the use of working capital over our approximately one year working capital cycle, is an effective measure of operating effectiveness and efficiency. We have included free cash flow information here for this reason, and because we are often asked about it by third parties evaluating us. However, free cash flow is not considered under generally accepted accounting principles to be a primary measure of an entity's financial results, and accordingly free cash flow should not be considered an alternative to operating income, net income, or amounts shown in our Consolidated Statements of Cash Flows as determined under generally accepted accounting principles. Free cash flow may be defined differently by other companies.

Share Repurchase Program

On March 29, 2007, our Board approved a stock repurchase program to acquire up to 1.0 million shares of our outstanding common stock. Subsequently, the Board has from time to time increased the number of shares that may be acquired under the program and approved extensions of the program. On May 16, 2025, the Board approved an extension to the program by increasing the shares authorized for repurchase by 0.4 million shares. Since the inception of the repurchase program, the Board has approved 11.8 million shares to be repurchased. As of December 31, 2025, we have repurchased a cumulative total of 10.9 million shares at an average price of $50.15 per share under the repurchase program.

The share repurchases will be made from time to time at our discretion in the open market or privately negotiated transactions, including pursuant to Rule 10b5-1 share repurchase plans, as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. The Board may modify, suspend, extend or terminate the program at any time. During the year ended December 31, 2025, we repurchased 0.4 million shares for approximately $217.9 million, inclusive of the applicable excise tax, at an average price of $489.40 per share.

Debt

Revolving Credit Facility

On August 27, 2025, we amended our senior credit facility (as amended, the "Facility") arranged by Wells Fargo Bank, National Association, as administrative agent, and provided by a syndicate of banks, which increases our borrowing capacity from $850.0 million to $1.10 billion. The Facility is composed of a revolving credit line guaranteed by certain of our subsidiaries, in the amount of $1.10 billion. The Facility also provides for an accordion or increase option not to exceed the greater of (a) $500 million and (b) 1.0x Credit Facility Adjusted EBITDA (as defined below), in the form of additional revolving commitments or incremental term loans. The line of credit includes a sublimit for up to $200.0 million of letters of credit and a sublimit for up to $75.0 million of swingline loans. The Facility expires on October 1, 2030 and is secured by a first lien on substantially all of our personal property except for assets related to projects subject to surety bonds and the equity of, and assets held by, certain unrestricted subsidiaries and our wholly owned captive insurance company, and a second lien on our assets related to projects subject to surety bonds. As a result of the amendment, $0.3 million of unamortized costs associated with lenders who exited the Facility were written off to interest expense in the third quarter of 2025. The remaining $1.0 million of unamortized costs from the previous facility will be deferred and amortized over the term of the new Facility. In 2025, we incurred approximately $3.7 million in

financing and professional costs in connection with the amendment to the Facility, which, combined with previously unamortized costs of $1.0 million, are being amortized on a straight-line basis as a non-cash charge to interest expense over the remaining term of the Facility. As of December 31, 2025, we had $100.0 million of outstanding borrowings on the revolving credit facility, $79.0 million in letters of credit outstanding and $921.0 million of credit available.

There are two interest rate options for borrowings under the Facility, the Base Rate Loan (as defined in the Facility) option and the Secured Overnight Financing Rate ("SOFR") Loan option. These rates are floating rates determined by the broad financial markets, meaning they can and do move up and down from time to time. Additional margins are then added to these two rates.

Certain of our vendors require letters of credit to ensure reimbursement for amounts they are disbursing on our behalf, such as to beneficiaries under our self-funded insurance programs. We have also occasionally used letters of credit to guarantee performance under our contracts and to ensure payment to our subcontractors and vendors under those contracts. Our lenders issue such letters of credit through the Facility. A letter of credit commits the lenders to pay specified amounts to the holder of the letter of credit if the holder demonstrates that we have failed to perform specified actions. If this were to occur, we would be required to reimburse the lenders for amounts they fund to honor the letter of credit holder's claim. Absent a claim, there is no payment or reserving of funds by us in connection with a letter of credit. However, because a claim on a letter of credit would require immediate reimbursement by us to our lenders, letters of credit are treated as a use of Facility capacity. The letter of credit fees range from 1.00% to 2.00% per annum, based on the Net Leverage Ratio.

Commitment fees are payable on the portion of the revolving loan capacity not in use for borrowings or letters of credit at any given time. These fees range from 0.15% to 0.25% per annum, based on the Net Leverage Ratio.

Interest expense included the following primary elements (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Interest expense on notes to former owners	$ 3,149	$ 3,616	$ 1,365
Interest expense on borrowings and unused commitment fees	3,832	1,434	7,507
Letter of credit fees	1,010	911	724
Amortization of debt financing costs	1,018	687	685
Total	$ 9,009	$ 6,648	$ 10,281

The Facility contains financial covenants defining various financial measures and the levels of these measures with which we must comply. Covenant compliance is assessed as of each quarter end for the four fiscal quarters then ended. Credit Facility Adjusted EBITDA is defined under the Facility for financial covenant purposes as consolidated net income for the four fiscal quarters ending as of any given quarterly covenant compliance measurement date, plus the corresponding amounts for (a) interest expense; (b) provision for income taxes; (c) depreciation and amortization; (d) stock or equity compensation; and (e) other non-cash charges, in each case calculated on a pro forma basis for acquisitions or dispositions during such measurement period. The Facility's principal financial covenants include:

Net Leverage Ratio—The Facility requires that the ratio of (a) our Consolidated Total Indebtedness (as defined in the Facility) minus unrestricted cash and cash equivalents up to $100,000,000, to (b) our Credit Facility Adjusted EBITDA not exceed 3.50 to 1.00 as of the end of each fiscal quarter; provided that, for the first four fiscal quarters ending after a material acquisition, such maximum Net Leverage Ratio steps up to 4.00 to 1.00.

Interest Coverage Ratio—The Facility requires that the ratio of (a) Credit Facility Adjusted EBITDA to (b) consolidated interest expense, defined as all interest paid or accrued on indebtedness during the period excluding amortization of debt incurrence expenses, original issue discount, and mark-to-market interest expense, be at least 3.00 to 1.00.

Other Restrictions—The Facility (a) permits unlimited acquisitions when the Company's Net Leverage Ratio is less than or equal to 3.25 to 1.00; or 3.75 to 1.00 for the first four fiscal quarters ending after a material acquisition, (b) expands certain baskets for permitted indebtedness and liens, and (c) permits unlimited distributions, stock repurchases, and investments when the Net Leverage Ratio is less than or equal to 2.75 to 1.00.

While the Facility's financial covenants do not specifically govern capacity under the Facility, if our debt level under the Facility at a quarter-end covenant compliance measurement date were to cause us to violate the Facility's Net Leverage Ratio covenant, our borrowing capacity under the Facility and the favorable terms that we currently have could be negatively impacted.

We were in compliance with all of our financial covenants as of December 31, 2025.

Notes to Former Owners

We have outstanding notes to the former owners of acquired companies. Together, these notes had an outstanding balance of $44.6 million as of December 31, 2025. At December 31, 2025, future principal payments of notes to former owners by maturity year were as follows (dollars in thousands):

	Balance at December 31, 2025	Range of Stated Interest Rates
2026	$ 6,125	2.5 - 5.5 %
2027	24,200	4.0 - 5.5 %
2028	14,250	4.3 - 5.5 %
Total	$ 44,575	

Outlook

We have generated positive net free cash flow for the last 27 calendar years, much of which occurred during challenging economic and industry conditions. We also continue to have significant borrowing capacity under our credit facility, and we maintain what we feel are reasonable cash balances. We believe these factors will provide us with sufficient liquidity to fund our operations for the foreseeable future.

Other Commitments

As is common in our industry, we have entered into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected in our Consolidated Balance Sheets, such as obligations involving letters of credit and surety guarantees.

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a financial institution known as a surety. If we fail to perform under the terms of a contract or to pay subcontractors and vendors who provided goods or services under a contract, the customer may demand that the surety make payments or provide services under the bond. We must reimburse the sureties for any expenses or outlays they incur. To date, we are not aware of any losses to our sureties in connection with bonds the sureties have posted on our behalf, and we do not expect such losses to be incurred in the foreseeable future.

Under standard terms in the surety market, sureties issue bonds on a project-by-project basis and can decline to issue bonds at any time. Historically, approximately 10% to 20% of our business has required bonds. While we currently have strong surety relationships to support our bonding needs, future market conditions or changes in the sureties' assessments of our operating and financial risk could cause our sureties to decline to issue bonds for our work. If that were to occur, our alternatives include doing more business that does not require bonds, posting other forms of collateral for project performance, such as letters of credit or cash, and seeking bonding capacity from other sureties. We would likely also encounter concerns from customers, suppliers and other market participants as to our creditworthiness. While we believe our general operating and financial characteristics would enable us to ultimately respond effectively to an interruption in the availability of bonding capacity, such an interruption would likely cause our revenue and profits to decline in the near term.

Material Cash Requirements

Our material cash expenditures consist of normal operating expenditures, such as personnel costs, as well as the items noted in the following table. The table below summarizes current and long-term material cash requirements as of December 31, 2025, which we expect to fund primarily with operating cash flows (in thousands):

	Twelve Months Ending December 31,						
	2026	2027	2028	2029	2030	Thereafter	Total
Revolving credit facility	$ —	$ —	$ —	$ —	$ 100,000	$ —	$ 100,000
Notes to former owners	6,125	24,200	14,250	—	—	—	44,575
Other debt	38	46	22	545	—	—	651
Interest payable	6,969	6,421	5,227	4,969	3,725	—	27,311
Operating lease obligations	53,668	49,622	43,633	37,828	34,395	266,684	485,830
Total	$ 66,800	$ 80,289	$ 63,132	$ 43,342	$ 138,120	$ 266,684	$ 658,367

As of December 31, 2025, we have $79.0 million in letter of credit commitments, of which $60.7 million will expire in 2026 and $18.3 million will expire in 2027. The substantial majority of these letters of credit are posted with insurers who disburse funds on our behalf in connection with our workers' compensation, auto liability and general liability insurance program. These letters of credit provide additional security to the insurers that sufficient financial resources will be available to fund claims on our behalf, many of which develop over long periods of time, should we ever encounter financial duress. Posting of letters of credit for this purpose is a common practice for entities that manage their self-insurance programs through third-party insurers as we do. While some of these letter of credit commitments expire in 2026, we expect nearly all of them, particularly those supporting our insurance programs, will be renewed annually.

As discussed in Note 11 "Income Taxes," included in our Consolidated Balance Sheet at December 31, 2025 is $37.1 million of liabilities for uncertain tax positions, or unrecognized tax benefits.

Other than the lease obligations discussed in Note 10 "Leases," we have no significant purchase or operating commitments outside of commitments to deliver equipment and provide labor in the ordinary course of performing project work.

ITEM 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

We are exposed to market risk primarily related to potential adverse changes in interest rates. At times, we use derivative financial instruments to manage our interest rate risk. There is some market risk from fluctuations in the prices of certain commodities and materials due to tariffs or other macroeconomic factors. In many cases, these increased costs are recoverable, and we do not expect these potential cost increases to have a material impact on our results of operations. We are actively involved in monitoring exposure to market risk and continue to develop and utilize appropriate risk management techniques. We are not exposed to any other significant financial market risks or foreign currency exchange risk from the use of derivative financial instruments.

We have exposure to changes in interest rates under our revolving credit facility. Our debt with fixed interest rates consists of notes to former owners of acquired companies and acquired notes payable.

The following table presents principal amounts (stated in thousands) and related average interest rates by year of maturity for our debt obligations at December 31, 2025:

	Twelve Months Ending December 31,						
	2026	2027	2028	2029	2030	Thereafter	Total
Fixed rate debt	$6,163	$ 24,246	$ 14,272	$ 545	$ —	$ —	$ 45,226
Average interest rate	4.8%	4.8%	4.7%	6.0%	—	—	4.8%
Variable rate debt	$ —	$ —	$ —	$ —	$ 100,000	$ —	$ 100,000

The weighted average interest rate applicable to the borrowings under the revolving credit facility was approximately 5.0% as of December 31, 2025. There were no outstanding borrowings on the revolving credit facility as of December 31, 2024.

We measure certain assets at fair value on a nonrecurring basis. These assets are recognized at fair value when they are deemed to be other-than-temporarily impaired. We did not recognize any impairments in the current year on those assets required to be measured at fair value on a nonrecurring basis.

The valuation of the Company's contingent earn-out payments is determined using a probability weighted discounted cash flow method. This analysis reflects the contractual terms of the purchase agreements (*e.g.*, minimum and maximum payment, length of earn-out periods, manner of calculating any amounts due, etc.) and utilizes assumptions with regard to future cash flows, probabilities of achieving such future cash flows and a discount rate.

ITEM 8. ***Financial Statements and Supplementary Data***

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Comfort Systems USA, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Comfort Systems USA, Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively, referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 19, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue from Contracts with Customers – Refer to Notes 2 and 3 to the Consolidated Financial Statements

Critical Audit Matter Description

The Company recognizes revenue based on the extent of progress towards completion of the performance obligation. The Company generally uses a cost-to-cost input method to measure progress for its contracts, as it depicts the transfer of assets to the customer that occurs as the Company incurs costs, which include labor, materials, subcontractors' costs, other direct costs, and an allocation of indirect costs. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue, including estimated fees or profits, is recorded proportionally as costs are incurred.

The cost-to-cost input method of accounting is also affected by changes in job performance, job conditions, and final contract settlements. These factors may result in revisions to estimated costs and, therefore, revenue. Such revisions are

frequently based on further estimates and subjective assessments. Variations from estimated project costs could have a significant impact on operating results, depending on project size, and the recoverability of the variation from change orders collected from customers.

Given the judgments necessary to account for the Company's contracts with customers, specifically the estimates of total costs that will be incurred at contract completion, which are complex and subject to many variables, auditing the corresponding balances and related accounting estimates required extensive audit effort due to the complexity of these estimates, and a high degree of auditor judgment when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter was Addressed in the Audit

Our audit procedures related to management's estimates and judgments included within the Company's estimated total costs at completion for its contracts with customers included the following, among others:

- We tested the operating effectiveness of controls over the recognition of revenue, including those over the determination of estimated total costs at contract completion (including the estimated progress toward completion).
- We evaluated quarter over quarter changes in contract profit estimates for a selection of contracts by obtaining explanations from Company's management regarding the timing and amount of the changes in estimates and corroborating these inquiries by inspecting documents, including management work plans, customer communications, change orders, vendor invoices, and supplier or subcontractor communications.
- We developed an independent expectation of recorded revenue at certain operating units using analytical procedures to incorporate relevant current and historical information and compared our expectations to the recorded revenue for the operating unit.
- For a sample of contracts with customers, we performed the following:
    - Evaluated the reasonableness of management's estimates of total costs and profit at contract completion by:
        - Evaluating management's estimate of total costs at contract completion by performing corroborating inquiries with the Company's project managers and personnel involved with the contracts, and comparing the estimates to management's work plans, suppliers' contracts, subcontract agreements, third-party invoices from suppliers, historical actual results, and/or engineering specifications.
        - Evaluating management's ability to accurately estimate total costs and profits at contract completion by analyzing the comparison of actual costs and profits for completed projects or current year estimated costs of completion to prior year management's estimates.
        - Evaluating changes in estimates of total costs at project completion by obtaining evidence regarding timing and amounts supporting these changes in estimates such as approved change order documents, communications with the customer, subcontract agreements and related amendments, and recent actual costs.

/s/ Deloitte & Touche LLP

Houston, Texas
February 19, 2026

We have served as the Company's auditor since 2021.

COMFORT SYSTEMS USA, INC.

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share Amounts)

	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 981,898	$ 549,939
Billed accounts receivable, less allowance for credit losses of $19,708 and $15,286, respectively	2,577,858	1,861,212
Unbilled accounts receivable, less allowance for credit losses of $1,508 and $1,475, respectively	123,197	95,786
Other receivables, less allowance for credit losses of $325 and $553, respectively	116,157	86,186
Inventories	84,066	59,224
Prepaid expenses and other	138,560	46,213
Costs and estimated earnings in excess of billings, less allowance for credit losses of $255 and $271, respectively	88,817	91,681
Total current assets	4,110,553	2,790,241
PROPERTY AND EQUIPMENT, NET	387,952	277,180
LEASE RIGHT-OF-USE ASSETS	322,922	229,106
GOODWILL	1,025,515	875,270
IDENTIFIABLE INTANGIBLE ASSETS, NET	485,168	434,417
DEFERRED TAX ASSETS	84,139	85,441
OTHER NONCURRENT ASSETS	24,920	19,433
Total assets	$ 6,441,169	$ 4,711,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 6,163	$ 6,042
Accounts payable	696,348	654,943
Accrued compensation and benefits	291,722	228,622
Billings in excess of costs and estimated earnings and deferred revenue	2,120,262	1,149,257
Accrued self-insurance	42,973	42,315
Other current liabilities	236,382	501,591
Total current liabilities	3,393,850	2,582,770
LONG-TERM DEBT	139,063	62,293
LEASE LIABILITIES	302,590	212,107
DEFERRED TAX LIABILITIES	3,892	2,225
OTHER LONG-TERM LIABILITIES	153,000	147,017
Total liabilities	3,992,395	3,006,412
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par, 5,000,000 shares authorized, none issued and outstanding	—	—
Common stock, $.01 par, 102,969,912 shares authorized, 41,123,365 and 41,123,365 shares issued, respectively	411	411
Treasury stock, at cost, 5,946,145 and 5,562,453 shares, respectively	(496,006)	(273,799)
Additional paid-in capital	363,314	350,734
Retained earnings	2,581,055	1,627,330
Total stockholders' equity	2,448,774	1,704,676
Total liabilities and stockholders' equity	$ 6,441,169	$ 4,711,088

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

COMFORT SYSTEMS USA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Data)

	Year Ended December 31,		
	2025	2024	2023
REVENUE	$ 9,101,641	$ 7,027,476	$ 5,206,760
COST OF SERVICES	6,905,742	5,551,065	4,216,251
Gross profit	2,195,899	1,476,411	990,509
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	883,284	730,072	574,423
GAIN ON SALE OF ASSETS	(1,974)	(3,030)	(2,302)
Operating income	1,314,589	749,369	418,388
OTHER INCOME (EXPENSE):			
Interest income	21,604	11,554	3,492
Interest expense	(9,009)	(6,648)	(10,281)
Changes in the fair value of contingent earn-out obligations	(33,473)	(88,146)	(23,607)
Other	(258)	432	202
Other income (expense)	(21,136)	(82,808)	(30,194)
INCOME BEFORE INCOME TAXES	1,293,453	666,561	388,194
PROVISION FOR INCOME TAXES	270,895	144,128	64,796
NET INCOME	$ 1,022,558	$ 522,433	$ 323,398
INCOME PER SHARE:			
Basic	$ 28.93	$ 14.64	$ 9.03
Diluted	$ 28.88	$ 14.60	$ 9.01
SHARES USED IN COMPUTING INCOME PER SHARE:			
Basic	35,349	35,689	35,802
Diluted	35,413	35,775	35,895

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

COMFORT SYSTEMS USA, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In Thousands, Except Share Amounts)

	Common Stock		Treasury Stock		Additional Paid-In	Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Earnings	Equity
BALANCE AT DECEMBER 31, 2022	41,123,365	$ 411	(5,362,224)	$ (187,212)	$ 332,080	$ 854,644	$ 999,923
Net income	—	—	—	—	—	323,398	323,398
Issuance of Stock:							
Issuance of shares for options exercised	—	—	1,000	36	(18)	—	18
Issuance of restricted stock & performance stock	—	—	94,729	3,398	1,117	—	4,515
Shares received in lieu of tax withholding on vested stock	—	—	(32,652)	(4,725)	—	—	(4,725)
Stock-based compensation	—	—	—	—	6,383	—	6,383
Dividends ($0.85 per share)	—	—	—	—	—	(30,379)	(30,379)
Share repurchase	—	—	(139,478)	(21,304)	—	—	(21,304)
BALANCE AT DECEMBER 31, 2023	41,123,365	$ 411	(5,438,625)	$ (209,807)	$ 339,562	$ 1,147,663	$ 1,277,829
Net income	—	—	—	—	—	522,433	522,433
Issuance of Stock:							
Issuance of shares for options exercised	—	—	5,369	248	(64)	—	184
Issuance of restricted stock & performance stock	—	—	74,129	2,982	2,371	—	5,353
Shares received in lieu of tax withholding on vested stock	—	—	(26,168)	(8,915)	—	—	(8,915)
Stock-based compensation	—	—	—	—	8,865	—	8,865
Dividends ($1.20 per share)	—	—	—	—	—	(42,766)	(42,766)
Share repurchase	—	—	(177,158)	(58,307)	—	—	(58,307)
BALANCE AT DECEMBER 31, 2024	41,123,365	$ 411	(5,562,453)	$ (273,799)	$ 350,734	$ 1,627,330	$ 1,704,676
Net income	—	—	—	—	—	1,022,558	1,022,558
Issuance of Stock:							
Issuance of shares for options exercised	—	—	20,936	1,395	(602)	—	793
Issuance of restricted stock & performance stock	—	—	63,815	4,280	2,321	—	6,601
Shares received in lieu of tax withholding on vested stock	—	—	(23,271)	(10,016)	—	—	(10,016)
Stock-based compensation	—	—	—	—	10,861	—	10,861
Dividends ($1.95 per share)	—	—	—	—	—	(68,833)	(68,833)
Share repurchase	—	—	(445,172)	(217,866)	—	—	(217,866)
BALANCE AT DECEMBER 31, 2025	41,123,365	$ 411	(5,946,145)	$ (496,006)	$ 363,314	$ 2,581,055	$ 2,448,774

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

COMFORT SYSTEMS USA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 1,022,558	$ 522,433	$ 323,398
Adjustments to reconcile net income to net cash provided by operating activities—			
Amortization of identifiable intangible assets	79,580	97,266	43,404
Depreciation expense	62,379	48,219	38,162
Change in right-of-use assets	33,848	30,950	25,964
Bad debt expense	6,609	6,952	4,944
Deferred tax provision (benefit)	(5,277)	(66,613)	95,296
Amortization of debt financing costs	1,018	687	685
Gain on sale of assets	(1,974)	(3,030)	(2,302)
Changes in the fair value of contingent earn-out obligations	33,473	88,146	23,607
Stock-based compensation	21,809	16,646	12,939
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures—			
(Increase) decrease in—			
Receivables, net	(594,298)	(333,233)	(381,555)
Inventories	(24,411)	6,544	(29,688)
Prepaid expenses and other current assets	(91,359)	(7,868)	(11,137)
Costs and estimated earnings in excess of billings and unbilled accounts receivable	(19,945)	(82,081)	7,350
Other noncurrent assets	(386)	(2,220)	(152)
Increase (decrease) in—			
Accounts payable and other current liabilities	(276,051)	502,888	136,467
Billings in excess of costs and estimated earnings and deferred revenue	910,084	32,173	349,166
Other long-term liabilities	28,699	(8,802)	3,020
Net cash provided by operating activities	1,186,356	849,057	639,568
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(154,903)	(111,071)	(94,838)
Proceeds from sales of property and equipment	3,695	5,538	5,951
Cash paid for acquisitions, net of cash acquired	(279,610)	(235,466)	(102,261)
Payments for investments	(64,201)	(2,510)	(1,860)
Proceeds from investments	27,747	—	—
Net cash used in investing activities	(467,272)	(343,509)	(193,008)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from revolving credit facility	200,000	182,000	285,000
Payments on revolving credit facility	(100,000)	(182,000)	(500,000)
Proceeds from other debt	—	640	—
Payments on other debt	(43,059)	(26,576)	(12,033)
Debt financing costs	(3,709)	—	—
Payments of dividends to stockholders	(68,833)	(42,766)	(30,379)
Share repurchases	(215,999)	(57,912)	(21,184)
Shares received in lieu of tax withholding	(10,016)	(8,915)	(4,725)
Proceeds from exercise of options	793	184	18
Deferred acquisition payments	—	(50)	—
Payments for contingent consideration arrangements	(46,302)	(25,364)	(15,321)
Net cash used in financing activities	(287,125)	(160,759)	(298,624)
NET INCREASE IN CASH AND CASH EQUIVALENTS	431,959	344,789	147,936
CASH AND CASH EQUIVALENTS, beginning of period	549,939	205,150	57,214
CASH AND CASH EQUIVALENTS, end of period	$ 981,898	$ 549,939	$ 205,150

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

COMFORT SYSTEMS USA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

1. Business and Organization

Comfort Systems USA, Inc., a Delaware corporation, provides comprehensive mechanical and electrical contracting services, which principally includes heating, ventilation and air conditioning ("HVAC"), plumbing, electrical, piping and controls, as well as off-site construction, monitoring and fire protection. We build, install, maintain, repair and replace mechanical, electrical and plumbing ("MEP") systems throughout the United States. Approximately 63.2% of our consolidated 2025 revenue is attributable to installation of systems in newly constructed facilities, with the remaining 36.8% attributable to renovation, expansion, maintenance, repair and replacement services in existing buildings. The terms "Comfort Systems," "we," "us," "our," or the "Company," refer to Comfort Systems USA, Inc. or Comfort Systems USA, Inc. and its consolidated subsidiaries, as appropriate in the context.

2. Summary of Significant Accounting Policies and Estimates

Principles of Consolidation

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The accompanying consolidated financial statements include our accounts and those of our subsidiaries in which we have a controlling interest. All intercompany accounts and transactions have been eliminated. Certain amounts in prior periods have been reclassified to conform to the current period presentation. The effects of the reclassification were not material to the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities, revenue and expenses and disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates. The most significant estimates used in our financial statements affect revenue and cost recognition for construction contracts, self-insurance accruals, accounting for income taxes, fair value accounting for acquisitions and the quantification of fair value for reporting units in connection with our goodwill impairment testing.

Cash Flow Information

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Cash paid (in thousands) for:

	Year Ended December 31,		
	2025	2024	2023
Interest	$ 7,903	$ 6,428	$ 9,862
Income taxes, net of refunds			
Federal	$204,077	$ 73,000	$ 83,000
State			
Arizona	*	5,536	*
Remaining states	49,472	24,283	17,254
Subtotal	49,472	29,819	17,254
Total income taxes, net of refunds	$253,549	$102,819	$100,254

* Jurisdiction below the threshold for the period presented.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This standard requires entities to disclose more detailed information in the reconciliation of their statutory tax rate to their effective tax rate. The standard also requires entities to make additional disclosures on income taxes paid as well as on certain income statement-related disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. We adopted this standard beginning with our 2025 annual reporting and applied the requirements of the standard retrospectively to all periods presented. There was no impact of adoption on our consolidated financial position, results of operations or cash flows, but our disclosure in Note 11, "Income Taxes," has been updated to conform with the requirements of ASU 2023-09.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The standard requires entities to disclose, on an annual and interim basis, disaggregated information about certain income statement expense line items in the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. Entities may apply the standard prospectively or may elect retrospective application. We are currently evaluating the impact ASU 2024-03 will have on our disclosures; however, the standard will not have an impact on our consolidated financial position, results of operation or cash flows.

Revenue Recognition

We recognize revenue over time for all of our services as we perform them because (i) control continuously transfers to the customer as work progresses, and (ii) we have the right to bill the customer as costs are incurred. The customer typically controls the work in process, as evidenced either by contractual termination clauses or by our rights to payment for work performed to date, plus a reasonable profit, for delivery of products or services that do not have an alternative use to the Company.

For the reasons listed above, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use a cost-to-cost input method to measure our progress towards satisfaction of the performance obligation for our contracts, as it best depicts the transfer of assets to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue, including estimated fees or profits, is recorded proportionally as costs are incurred. Costs to fulfill include labor, materials, subcontractors' costs, other direct costs and an allocation of indirect costs.

For a small portion of our business in which our services are delivered in the form of service maintenance agreements for existing systems to be repaired and maintained, as opposed to constructed, our performance obligation is to maintain the customer's mechanical system for a specific period of time. As with construction jobs, we recognize revenue over time; however, for service maintenance agreements in which the full cost to provide services may not be known, we generally use an input method to recognize revenue, which is based on the amount of time we have provided our services out of the total time we have been contracted to perform those services. Our revenue recognition policy is further discussed in Note 3 "Revenue from Contracts with Customers."

Accounts Receivable and Allowance for Credit Losses

We are required to estimate and record the expected credit losses over the contractual life of our financial assets measured at amortized cost, including billed and unbilled accounts receivable, other receivables and contract assets. Accounts receivable include amounts from work completed in which we have billed or have an unconditional right to bill our customers. Our trade receivables are contractually due in less than a year.

We estimate our credit losses using a loss-rate method for each of our identified portfolio segments. Our portfolio segments are construction, service and other. While our construction and service financial assets are often with the same subset of customers and industries, our construction financial assets will generally have a lower loss-rate than service financial assets due to lien rights, which we are more likely to have on construction jobs. These lien rights result in lower credit loss expenses on average compared to receivables that do not have lien rights. Financial assets classified as "other" include receivables that are not related to our core revenue producing activities, such as receivables related to our acquisition activity from former owners, our vendor rebate program or receivables for estimated losses in excess of our insurance deductible, which are accrued with a corresponding accrued insurance liability.

Loss rates for our portfolios are based on numerous factors, including our history of credit loss expense by portfolio, the financial strength of our customers and counterparties in each portfolio, the aging of our receivables, our expectation of likelihood of payment, macroeconomic trends in the U.S. and the current and forecasted nonresidential construction market trends in the U.S.

In addition to the loss-rate calculations discussed above, we also record allowance for credit losses for specific receivables that are deemed to have a higher risk profile than the rest of the respective pool of receivables (*e.g.*, when we have concerns about a specific customer going bankrupt and no longer being able to pay the receivables due to us).

Activity in our allowance for credit losses consisted of the following (in thousands):

	Year Ended December 31, 2025				Year Ended December 31, 2024			
	Service	Construction	Other	Total	Service	Construction	Other	Total
Balance at beginning of year	$ 7,617	$ 9,860	$ 108	$ 17,585	$ 5,700	$ 7,600	$ 77	$ 13,377
Bad debt expense	3,061	3,481	67	6,609	4,190	2,731	31	6,952
Deductions for uncollectible receivables written off, net of recoveries	(1,883)	(515)	—	(2,398)	(2,273)	(596)	—	(2,869)
Credit allowance of acquired receivables on the acquisition date	—	—	—	—	—	125	—	125
Balance at end of period	$ 8,795	$ 12,826	$ 175	$ 21,796	$ 7,617	$ 9,860	$ 108	$ 17,585

Unbilled Accounts Receivable

Unbilled accounts receivable are amounts due to us that we have earned under a contract where our right to payment is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due. These items are expected to be billed and collected in the normal course of business. Other unbilled receivables where payment is subject to factors beyond just the passage of time are included in contract assets.

Inventories

Inventories consist of parts and supplies that we purchase and hold for use in the ordinary course of business and are stated at the lower of cost or net realizable value using the average-cost method.

Property and Equipment

Property and equipment are stated at cost, and depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized over the lesser of the expected life of the lease or the estimated useful life of the asset.

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments, which extend the useful lives of existing equipment, are capitalized and depreciated over the remaining useful life of the equipment. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in "Gain on Sale of Assets" in the Consolidated Statements of Operations.

Recoverability of Goodwill and Identifiable Intangible Assets

Goodwill is the excess of purchase price over the fair value of the net assets of acquired businesses. We assess goodwill for impairment each year, and more frequently if circumstances suggest an impairment may have occurred.

When the carrying value of a given reporting unit exceeds its fair value, a goodwill impairment loss is recorded for this difference, not to exceed the carrying amount of goodwill. The requirements for assessing whether goodwill has been impaired involve market-based information. This information, and its use in assessing goodwill, entails some degree of subjective assessment.

We perform our annual impairment testing as of October 1, and any impairment charges resulting from this process are reported in the fourth quarter. We segregate our operations into reporting units based on the degree of operating and financial independence of each unit and our related management of them. We perform our annual goodwill impairment testing at the reporting unit level. We perform a goodwill impairment review for each of our operating units, as we have determined that each of our operating units are reporting units.

In the evaluation of goodwill for impairment, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of one of our reporting units is greater than its carrying value. If, after completing such assessment, we determine it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then there is no need to perform any further testing. If we conclude otherwise, or if we elect to perform a quantitative assessment, then we calculate the fair value of the reporting unit and compare the fair value with the carrying value of the reporting unit.

We estimate the fair value of the reporting unit based on a market approach and an income approach, which utilizes discounted future cash flows. Assumptions critical to the fair value estimates under the discounted cash flow model include discount rates, cash flow projections, projected long-term growth rates and the determination of terminal values. The market approach utilizes market multiples of invested capital from comparable publicly traded companies (“public company approach”). The market multiples from invested capital include revenue, book equity plus debt and earnings before interest, provision for income taxes, depreciation and amortization (“EBITDA”).

We amortize identifiable intangible assets with finite lives over their useful lives. Changes in strategy and/or market condition may result in adjustments to recorded intangible asset balances or their useful lives.

Long-Lived Assets

Long-lived assets are comprised principally of identifiable intangible assets, property and equipment, lease right-of-use assets and deferred tax assets. We periodically evaluate whether events and circumstances have occurred that indicate that the remaining balances of these assets may not be recoverable. We use estimates of future undiscounted cash flows, as well as other economic and business factors, to assess the recoverability of these assets.

Acquisitions

We recognize assets acquired and liabilities assumed in business combinations, including contingent assets and liabilities, based on fair value estimates as of the date of acquisition.

Contingent Consideration—In certain acquisitions, we agree to pay additional amounts to sellers contingent upon achievement by the acquired businesses of certain predetermined profitability targets. We have recognized liabilities for these contingent obligations based on their estimated fair value at the date of acquisition with any differences between the acquisition date fair value and the ultimate settlement of the obligations being recognized in income in the period of the change.

Contingent Assets and Liabilities—Assets and liabilities arising from contingencies are recognized at their acquisition date fair value when their respective fair values are determinable. Acquisition date fair value estimates are revised as necessary if, and when, additional information regarding these contingencies becomes available to further define and quantify assets acquired and liabilities assumed.

Self-Insurance Liabilities

We are substantially self-insured for workers' compensation, employer's liability, auto liability, general liability and employee group health claims, in view of the relatively high per-incident deductibles we absorb under our insurance arrangements for these risks. Losses are estimated and accrued based upon known facts, historical trends and industry averages. Estimated losses in excess of our deductible, which have not already been paid, are included in our accrual with a corresponding receivable from our insurance carrier. Loss estimates associated with the larger and longer-developing risks, such as workers' compensation, auto liability and general liability, are reviewed by a third-party actuary quarterly. Our self-insurance arrangements are further discussed in Note 13 "Commitments and Contingencies."

Warranty Costs

We typically warrant labor for the first year after installation on new MEP systems that we build and install, and we pass through to the customer manufacturers' warranties on equipment. We generally warrant labor for thirty days after servicing existing MEP systems. A reserve for warranty costs is estimated and recorded based upon the historical level of warranty claims and management's estimate of future costs.

Income Taxes

We conduct business throughout the United States in virtually all fifty states. Our effective tax rate changes based upon our relative profitability, or lack thereof, in the federal and various state jurisdictions with differing tax rates and rules. In addition, discrete items such as tax law changes, judgments and legal structures can impact our effective tax rate. These items can also include the tax treatment for impairment of goodwill and other intangible assets, changes in fair value of acquisition-related assets and liabilities, uncertain tax positions, and accounting for losses associated with underperforming operations.

Income taxes are provided for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities based on the differences between the financial statement and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the provision for income taxes in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, taxable income in prior carryback years and tax planning strategies. Management's judgment is required in considering the relative weight of negative and positive evidence.

We record uncertain tax positions based on a two-step process in which (i) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the relevant taxing authority.

To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income taxes, such amounts are accrued and classified as a component in the provision for income taxes in our Consolidated Statements of Operations.

Concentrations of Credit Risk

We provide services in a broad range of geographic regions. Our credit risk primarily consists of receivables from a variety of customers, including general contractors, property owners and developers, and commercial and industrial companies. We are subject to potential credit risk related to changes in business and economic factors throughout the United States within the nonresidential construction industry. However, we are entitled to payment for work performed and have certain lien rights related to that work. Further, we believe that our contract acceptance, billing and collection policies are adequate to manage potential credit risk. We regularly review our accounts receivable and

estimate an allowance for credit losses. We have a diverse customer base, with our top customer representing 12.8% of consolidated 2025 revenue and 10.2% of total receivables as of December 31, 2025.

Financial Instruments

Our financial instruments consist of cash and cash equivalents, U.S. Treasury bills, accounts receivable, other receivables and accounts payable, for which we deem the carrying values approximate their fair values due to the short-term nature of these instruments, as well as notes to former owners and a revolving credit facility.

Investments

As of December 31, 2025, we had a $34.4 million investment in U.S. Treasury bills with maturities greater than ninety days but less than one year, which are recorded at amortized cost and is included in "Prepaid Expenses and Other" in our Consolidated Balance Sheet.

3. Revenue from Contracts with Customers

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. Sales-based taxes are excluded from revenue.

We provide mechanical and electrical contracting services. Our mechanical segment principally includes HVAC, plumbing, piping and controls, as well as off-site construction, monitoring and fire protection. Our electrical segment includes installation and servicing of electrical systems. We build, install, maintain, repair and replace products and systems throughout the United States. All of our revenue is recognized over time as we deliver goods and services to our customers. Revenue can be earned based on an agreed-upon fixed price or based on actual costs incurred, marked up at an agreed-upon percentage.

For fixed price agreements, we use the cost-to-cost input method of accounting under which contract revenue recognizable at any time during the life of a contract is determined by multiplying expected total contract revenue by the percentage of contract costs incurred at any time to total estimated contract costs. More specifically, as part of the negotiation and bidding process to obtain installation contracts, we estimate our contract costs, which include all direct materials, labor and subcontract costs and indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. These contract costs are included in our results of operations under the caption "Cost of Services." Then, as we perform under those contracts, we measure costs incurred, compare them to total estimated costs to complete the contract and recognize a corresponding proportion of contract revenue. Labor costs are considered to be incurred as the work is performed. Subcontractor labor is recognized as the work is performed. Non-labor project costs consist of purchased equipment, prefabricated materials and other materials. Purchased equipment on our projects is substantially produced to job specifications, normally installed shortly after receipt and is a value-added element to our work. Prefabricated materials, such as ductwork and piping, are generally made at our shops and recognized as contract costs when fabricated for the unique specifications of the job. Other materials costs are generally recorded when delivered to the work site. This measurement and comparison process requires updates to the estimate of total costs to complete the contract, and these updates may include subjective assessments and judgments.

We account for a contract when: (i) it has approval and commitment from both parties, (ii) the rights of the parties are identified, (iii) payment terms are identified, (iv) the contract has commercial substance, and (v) collectability of consideration is probable. We consider the start of a project to be when the above criteria have been met and we either have written authorization from the customer to proceed or an executed contract.

Selling, marketing and estimation costs incurred in relation to selling contracts are expensed as incurred. On rare occasions, we may incur significant expenses related to selling a contract that we only incurred because we sold that contract. If this occurs, we capitalize that cost and amortize it on a completion percentage basis over the life of the contract. We do not currently have any capitalized selling, marketing, or estimation costs in our Consolidated Balance Sheet and did not incur any impairment loss on such costs in the current year.

We generally do not incur significant incremental costs related to obtaining or fulfilling a contract prior to the start of a project. On rare occasions, when significant pre-contract costs are incurred, they are capitalized and amortized

over the life of the contract using a cost-to-cost input method to measure progress towards contract completion. We do not currently have any capitalized obtainment or fulfillment costs in our Consolidated Balance Sheet and have not incurred any impairment loss on such costs in the current year.

Project contracts typically provide for a schedule of billings or invoices to the customer based on our job-to-date completion percentage of specific tasks inherent in the fulfillment of our performance obligation(s). The schedules for such billings usually do not precisely match the schedule on which costs are incurred. As a result, contract revenue recognized in our Consolidated Statement of Operations can, and usually does, differ from amounts that can be billed or invoiced to the customer at any point during the contract. Amounts by which cumulative contract revenue recognized on a contract as of a given date exceed cumulative billings and unbilled receivables to the customer under the contract are reflected as a current asset in our Consolidated Balance Sheet under the caption "Costs and Estimated Earnings in Excess of Billings." Amounts by which cumulative billings to the customer under a contract as of a given date exceed cumulative contract revenue recognized on the contract are reflected as a current liability in our Consolidated Balance Sheet under the caption "Billings in Excess of Costs and Estimated Earnings and Deferred Revenue."

Accounts receivable include amounts billed to customers under retention or retainage provisions in construction contracts. Such provisions are standard in our industry and usually allow for a small portion of progress billings or the contract price to be withheld by the customer until after we have completed work on the project, typically for a period of six months. Based on our experience with similar contracts in recent years, the majority of our billings for such retention balances at each Balance Sheet date are finalized and collected within the subsequent year. Retention balances at December 31, 2025 and 2024 were $506.5 million and $329.2 million, respectively, and are included in accounts receivable.

Accounts payable at December 31, 2025 and 2024 included $83.1 million and $50.9 million of retainage under terms of contracts with subcontractors, respectively. The majority of the retention balances at each Balance Sheet date are finalized and paid within the subsequent year.

The cost-to-cost input method of accounting is also affected by changes in job performance, job conditions, and final contract settlements. These factors may result in revisions to estimated costs and, therefore, revenue. Such revisions are frequently based on further estimates and subjective assessments. The effects of these revisions are recognized in the period in which revisions are determined. When such revisions lead to a conclusion that a loss will be recognized on a contract, the full amount of the estimated ultimate loss is recognized in the period such conclusion is reached, regardless of the completion percentage of the contract.

Revisions to project costs and conditions can give rise to change orders under which there is an agreement between the customer and us that the customer pays an additional or reduced contract price. Revisions can also result in claims we might make against the customer to recover project variances that have not been satisfactorily addressed through change orders with the customer. The amount of revenue associated with unapproved change orders and claims was immaterial for the years ended December 31, 2025, December 31, 2024 and December 31, 2023.

Variations from estimated project costs could have a significant impact on our operating results, depending on project size, and the recoverability of the variation from change orders collected from customers.

We typically invoice our customers with payment terms of net due in 30 days. It is common in the construction industry for a contract to specify more lenient payment terms allowing the customer 45 to 60 days to make their payment. It is also common for a contract in the construction industry to specify that a general contractor is not required to submit payments to a subcontractor until it has received those funds from the owner or funding source. In most instances, we receive payment of our invoices within between 30 to 90 days of the date of the invoice.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

To determine the proper revenue recognition method for contracts, we evaluate whether two or more contracts should be combined and accounted for as one performance obligation and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment and the

decision to combine a group of contracts or separate the combined or single contract into multiple performance obligations could change the amount of revenue and profit recorded in a given period. For most of our contracts, the customer contracts with us to provide a significant service of integrating a complex set of tasks and components into a single project or capability (even if that single project results in the delivery of multiple units). Hence, the entire contract is accounted for as one performance obligation. Less commonly, however, we may promise to provide distinct goods or services within a contract, in which case we separate the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, we allocate the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. We infrequently sell standard products with observable standalone sales. In such cases, the observable standalone sales are used to determine the standalone selling price. More frequently, we sell a customized, customer-specific solution, and, in these cases, we typically use the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation.

We recognize revenue over time for all of our services as we perform them because (i) control continuously transfers to the customer as work progresses, and (ii) we have the right to bill the customer as costs are incurred. The customer typically controls the work in process, as evidenced either by contractual termination clauses or by our rights to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use to the Company.

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion (the process described below in more detail) is complex, subject to many variables and requires significant judgment. The consideration to which we are entitled on our long-term contracts may include both fixed and variable amounts. Variable amounts can either increase or decrease the transaction price. A common example of variable amounts that can either increase or decrease contract value are pending change orders that represent contract modifications for which a change in scope has been authorized or acknowledged by our customer, but the final adjustment to contract price is yet to be negotiated. Other examples of positive variable revenue include amounts awarded upon achievement of certain performance metrics, program milestones or cost of completion date targets and can be based upon customer discretion. Variable amounts can result in a deduction from contract revenue if we fail to meet stated performance requirements, such as complying with the construction schedule.

We include estimated amounts of variable consideration in the contract price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the contract price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. We reassess the amount of variable consideration each accounting period until the uncertainty associated with the variable consideration is resolved. Changes in the assessed amount of variable consideration are accounted for prospectively as a cumulative adjustment to revenue recognized in the current period.

Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing performance obligation(s). The effect of a contract modification on the transaction price, and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase or decrease) on a cumulative catch-up basis.

We have a Company-wide policy requiring periodic review of the Estimate at Completion in which management reviews the progress and execution of our performance obligations and estimated remaining obligations. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, identified risks and opportunities and the related changes in estimates of revenue and costs. The risks and opportunities include management's judgment about the ability and cost to achieve the schedule (*e.g.*, the number and type of milestone events), technical requirements (*e.g.*, a newly developed product versus a mature product) and other contract requirements. Management must make assumptions and estimates regarding labor productivity and availability, the complexity of the work to be performed, the availability of materials, the length of time to complete the performance obligation (*e.g.*, to estimate increases in wages and prices for materials and related support cost allocations), execution by our subcontractors, the availability and timing of funding from our customer, and overhead cost rates, among other variables.

Based on this analysis, any adjustments to revenue, cost of services, and the related impact to operating income are recognized as necessary in the quarter when they become known. These adjustments may result from positive program performance if we determine we will be successful in mitigating risks surrounding the technical, schedule and cost aspects of those performance obligations or realizing related opportunities and may result in an increase in operating income during the performance of individual performance obligations. Likewise, if we determine we will not be successful in mitigating these risks or realizing related opportunities, these adjustments may result in a decrease in operating income. Changes in estimates of revenue, cost of services and the related impact to operating income are recognized quarterly on a cumulative catch-up basis, meaning we recognize in the current period the cumulative effect of the changes on current and prior periods based on our progress towards complete satisfaction of a performance obligation. A significant change in one or more of these estimates could affect the profitability of one or more of our performance obligations. For projects in which estimates of total costs to be incurred on a performance obligation exceed total estimates of revenue to be earned, a provision for the entire loss on the performance obligation is recognized in the period the loss is determined.

The Company typically does not incur any returns, refunds, or similar obligations after the completion of the performance obligation since any deficiencies are corrected during the course of the work or are included as a modification to revenue. The Company does offer an industry standard warranty on our work, which is most commonly for a one-year period. The vendors providing the equipment and materials are responsible for any failures in their product unless installed incorrectly. We include an estimated amount to cover estimated warranty expense in our Cost of Services and record a liability in our Consolidated Balance Sheet to cover our current estimated outstanding warranty obligations.

During the years ended December 31, 2025, December 31, 2024 and December 31, 2023, net revenue recognized from our performance obligations partially satisfied in the previous period positively impacted revenue by 3.9%, 2.3% and 1.3%, respectively, as a result of changes in estimates associated with performance obligations on contracts.

Disaggregation of Revenue

Our consolidated 2025 revenue was derived from contracts to provide service activities in the mechanical and electrical segments we serve. Refer to Note 16 “Segment Information” for additional information on our reportable segments. We disaggregate our revenue from contracts with customers by service provided, customer type and activity type, as we believe it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. See details in the following tables (dollars in thousands):

	Year Ended December 31,					
Revenue by Service Provided	**2025**		**2024**		**2023**	
Mechanical Segment	$ 6,673,745	73.3 %	$ 5,527,604	78.7 %	$ 3,946,022	75.8 %
Electrical Segment	2,427,896	26.7 %	1,499,872	21.3 %	1,260,738	24.2 %
Total	$ 9,101,641	100.0 %	$ 7,027,476	100.0 %	$ 5,206,760	100.0 %

	Year Ended December 31,					
Revenue by Type of Customer	**2025**		**2024**		**2023**	
Technology	$ 4,098,854	45.0 %	$ 2,331,362	33.2 %	$ 1,114,382	21.4 %
Manufacturing	2,011,607	22.1 %	1,919,403	27.3 %	1,751,684	33.6 %
Healthcare	810,646	8.9 %	584,902	8.3 %	554,906	10.6 %
Education	665,266	7.3 %	702,706	10.0 %	493,982	9.5 %
Government	457,329	5.0 %	375,201	5.4 %	301,837	5.8 %
Office Buildings	446,659	5.0 %	424,343	6.0 %	400,754	7.7 %
Retail, Restaurants and Entertainment	337,590	3.7 %	377,302	5.4 %	310,381	6.0 %
Multi-Family and Residential	130,578	1.4 %	142,133	2.0 %	181,780	3.5 %
Other	143,112	1.6 %	170,124	2.4 %	97,054	1.9 %
Total	$ 9,101,641	100.0 %	$ 7,027,476	100.0 %	$ 5,206,760	100.0 %

Revenue by Activity Type	Year Ended December 31, 2025		2024		2023	
New Construction	$ 5,752,786	63.2 %	$ 3,984,529	56.7 %	$ 2,853,239	54.8 %
Existing Building Construction	2,118,363	23.3 %	1,945,093	27.7 %	1,337,023	25.6 %
Service Projects	568,845	6.2 %	468,950	6.7 %	446,151	8.6 %
Service Calls, Maintenance and Monitoring	661,647	7.3 %	628,904	8.9 %	570,347	11.0 %
Total	$ 9,101,641	100.0 %	$ 7,027,476	100.0 %	$ 5,206,760	100.0 %

Contract Assets and Liabilities

Contract assets include unbilled amounts typically resulting from sales under long term contracts when the cost-to-cost method of revenue recognition is used, revenue recognized exceeds the amount billed to the customer and right to payment is conditional or subject to completing a milestone, such as a phase of the project. Contract assets are not considered to have a significant financing component, as they are intended to protect the customer in the event that we do not perform our obligations under the contract.

Contract liabilities consist of advance payments and billings in excess of revenue recognized. Advance payments from customers related to work not yet started are classified as deferred revenue. Contract liabilities are not considered to have a significant financing component, as they are used to meet working capital requirements that are generally higher in the early stages of a contract and are intended to protect us from the other party failing to meet its obligations under the contract. Our contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

Contract assets and liabilities in the Consolidated Balance Sheet consisted of the following amounts as of December 31, 2025 and December 31, 2024 (in thousands):

	December 31, 2025	December 31, 2024
Contract assets:		
Costs and estimated earnings in excess of billings, less allowance for credit losses	$ 88,817	$ 91,681
Contract liabilities:		
Billings in excess of costs and estimated earnings and deferred revenue	$ 2,120,262	$ 1,149,257

Contract assets and liabilities fluctuate year to year based on various factors, including, but not limited to, the variability in billing and payment terms of customers and changes in the number and size of projects in progress at period end. Contract assets decreased from December 31, 2024 to December 31, 2025 by approximately $2.9 million. Contract liabilities increased from December 31, 2024 to December 31, 2025 by approximately $971.0 million. The decrease in contract assets included a decrease of $7.5 million attributable to the timing of billings, partially offset by an increase of $4.6 million related to our 2025 acquisitions. The increase in contract liabilities is primarily due to an increase of $910.1 million related to an increase in billings in excess of costs recognized on our performance obligations, primarily from the timing of billings on projects within the technology sector. Additionally, there was an increase of $60.9 million as a result of our 2025 acquisitions.

During the years ended December 31, 2025 and 2024, we recognized revenue of $1.00 billion and $816.8 million, respectively, related to our contract liabilities at January 1, 2025 and January 1, 2024, respectively.

We did not have any impairment losses recognized on our receivables or contract assets in 2025 and 2024.

Remaining Performance Obligations

Remaining construction performance obligations represent the remaining transaction price of firm orders for which work has not been performed and exclude unexercised contract options. As of December 31, 2025, the aggregate amount of the transaction price allocated to remaining performance obligations was $11.94 billion. The Company expects to recognize revenue on approximately 65-75% of the remaining performance obligations over the next 12 months, with the remaining recognized thereafter. Our service maintenance agreements are generally one-year renewable agreements. We have adopted the practical expedient that allows us to not include service maintenance contracts with a

total term of one year or less; therefore, we do not report unfulfilled performance obligations for service maintenance agreements.

4. Fair Value Measurements

Interest Rate Risk Management and Derivative Instruments

At times, we use derivative instruments to manage exposure to market risk, including interest rate risk. We currently do not have any derivatives that are accounted for as hedges under Accounting Standard Codification ("ASC") 815.

Fair Value Measurement

We classify and disclose assets and liabilities carried at fair value in one of the following three categories:

- Level 1—quoted prices in active markets for identical assets and liabilities;
- Level 2—observable market-based inputs or unobservable inputs that are corroborated by market data; and
- Level 3—significant unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following table summarizes the fair values, and levels within the fair value hierarchy in which the fair value measurements are included, for assets and liabilities measured on a recurring basis as of December 31, 2025 and 2024 (in thousands):

	Fair Value Measurements at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 981,898	$ —	$ —	$ 981,898
U.S. Treasury bills	$ —	$ 34,357	$ —	$ 34,357
Contingent earn-out obligations	$ —	$ —	$ 34,842	$ 34,842

	Fair Value Measurements at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 549,939	$ —	$ —	$ 549,939
Contingent earn-out obligations	$ —	$ —	$ 140,156	$ 140,156

Cash and cash equivalents are held at a variety of well-known institutions and consist primarily of (i) deposit accounts, (ii) U.S. Treasury bills, and (iii) highly-rated money market funds. Cash equivalents described in (ii) and (iii) above have original maturities of three months or less. The original cost of these assets approximates fair value due to their short-term maturity. We believe the carrying value of our debt associated with our revolving credit facility approximates its fair value due to the variable rate on such debt. We believe the carrying values of our notes to former owners approximate their fair values due to the relatively short remaining terms on these notes.

We own U.S. Treasury bills with maturities greater than ninety days but less than one year, which we classify as held-to-maturity in accordance with ASC 320 "Investments – Debt Securities," given that the Company has the ability and intent to hold the investments until maturity. These investments are included within "Prepaid Expenses and Other" in the Consolidated Balance Sheet. Due to the short-term maturity, the amortized cost of our U.S. Treasury bills approximates their fair value.

We value contingent earn-out obligations using a probability weighted discounted cash flow method. This fair value measurement is based on significant unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy. This analysis reflects the contractual terms of the purchase agreements (*e.g.*, minimum and maximum payments, length of earn-out periods, manner of calculating any amounts due, etc.) and utilizes assumptions with regard to future cash flows and operating income, probabilities of achieving such future cash flows and operating income and a weighted average cost of capital. Significant changes in any of these assumptions could result in

a significantly higher or lower potential liability. The contingent earn-out obligations are measured at fair value each reporting period, and changes in estimates of fair value are recognized in earnings.

The table below presents a reconciliation of the fair value of our contingent earn-out obligations that use significant unobservable inputs (Level 3) (in thousands):

	Year Ended December 31, 2025	Year Ended December 31, 2024
Balance at beginning of year	$ 140,156	$ 44,222
Issuances	4,059	51,784
Settlements	(142,846)	(43,996)
Adjustments to fair value	33,473	88,146
Balance at end of year	$ 34,842	$ 140,156

5. Acquisitions

On October 1, 2025, we acquired all of the issued and outstanding membership interests of Feyen-Zylstra Holdings, LLC ("Feyen Zylstra"), headquartered in Michigan, for a total preliminary purchase price of $109.8 million, which included $99.0 million of cash paid on the closing date, $4.3 million in notes payable to the former owners, an earn-out that will be paid if certain financial targets are met after the acquisition date and a working capital adjustment. Feyen Zylstra operates in the Midwest and Southern United States and provides electrical design, installation, and maintenance services primarily to the industrial, technology and healthcare sectors. As a result of the acquisition, Feyen Zylstra is a wholly owned subsidiary of the Company reported in our electrical segment. The goodwill recognized as a result of the Feyen Zylstra acquisition is deductible for tax purposes.

On October 1, 2025, we acquired all of the issued and outstanding shares of capital stock of Meisner Electric, Inc. ("Meisner"), headquartered in Florida, for a total preliminary purchase price of $74.9 million, which included $64.5 million of cash paid on the closing date, $5.0 million in notes payable to the former owners and a working capital adjustment. Meisner operates in Florida and provides greenfield construction services and electrical design, installation, and renovation services primarily to the healthcare, commercial and government sectors. As a result of the acquisition, Meisner is a wholly owned subsidiary of the Company reported in our electrical segment. The goodwill recognized as a result of the Meisner acquisition is not deductible for tax purposes.

On May 31, 2025, we acquired all of the issued and outstanding shares of capital stock of a mechanical service provider in New York for a total preliminary purchase price of $2.8 million, which is reported in our mechanical segment. The goodwill recognized as a result of this acquisition is deductible for tax purposes.

On May 1, 2025, we acquired all of the issued and outstanding membership interests of Right Way Plumbing & Mechanical LLC ("Right Way"), headquartered in Florida, for a total preliminary purchase price of $64.9 million, which included $49.5 million of cash paid on the closing date, $5.0 million in notes payable to the former owners, an earn-out that will be paid if certain financial targets are met after the acquisition date and a working capital adjustment. Right Way operates in Florida and provides plumbing installation and maintenance services. As a result of the acquisition, Right Way is a wholly owned subsidiary of the Company reported in our mechanical segment. The goodwill recognized as a result of the Right Way acquisition is deductible for tax purposes.

On January 1, 2025, we acquired all of the issued and outstanding membership interests of Century Contractors, LLC ("Century"), headquartered in North Carolina, for a total purchase price of $84.2 million, which included $73.1 million of cash paid on the closing date, $5.5 million in notes payable to the former owners, an earn-out that will be paid if certain financial targets are met after the acquisition date and a working capital adjustment. Century operates in the Southeastern United States and specializes in self-performing mechanical installation, pipe fabrication and installation, steel erection, equipment setting and concrete installations. As a result of the acquisition, Century is a wholly owned subsidiary of the Company reported in our mechanical segment. The goodwill recognized as a result of the Century acquisition is deductible for tax purposes.

On May 1, 2024, we acquired all of the issued and outstanding membership interests of a plumbing service provider in North Carolina for a total purchase price of $39.9 million, which is reported in our mechanical segment. The goodwill recognized as a result of this acquisition is deductible for tax purposes.

On February 1, 2024, we acquired all of the issued and outstanding membership interests of Summit Industrial Construction, LLC ("Summit"), headquartered in Texas, for a total purchase price of $359.8 million, which included $267.5 million of cash paid on the closing date, $35.0 million in notes payable to the former owners, an earn-out that will be paid if certain financial targets are met after the acquisition date and a working capital adjustment. Summit is a specialty industrial contractor offering engineering, design-assist and turnkey, direct hire construction services of systems serving the advanced technology, power, and industrial sectors. As a result of the acquisition, Summit is a wholly owned subsidiary of the Company reported in our mechanical segment. The goodwill recognized as a result of the Summit acquisition is deductible for tax purposes.

On February 1, 2024, we acquired all of the issued and outstanding shares of capital stock of J & S Mechanical Contractors, Inc. ("J&S"), headquartered in Utah, for a total purchase price of $120.6 million, which included $100.0 million of cash paid on the closing date, $10.0 million in notes payable to the former owners, an earn-out that will be paid if certain financial targets are met after the acquisition date and a working capital adjustment. J&S provides mechanical construction services to commercial and industrial sectors, specializing in data center HVAC systems and hospital medical gas systems. As a result of the acquisition, J&S is a wholly owned subsidiary of the Company reported in our mechanical segment. The goodwill recognized as a result of the J&S acquisition is deductible for tax purposes.

The results of operations of acquisitions are included in our consolidated financial statements from their respective acquisition dates. Our Consolidated Balance Sheet includes preliminary allocations of the purchase price to the assets acquired and liabilities assumed for the applicable acquisitions pending the completion of the final valuation of intangible assets and accrued liabilities. The acquisitions completed in the current and prior year were not material, individually or in the aggregate. Additional contingent purchase price ("earn-out") has been or will be paid if certain acquisitions achieve predetermined profitability targets. Such earn-outs, when they are not subject to the continued employment of the sellers, are estimated as of the purchase date and included as part of the consideration paid for the acquisition. If we have an earn-out under which continued employment is a condition to receipt of payment, then the earn-out is recorded as compensation expense over the period earned.

6. Goodwill and Identifiable Intangible Assets, Net

Goodwill

The changes in the carrying amount of goodwill are as follows (in thousands):

	Mechanical Segment	Electrical Segment	Total
Balance at December 31, 2023	$ 393,276	$ 273,558	$ 666,834
Acquisitions and purchase price adjustments (See Note 5)	208,236	200	208,436
Balance at December 31, 2024	601,512	273,758	875,270
Acquisitions and purchase price adjustments (See Note 5)	52,897	97,348	150,245
Balance at December 31, 2025	$ 654,409	$ 371,106	$ 1,025,515

The aggregate goodwill balance as of December 31, 2025 and 2024 includes $116.6 million of accumulated impairment charges, all of which relate to the mechanical segment.

During our annual impairment testing on October 1, 2025, we performed a quantitative assessment where the fair value of each reporting unit was estimated using a discounted cash flow model combined with a market valuation approach. We assigned a weighting of 50% to the discounted cash flow analysis and 50% to the public company approach for the year ended December 31, 2025. Based on this assessment, we concluded that the fair value of each of the reporting units was greater than its carrying value. A 10% decline in the estimated fair value of each reporting unit due to a change in assumptions would not have resulted in us recording an impairment in 2025.

For the years ended December 31, 2025, 2024 and 2023, no impairment of our goodwill or other intangible assets was recorded.

There are significant inherent uncertainties and management judgment involved in estimating the fair value of each reporting unit. While we believe we have made reasonable estimates and assumptions to estimate the fair value of our reporting units, it is possible that a material change could occur. If actual results are not consistent with our current estimates and assumptions, or the current economic outlook worsens, goodwill impairment charges may be recorded in future periods.

Identifiable Intangible Assets, Net

Identifiable intangible assets consist of the following (dollars in thousands):

	Weighted-Average Remaining Useful Lives in Years	December 31, 2025		December 31, 2024	
		Gross Book Value	Accumulated Amortization	Gross Book Value	Accumulated Amortization
Customer Relationships	6.8	$ 636,734	$ (294,683)	$ 550,518	$ (241,263)
Backlog	1.4	24,148	(10,300)	54,918	(40,328)
Trade Names	17.8	177,746	(48,477)	151,561	(40,989)
Total		$ 838,628	$ (353,460)	$ 756,997	$ (322,580)

Identifiable intangible assets attributable to businesses acquired in 2025 have been preliminarily valued at $130.3 million, consisting of customer relationships, trade names and backlog. Identifiable intangible assets attributable to businesses acquired in 2024 have been valued at $251.3 million, consisting of customer relationships, trade names and backlog. The weighted-average initial amortization period for the identifiable intangible assets attributable to businesses acquired in 2025 and 2024 was 10.5 years and 9.1 years, respectively.

The amounts attributable to customer relationships and trade names are amortized to “Selling, General and Administrative Expenses” based upon the estimated consumption of their economic benefits, or under a shorter period of time using the straight-line method if the pattern of economic benefit cannot be reliably estimated. Our intangible assets related to customer relationships and trade names are amortized over periods from one to twenty-five years. The amounts attributable to backlog are amortized to “Cost of Services” on a proportionate method over the remaining backlog period. Amortization expense for the years ended December 31, 2025, 2024 and 2023 was $79.6 million, $97.3 million and $43.4 million respectively.

As of December 31, 2025, future amortization expense of identifiable intangible assets was as follows (in thousands):

Year ending December 31—	
2026	$ 76,564
2027	65,826
2028	63,119
2029	56,852
2030	44,317
Thereafter	178,490
Total	$ 485,168

7. Property and Equipment

Property and equipment consist of the following (dollars in thousands):

	Estimated Useful Lives in Years	December 31,	
		2025	2024
Land	—	$ 23,312	$ 12,898
Transportation equipment	1 - 7	259,218	223,741
Machinery and equipment	1 - 20	129,123	92,701
Computer and telephone equipment	1 - 10	35,860	32,636
Buildings and leasehold improvements	1 - 40	173,616	128,652
Furniture and fixtures	1 - 17	11,426	9,956
Construction in progress	—	48,024	26,233
		680,579	526,817
Less—Accumulated depreciation		(292,627)	(249,637)
Property and equipment, net		$ 387,952	$ 277,180

Depreciation expense for the years ended December 31, 2025, 2024 and 2023 was $62.4 million, $48.2 million and $38.2 million, respectively.

8. Detail of Other Current Liabilities

Other current liabilities consist of the following (in thousands):

	December 31,	
	2025	2024
Accrued warranty costs	$ 22,855	$ 16,148
Current lease liability	35,542	28,158
Accrued job losses	43,958	21,636
Accrued sales and use tax	8,793	5,568
Liabilities due to former owners	36,750	87,417
Repayments to customers	—	250,008
Other current liabilities	88,484	92,656
	$ 236,382	$ 501,591

9. Debt Obligations

Debt obligations consist of the following (in thousands):

	December 31,	
	2025	2024
Revolving credit facility	$ 100,000	$ —
Notes to former owners	44,575	67,593
Other debt	651	742
Total debt	145,226	68,335
Less—current portion	(6,163)	(6,042)
Total long-term portion of debt	$ 139,063	$ 62,293

At December 31, 2025, future principal payments of debt are as follows (in thousands):

Year ending December 31—	
2026	$ 6,163
2027	24,246
2028	14,272
2029	545
2030	100,000
	$ 145,226

Interest expense included the following primary elements (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Interest expense on notes to former owners	$ 3,149	$ 3,616	$ 1,365
Interest expense on borrowings and unused commitment fees	3,832	1,434	7,507
Letter of credit fees	1,010	911	724
Amortization of debt financing costs	1,018	687	685
Total	$ 9,009	$ 6,648	$ 10,281

Revolving Credit Facility

On August 27, 2025, we amended our senior credit facility (as amended, the "Facility") arranged by Wells Fargo Bank, National Association, as administrative agent, and provided by a syndicate of banks, which increases our borrowing capacity from $850.0 million to $1.10 billion. The Facility is composed of a revolving credit line guaranteed by certain of our subsidiaries, in the amount of $1.10 billion. The Facility also provides for an accordion or increase

option not to exceed the greater of (a) $500 million and (b) 1.0x Credit Facility Adjusted EBITDA (as defined below), in the form of additional revolving commitments or incremental term loans. The line of credit includes a sublimit for up to $200.0 million of letters of credit and a sublimit for up to $75.0 million of swingline loans. The Facility expires on October 1, 2030 and is secured by a first lien on substantially all of our personal property except for assets related to projects subject to surety bonds and the equity of and assets held by certain unrestricted subsidiaries and our wholly owned captive insurance company, and a second lien on our assets related to projects subject to surety bonds. As a result of the amendment, $0.3 million of unamortized costs associated with lenders who exited the Facility were written off to interest expense in the third quarter of 2025. The remaining $1.0 million of unamortized costs from the previous facility will be deferred and amortized over the term of the new Facility. In 2025, we incurred approximately $3.7 million in financing and professional costs in connection with the amendment to the Facility, which, combined with previously unamortized costs of $1.0 million, are being amortized on a straight-line basis as a non-cash charge to interest expense over the remaining term of the Facility. As of December 31, 2025, we had $100.0 million of outstanding borrowings on the revolving credit facility, $79.0 million in letters of credit outstanding and $921.0 million of credit available.

Collateral

A common practice in our industry is the posting of payment and performance bonds with customers. These bonds are offered by financial institutions known as sureties and provide assurance to the customer that in the event we encounter significant financial or operational difficulties, the surety will arrange for the completion of our contractual obligations and for the payment of our vendors on the projects subject to the bonds. In cooperation with our lenders, we granted our sureties a first lien on assets such as receivables, costs and estimated earnings in excess of billings, and equipment specifically identifiable to projects for which bonds are outstanding, as collateral for potential obligations under bonds. As of December 31, 2025, the book value of these assets was approximately $258.4 million.

Covenants and Restrictions

The Facility contains financial covenants defining various financial measures and the levels of these measures with which we must comply. Covenant compliance is assessed as of each quarter end for the four fiscal quarters then ended. Credit Facility Adjusted EBITDA is defined under the Facility for financial covenant purposes as consolidated net income for the four fiscal quarters ending as of any given quarterly covenant compliance measurement date, plus the corresponding amounts for (a) interest expense; (b) provision for income taxes; (c) depreciation and amortization; (d) stock or equity compensation; and (e) other non-cash charges, in each case calculated on a pro forma basis for acquisitions or dispositions during such measurement period. The Facility's principal financial covenants include:

Net Leverage Ratio—The Facility requires that the ratio of (a) our Consolidated Total Indebtedness (as defined in the Facility) minus unrestricted cash and cash equivalents up to $100,000,000, to (b) our Credit Facility Adjusted EBITDA not exceed 3.50 to 1.00 as of the end of each fiscal quarter; provided that, for the first four fiscal quarters ending after a material acquisition, such maximum Net Leverage Ratio steps up to 4.00 to 1.00.

Interest Coverage Ratio—The Facility requires that the ratio of (a) Credit Facility Adjusted EBITDA to (b) consolidated interest expense, defined as all interest paid or accrued on indebtedness during the period excluding amortization of debt incurrence expenses, original issue discount, and mark-to-market interest expense, be at least 3.00 to 1.00.

Other Restrictions—The Facility (a) permits unlimited acquisitions when our Net Leverage Ratio is less than or equal to 3.25 to 1.00, or 3.75 to 1.00 for the first four fiscal quarters ending after a material acquisition, (b) expands certain baskets for permitted indebtedness and liens, and (c) permits unlimited distributions, stock repurchases, and investments when the Net Leverage Ratio is less than or equal to 2.75 to 1.00.

While the Facility's financial covenants do not specifically govern capacity under the Facility, if our debt level under the Facility at a quarter-end covenant compliance measurement date were to cause us to violate the Facility's Net Leverage Ratio covenant, our borrowing capacity under the Facility and the favorable terms that we currently have could be negatively impacted.

We were in compliance with all of our financial covenants as of December 31, 2025.

Interest Rates and Fees

There are two interest rate options for borrowings under the Facility, the Base Rate Loan (as defined in the Facility) option and the Secured Overnight Financing Rate ("SOFR") Loan option. Under the Base Rate Loan option, the interest rate is determined based on the highest of (a) the Federal Funds Rate (as defined in the Facility) plus 0.50%, (b) the prime lending rate established by Wells Fargo Bank, N.A., and (c) the one-month Adjusted Term SOFR (as defined in the Facility) plus 1.00%. Under the SOFR Loan option, the interest rate is determined based on Adjusted Term SOFR for a one, three, or six-month tenor at our election. Additional margins are then added to these two rates. The additional margins are determined based on our Net Leverage Ratio.

The interest rates under the Facility are floating rates determined by the broad financial markets, meaning they can and do move up and down from time to time. For illustrative purposes, the following are the respective market rates as of December 31, 2025 relating to interest options under the Facility:

Base Rate Loan Option:	
Federal Funds Rate plus 0.50%	4.14%
Wells Fargo Bank, National Association Prime Rate	6.75%
One-month SOFR plus 1.00%	4.79%
SOFR Loan Option:	
One-month SOFR	3.79%
Three-month SOFR	4.01%
Six-month SOFR	4.20%

Certain of our vendors require letters of credit to ensure reimbursement for amounts they are disbursing on our behalf, such as to beneficiaries under our self-funded insurance programs. We have also occasionally used letters of credit to guarantee performance under our contracts and to ensure payment to our subcontractors and vendors under those contracts. Our lenders issue such letters of credit through the Facility. A letter of credit commits the lenders to pay specified amounts to the holder of the letter of credit if the holder demonstrates that we have failed to perform specified actions. If this were to occur, we would be required to reimburse the lenders for amounts they fund to honor the letter of credit holder's claim. Absent a claim, there is no payment or reserving of funds by us in connection with a letter of credit. However, because a claim on a letter of credit would require immediate reimbursement by us to our lenders, letters of credit are treated as a use of Facility capacity.

Commitment fees are payable on the portion of the revolving loan capacity not in use for borrowings or letters of credit at any given time. Letter of credit fees and commitment fees are based on the Net Leverage Ratio.

	Net Leverage Ratio				
	Less than 1.00	1.00 to less than 1.75	1.75 to less than 2.50	2.50 to less than 3.00	3.00 or greater
Additional Per Annum Interest Margin Added Under:					
Base Rate Loan Option	0.00 %	0.25 %	0.50 %	0.75 %	1.00 %
SOFR Loan Option	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %
Letter of credit fees	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %
Commitment fees on any portion of the Revolving Loan capacity not in use for borrowings or letters of credit at any given time	0.15 %	0.175 %	0.20 %	0.225 %	0.25 %

The weighted average interest rate applicable to the borrowings under the revolving credit facility was approximately 5.0% as of December 31, 2025. There were no outstanding borrowings on the revolving credit facility as of December 31, 2024.

Notes to Former Owners

We have outstanding notes to the former owners of acquired companies. Together, these notes had an outstanding balance of $44.6 million as of December 31, 2025. At December 31, 2025, future principal payments of notes to former owners by maturity year were as follows (dollars in thousands):

	Balance at December 31, 2025	Range of Stated Interest Rates
2026	$ 6,125	2.5 - 5.5 %
2027	24,200	4.0 - 5.5 %
2028	14,250	4.3 - 5.5 %
Total	$ 44,575	

10. Leases

We lease certain facilities, vehicles and equipment primarily under noncancelable operating leases. The most significant portion of these noncancelable operating leases is for the facilities occupied by our corporate office and our operating locations. Leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheet. We do not separate lease components from their associated non-lease components pursuant to lease accounting guidance. We have certain leases with variable payments based on an index as well as short-term leases on equipment and facilities. Variable lease expense and short-term lease expense for the year ended December 31, 2025, 2024 and 2023 aggregated to $138.8 million, $94.3 million and $53.7 million, respectively. These expenses were primarily related to short-term equipment rentals. Lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we generally use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The weighted average discount rate for our operating leases as of December 31, 2025 and 2024 was 6.0% and 6.1%, respectively. We recognize operating lease expense, including escalating lease payments and lease incentives, on a straight-line basis over the lease term. Operating lease expense for the years ended December 31, 2025, 2024 and 2023 was $187.5 million, $136.9 million and $86.1 million, respectively.

The lease terms generally range from 3 to 15 years. Some leases include one or more options to renew, which may be exercised to extend the lease term. We include the exercise of lease renewal options in the lease term when it is reasonably certain that we will exercise the option and such exercise is at our sole discretion. The weighted average remaining lease term for our operating leases was 11.7 years and 10.9 years at December 31, 2025 and 2024, respectively.

A majority of the Company's real property leases are with individuals or entities with whom we have no other business relationship. However, in certain instances the Company enters into real property leases with current or former employees. Rent paid to related parties for the years ended December 31, 2025, 2024 and 2023 was approximately $10.1 million, $9.8 million and $7.6 million, respectively.

If we decide to cancel or terminate a lease before the end of its term, we would typically owe the lessor the remaining lease payments under the term of the lease. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. On rare occasions, we rent or sublease certain real estate assets that we no longer use to third parties.

The following table summarizes the operating lease assets and liabilities included in the Consolidated Balance Sheets as of December 31, 2025 and December 31, 2024 (in thousands):

	December 31,	
	2025	2024
Operating lease right-of-use assets	$ 322,922	$ 229,106
Operating lease liabilities:		
Other current liabilities	$ 35,542	$ 28,158
Long-term operating lease liabilities	302,590	212,107
Total operating lease liabilities	$ 338,132	$ 240,265

The maturities of operating lease liabilities as of December 31, 2025 are as follows (in thousands):

Year ending December 31—	
2026	$ 53,668
2027	49,622
2028	43,633
2029	37,828
2030	34,395
Thereafter	266,684
Total lease payments	485,830
Less—present value discount	(147,698)
Present value of operating lease liabilities	$ 338,132

Supplemental information related to operating leases was as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities	$ 45,550	$ 39,702
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 127,664	$ 54,344

11. Income Taxes

Provision for Income Taxes

Our provision for income taxes relating to continuing operations consists of the following (in thousands):

	December 31,		
	2025	2024	2023
Current tax provision (benefit)—			
Federal	$ 235,686	$ 170,844	$ (34,722)
State	40,486	39,897	4,222
Total current	276,172	210,741	(30,500)
Deferred tax provision (benefit)—			
Federal	(3,116)	(54,119)	81,119
State	(2,161)	(12,494)	14,177
Total deferred	(5,277)	(66,613)	95,296
Provision for income taxes	$ 270,895	$ 144,128	$ 64,796

Rate Reconciliation

The provision for income taxes for the years ended December 31, 2025, 2024 and 2023 resulted in effective tax rates on continuing operations of 20.9%, 21.6% and 16.7%, respectively. The reasons for the differences between these effective tax rates and the federal statutory tax rates are as follows (in thousands, except percentages):

	December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal statutory tax rate	$ 271,625	21.0 %	$ 139,978	21.0 %	$ 81,521	21.0 %
State and local income taxes, net of federal effect (a)	30,277	2.3 %	21,648	3.2 %	14,537	3.7 %
Tax credits—						
R&D tax credit	(30,509)	(2.4)%	(23,226)	(3.5)%	(35,033)	(9.0)%
Other	(19)	—	—	—	—	—
Nontaxable or nondeductible items	8,186	0.6 %	5,328	0.8 %	4,489	1.2 %
Other adjustments	(8,665)	(0.6)%	400	0.1 %	(718)	(0.2)%
Effective tax rate	$ 270,895	20.9 %	$ 144,128	21.6 %	$ 64,796	16.7 %

(a) State taxes in Virginia, North Carolina, Arizona, New York, Alabama, Tennessee and Utah made up the majority (greater than 50%) of the tax effect of this category in 2025.

In February 2023, we filed amended federal tax returns for 2019 and 2020 requesting refunds primarily from claiming the credit for increasing research activities (the "R&D tax credit"). We previously recorded benefits of $18.9 million for such refund claims in the year 2022. Our refund claims are currently under examination by the Internal Revenue Service (the "IRS") which, if allowed, would require review and approval by the Joint Committee on Taxation (the "JCT"). We do not expect the conclusion of the IRS examination and JCT review to have a material impact on our financial statements.

In early September 2023, the IRS issued interim guidance addressing, together with other topics, the treatment of research and experimental ("R&E") expenditures for taxpayers using the percentage of completion method to account for taxable income from long-term contracts. We relied on such guidance for the 2022 tax year, and the resulting reduction in taxable revenue offsets the deferral of tax deductions for R&E expenditures pursuant to the Tax Cuts and Jobs Act (2017) for the 2022 tax year. We filed our 2022 federal tax return in October 2023 requesting a refund of our $107.1 million overpayment, which was received in April 2025. Along with the refund, we received $11.3 million (or $8.9 million, net of tax) of interest income that reduced our provision for income taxes in the first quarter of 2025.

The One Big Beautiful Bill Act was enacted into law on July 4, 2025. The primary provisions of the law impacting us are the (i) reinstatement of immediate expensing of domestic R&E expenditures, together with conforming amendments to the R&D tax credit, (ii) reinstatement of 100% bonus depreciation, and (iii) termination of the energy efficient commercial buildings deduction. However, these provisions did not, and we expect they will not, have a material effect on our operating results, cash flows or financial condition.

Deferred Tax Assets (Liabilities)

Significant components of the deferred tax assets and deferred tax liabilities as reflected on the Consolidated Balance Sheets are as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Deferred tax assets—		
Accounts receivable and allowance for credit losses	$ 5,097	$ 4,139
Stock-based compensation	6,977	5,329
Accrued liabilities and expenses	84,005	63,519
Lease liabilities	79,832	57,673
Net operating loss and tax credit carryforwards	2,023	2,963
Goodwill	17,162	24,592
Intangible assets	19,638	21,075
Other	2,214	1,685
Subtotal	216,948	180,975
Valuation allowances	(121)	(2,751)
Total deferred tax assets	216,827	178,224
Deferred tax liabilities—		
Property and equipment	(44,621)	(29,970)
Lease right-of-use assets	(79,832)	(57,673)
Long-term contracts	(4,243)	(2,429)
Other	(7,884)	(4,936)
Total deferred tax liabilities	(136,580)	(95,008)
Net deferred tax assets	$ 80,247	$ 83,216

The deferred tax assets and deferred tax liabilities reflected above are included in the Consolidated Balance Sheets as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets	$ 84,139	$ 85,441
Deferred tax liabilities	$ 3,892	$ 2,225

As of December 31, 2025, our deferred tax assets were primarily attributable to accrued liabilities and expenses, goodwill, and intangible assets. All of the net operating loss ("NOL") and tax credit carryforwards are for various state jurisdictions, the more significant amounts of which begin to expire after the year 2035.

We believe, however, that it is more likely than not that the benefits from the various state NOL and tax credit carryforwards will not all be realized. In recognition of this risk, we have provided a valuation allowance of $0.1 million on the deferred tax assets related to those state NOL and tax credit carryforwards. If or when recognized, the benefits related to any reversal of the valuation allowance on deferred tax assets as of December 31, 2025 will be recognized as a reduction in our provision for income taxes.

Certain of the state NOL and tax credit carryforwards shown in our income tax returns included unrecognized tax benefits. The deferred tax assets recognized for these NOL and tax credits are presented net of unrecognized tax benefits.

Liabilities for Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding accrued interest and penalties, is as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Balance at beginning of year	$ 30,128	$ 20,579	$ 11,530
Additions based on tax positions related to current year	7,889	7,591	6,370
Additions based on tax positions related to prior years	2,244	1,958	2,723
Reductions for tax positions related to prior years	(375)	—	(44)
Reductions for lapse of statute of limitations	(2,751)	—	—
Balance at end of year	$ 37,135	$ 30,128	$ 20,579

As of December 31, 2025, 2024 and 2023, we had $37.1 million, $30.1 million and $20.6 million, respectively, of unrecognized tax benefits, which if recognized in future periods, would impact our effective tax rates. We also accrued $3.6 million, $1.8 million and $0.6 million for potential interest and penalties related to the unrecognized tax benefits as of December 31, 2025, 2024, and 2023, respectively. We recognize potential interest and penalties related to unrecognized tax benefits in our provision for income taxes.

We are subject to taxation in the federal and various state jurisdictions. As of December 31, 2025, we remain open to IRS examination for the 2022 tax year forward.

State income tax returns are generally subject to examination for a period of three to four years after filing the returns. However, the state impact of any federal audit adjustments and/or amendments remains subject to examination by various states for up to one year after formal notification to the states. As of December 31, 2025, we generally remain open to examination by various state taxing authorities for the 2021 tax year forward.

12. Employee Benefit Plans

We and certain of our subsidiaries sponsor various retirement plans for most full-time and some part-time employees. These plans primarily consist of defined contribution plans. The defined contribution plans generally provide for contributions up to 2.5% of covered employees' salaries or wages, although a few of the plans' employer contributions are discretionary in nature. These contributions totaled $40.1 million in 2025, $35.3 million in 2024 and $22.9 million in 2023.

Certain of our subsidiaries also participate or have participated in various multi-employer pension plans for the benefit of employees who are union members. As of December 31, 2025 and 2024, we had 9 and 50 employees, respectively, who were union members. There were no contributions made to multi-employer pension plans in 2025, 2024 or 2023. The data available from administrators of other multi-employer pension plans is not sufficient to determine the accumulated benefit obligations, nor the net assets attributable to the multi-employer plans in which our employees participate or previously participated.

As of December 31, 2025, we had life insurance policies covering certain employees, with a combined face value of $109.4 million. The policies are invested in several investment vehicles and are recorded at their cash surrender value. The cash surrender values associated with these policies were $10.5 million and $9.0 million as of December 31, 2025 and 2024, respectively, and are included in "Other Noncurrent Assets" in our Consolidated Balance Sheet.

13. Commitments and Contingencies

Claims and Lawsuits

We are subject to certain legal and regulatory claims, including lawsuits arising in the normal course of business. We maintain various insurance coverages to minimize financial risk associated with these claims. We have estimated and provided accruals for probable losses and related legal fees associated with certain litigation in the accompanying consolidated financial statements. While we cannot predict the outcome of these proceedings, in management's opinion and based on reports of counsel, any liability arising from these matters individually and in the

aggregate will not have a material effect on our operating results, cash flows or financial condition, after giving effect to provisions already recorded.

In 2023, we recorded a pre-tax gain of $6.8 million from legal developments and settlements that primarily relate to disputes with customers regarding the outcome of completed projects as well as an obligation to perform subcontract work under two executed letters of intent for subsequent projects that we believed were not enforceable. The pre-tax gain of $6.8 million was recorded as an increase in gross profit of $6.6 million, a reduction in SG&A of $0.7 million, an increase in interest income of $1.3 million and an increase in the change in fair value of contingent earn-out obligations expense of $1.8 million in our Consolidated Statement of Operations.

As of December 31, 2025, we recorded an accrual for unresolved matters, which is not material to our financial statements, based on our analysis of likely outcomes related to the respective matters; however, it is possible that the ultimate outcome and associated costs will deviate from our estimates and that, in the event of an unexpectedly adverse outcome, we may experience additional costs and expenses in future periods.

Surety

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a financial institution known as a surety. If we fail to perform under the terms of a contract or to pay subcontractors and vendors who provided goods or services under a contract, the customer may demand that the surety make payments or provide services under the bond. We must reimburse the surety for any expenses or outlays it incurs.

Current market conditions for surety markets and bonding capacity are adequate, with acceptable terms and conditions. Historically, approximately 10% to 20% of our business has required bonds. While we currently have strong surety relationships to support our bonding needs, future market conditions or changes in the sureties' assessments of our operating and financial risk could cause the sureties to decline to issue bonds for our work. If that were to occur, the alternatives include doing more business that does not require bonds, posting other forms of collateral for project performance, such as letters of credit or cash, and seeking bonding capacity from other sureties. We would likely also encounter concerns from customers, suppliers and other market participants as to our creditworthiness. While we believe our general operating and financial characteristics would enable us to ultimately respond effectively to an interruption in the availability of bonding capacity, such an interruption would likely cause our revenue and profits to decline in the near term.

Self-Insurance

We are substantially self-insured for workers' compensation, employer's liability, auto liability, general liability, and other ancillary coverages, due to the relatively high per-incident deductibles and retained losses that we absorb under our insurance arrangements for these risks. We primarily manage and maintain our insured risks through our wholly owned captive insurance company. Loss estimates associated with the larger and longer-developing risks, such as workers' compensation, auto liability and general liability, are reviewed and estimated by a third-party actuary quarterly and we accrue for these exposures based on that analysis. We generally retain the first $500,000 per occurrence for losses under our individual lines, and within our captive insurance company we absorb a larger portion of the first large loss in any given policy year, with reinsurance providing additional risk transfer for subsequent large losses, if any. Although we maintain some multi-year agreements for key reinsured risks, we renew most of our insurance policies each year, and therefore deductibles, reinsurance amounts and levels of coverage may change in future periods. For additional information regarding our insurance and the risks associated with insurance coverage, see "Item 1A—Risks Factors."

14. Stockholders' Equity

Stock Incentive Plans

In May 2017, our stockholders approved our 2017 Omnibus Incentive Plan (the "2017 Plan"), which provides for the granting of incentive or non-qualified stock options, stock appreciation rights, restricted or deferred stock, dividend equivalents or other incentive awards to directors, employees, or consultants. The number of shares authorized and reserved for issuance under the 2017 Plan is 2.9 million shares. As of December 31, 2025, there were 1.4 million shares available for issuance under this plan. The 2017 Plan will expire in May 2027.

Share Repurchase Program

On March 29, 2007, our Board of Directors (the "Board") approved a stock repurchase program to acquire up to 1.0 million shares of our outstanding common stock. Subsequently, the Board has from time to time increased the number of shares that may be acquired under the program and approved extensions of the program. On May 16, 2025, the Board approved an extension to the program by increasing the shares authorized for repurchase by 0.4 million shares. Since the inception of the repurchase program, the Board has approved 11.8 million shares to be repurchased. As of December 31, 2025, we have repurchased a cumulative total of 10.9 million shares at an average price of $50.15 per share under the repurchase program.

The share repurchases will be made from time to time at our discretion in the open market or privately negotiated transactions, including pursuant to Rule 10b5-1 share repurchase plans, as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. The Board may modify, suspend, extend or terminate the program at any time. During the year ended December 31, 2025, we repurchased 0.4 million shares for approximately $217.9 million, inclusive of the applicable excise tax, at an average price of $489.40 per share.

Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted EPS is computed considering the dilutive effect of stock options, restricted stock, restricted stock units and performance stock units. The vesting of contingently issuable performance stock units is based on the achievement of certain EPS targets and total shareholder return. These shares are considered contingently issuable shares for purposes of calculating diluted EPS. These shares are not included in the diluted EPS denominator until the performance criteria are met, if it is assumed that the end of the reporting period was the end of the contingency period.

Unvested restricted stock, restricted stock units and performance stock units are included in diluted EPS, weighted outstanding until the shares and units vest. Upon vesting, the vested restricted stock, restricted stock units and performance stock units are included in basic EPS weighted outstanding from the vesting date.

The number of anti-dilutive stock-based awards excluded from the calculation of diluted EPS was less than 0.1 million for the years ended December 31, 2025, 2024 and 2023.

The following table reconciles the number of shares outstanding with the number of shares used in computing basic and diluted EPS for each of the periods presented (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Common shares outstanding, end of period	35,177	35,561	35,685
Effect of using weighted-average common shares outstanding	172	128	117
Shares used in computing earnings per share—basic	35,349	35,689	35,802
Effect of shares issuable under stock option plans based on the treasury stock method	17	29	26
Effect of restricted and contingently issuable shares	47	57	67
Shares used in computing earnings per share—diluted	35,413	35,775	35,895

15. Stock-Based Compensation

Grants of restricted stock and restricted stock units and performance share units have been determined and administered by the compensation committee of the Board of Directors. Total stock-based compensation expense was $21.8 million, $16.6 million and $12.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. Stock-based compensation expense is recognized using the straight-line method over the vesting period and generally vests over a three-year vesting period. Certain awards provide for accelerated vesting when the sum of an employee's age and years of service is at least 75. We recognize forfeitures as they occur. Total income tax benefit recognized for stock-based compensation arrangements was $4.6 million, $3.5 million and $2.7 million for each of the years ended December 31, 2025, 2024 and 2023.

We generally issue treasury shares for stock options and restricted stock, unless treasury shares are not available. Upon the vesting of restricted shares, we have allowed the holder to elect to surrender an amount of shares to meet their statutory tax withholding requirements. These shares are accounted for as treasury stock based upon the value of the stock on the date of vesting.

Restricted Stock and Restricted Stock Units

The following table summarizes activity under our restricted stock plans (shares in thousands):

	Year Ended December 31, 2025	
Restricted Stock and Restricted Stock Units	**Shares**	**Weighted-Average Grant Date Fair Value**
Unvested at beginning of year	79	$ 187.33
Granted	24	$ 378.49
Vested	(45)	$ 185.65
Forfeited	—	$ —
Unvested at end of year	58	$ 269.97

Approximately $4.8 million of compensation expense related to restricted stock and restricted stock units will be recognized over a weighted-average period of 1.4 years. We determine the fair value of restricted stock and restricted stock units based on the quoted price of our stock at the date of grant. The weighted-average grant date fair value per share of restricted stock shares and units awarded during 2025, 2024 and 2023 was $378.49, $315.04 and $164.47, respectively. The fair value of restricted stock vested during the years ended December 31, 2025, 2024 and 2023 was $20.9 million, $19.8 million and $9.3 million, respectively.

Performance Stock Units

Under the 2017 Plan, we granted dollar-denominated performance vesting restricted stock units (“PSUs”), which cliff vest at the end of a three-year performance period. The PSUs are subject to two performance measures; 50% of the PSUs are based on the annual performance of our stock price relative to a group of our peers (total shareholder return) and 50% of the PSUs are measured based on meeting or exceeding a pre-determined annual earnings per share target as set by our Board of Directors (EPS). Depending on the Company’s performance in relation to the established performance measures, the awards may vest at zero to a maximum of 2.0 times the dollar-denominated award granted at target. Upon achievement of the necessary performance metrics, the award will be determined in dollars and may be settled in cash or stock on the settlement date, at our discretion.

Compensation expense for dollar-denominated performance units will ultimately be equal to the final dollar value awarded to the grantee upon vesting, settled either in cash or stock. However, throughout the performance period we must record and accrue expense based on an estimate of that future payout. For units determined by EPS performance, the awards are evaluated quarterly against established targets in order to estimate the liability throughout the vesting period. For units determined by total shareholder return performance, a Monte Carlo simulation model is used to estimate accruals throughout the vesting period. The model simulates our total shareholder return and compares it against our peer group over the three-year performance period to produce a predicted distribution of relative share performance. This is applied to the reward criteria to give an expected value of the total shareholder return element. The calculated fair market value as of December 31, 2025 was $22.9 million. Of this amount, $8.0 million relates to the PSUs granted in 2023 whose performance period ended December 31, 2025. These awards will be settled within the upcoming year either in cash or stock. The fair value of performance stock units vested during the years ended December 31, 2025, 2024, and 2023 was $6.6 million, $5.4 million and $4.5 million, respectively. The expense related to performance stock units for the years ended December 31, 2025, 2024 and 2023 was $10.9 million, $7.8 million and $6.6 million, respectively. At the December 31, 2025 calculated fair market value, approximately $3.3 million of compensation expense related to performance stock units will be recognized over a weighted-average period of 1.0 years.

We estimated the fair value of the total shareholder return portion of the PSUs as of December 31, 2025, 2024, and 2023 using a Monte Carlo simulation model with the following assumptions:

December 31, 2025	2025 PSU Grant	2024 PSU Grant
Risk-free interest rate	3.4 %	3.5 %
Dividend yield	0.3 %	0.3 %
Volatility	53.7 %	61.4 %
Look-back period (in years)	2.0	1.0

December 31, 2024	2024 PSU Grant	2023 PSU Grant
Risk-free interest rate	4.2 %	4.1 %
Dividend yield	0.3 %	0.3 %
Volatility	40.2 %	44.9 %
Look-back period (in years)	2.0	1.0

December 31, 2023	2023 PSU Grant	2022 PSU Grant
Risk-free interest rate	4.2 %	4.7 %
Dividend yield	0.5 %	0.5 %
Volatility	35.0 %	35.1 %
Look-back period (in years)	2.0	1.0

The look-back period reflects the remaining performance period as of the respective year-end dates. The risk-free interest rate for the remaining performance period is based on U.S. Treasury rates as of the respective year-end dates. The assumption for the expected volatility reflects the daily annualized historical volatility on the Company's dividend adjusted close stock prices measured over the look-back period. The dividend yield assumption is based on the annualized most recent quarterly dividend divided by the stock price on the respective year-end dates.

16. Segment Information

We have two reportable segments: (a) our mechanical segment, which includes HVAC, plumbing, piping, and controls, as well as off-site construction, monitoring and fire protection; and (b) our electrical segment, which includes installation and servicing of electrical systems. We consider these two lines of business to be separate segments because they require different skill sets, and the business models for providing services have some differences, as a mechanical system requires ongoing maintenance and monitoring and an electrical system generally does not. However, the business model for installation of new systems or retrofitting existing systems is very similar between the two segments. Segment information is prepared on the same basis that our Chief Operating Decision Maker ("CODM") reviews financial information for operational decision-making purposes. Our CODM is the Chief Executive Officer. Our CODM allocates resources such as employees and capital resources primarily based on historical and potential future revenue, gross profit and operating income. Our CODM also uses segment gross profit and operating income when assessing pricing and performance by management teams in our operating segments.

Our activities are within the mechanical services industry and the electrical services industry, which represent our two reportable segments. We aggregate our operating segments into two reportable segments, as the operating segments meet all of the aggregation criteria. Substantially all of our revenue is generated, and all of our assets are located, in the United States, our country of domicile. The following tables present information about our reportable segments (in thousands):

	Mechanical Segment	Electrical Segment	Corporate	Consolidated
Total assets at December 31, 2025	$ 3,683,678	$ 1,765,570	$ 991,921	$ 6,441,169
Total assets at December 31, 2024	$ 3,162,677	$ 985,006	$ 563,405	$ 4,711,088

	Year Ended December 31, 2025			
	Mechanical Segment	Electrical Segment	Corporate	Consolidated
Revenue	$ 6,673,745	$ 2,427,896	$ —	$ 9,101,641
Cost of services	5,101,349	1,804,393	—	6,905,742
Gross profit	1,572,396	623,503	—	2,195,899
Selling, general and administrative expenses	574,344	236,580	72,360	883,284
Gain on sale of assets	(1,433)	(541)	—	(1,974)
Operating income (loss)	$ 999,485	$ 387,464	$ (72,360)	$ 1,314,589
Reconciliation to income before income taxes:				
Other income (expense)				(21,136)
Income before income taxes				$ 1,293,453
Amortization of identifiable intangible assets	$ 54,162	$ 25,418	$ —	$ 79,580
Depreciation expense	$ 50,754	$ 10,199	$ 1,426	$ 62,379
Capital expenditures	$ 126,436	$ 26,556	$ 1,911	$ 154,903

	Year Ended December 31, 2024			
	Mechanical Segment	Electrical Segment	Corporate	Consolidated
Revenue	$ 5,527,604	$ 1,499,872	$ —	$ 7,027,476
Cost of services	4,413,108	1,137,957	—	5,551,065
Gross profit	1,114,496	361,915	—	1,476,411
Selling, general and administrative expenses	499,441	170,155	60,476	730,072
Gain on sale of assets	(1,813)	(1,217)	—	(3,030)
Operating income (loss)	$ 616,868	$ 192,977	$ (60,476)	$ 749,369
Reconciliation to income before income taxes:				
Other income (expense)				(82,808)
Income before income taxes				$ 666,561
Amortization of identifiable intangible assets	$ 74,873	$ 22,393	$ —	$ 97,266
Depreciation expense	$ 39,601	$ 7,450	$ 1,168	$ 48,219
Capital expenditures	$ 80,957	$ 26,850	$ 3,264	$ 111,071

	Year Ended December 31, 2023			
	Mechanical Segment	Electrical Segment	Corporate	Consolidated
Revenue	$ 3,946,022	$ 1,260,738	$ —	$ 5,206,760
Cost of services	3,195,916	1,020,335	—	4,216,251
Gross profit	750,106	240,403	—	990,509
Selling, general and administrative expenses	394,657	129,623	50,143	574,423
Gain on sale of assets	(1,715)	(587)	—	(2,302)
Operating income (loss)	$ 357,164	$ 111,367	$ (50,143)	$ 418,388
Reconciliation to income before income taxes:				
Other income (expense)				(30,194)
Income before income taxes				$ 388,194
Amortization of identifiable intangible assets	$ 17,619	$ 25,785	$ —	$ 43,404
Depreciation expense	$ 30,850	$ 6,576	$ 736	$ 38,162
Capital expenditures	$ 82,449	$ 9,600	$ 2,789	$ 94,838

For the years ended December 31, 2025, 2024, and 2023, one customer represented 12.8%, 13.3% and 13.8% of consolidated revenue, respectively, and was included in our mechanical segment revenues.

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

None.

ITEM 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our executive management is responsible for ensuring the effectiveness of the design and operation of our disclosure controls and procedures. We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the three months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013 framework). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

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

The Company acquired Feyen-Zylstra Holdings, LLC and Meisner Electric, Inc. in October 2025, Right Way Plumbing & Mechanical LLC in May 2025 and Century Contractors, LLC in January 2025. Due to the recent nature of these business combinations, Feyen Zylstra, Meisner, Right Way, and Century's internal control over financial reporting and related processes have not been fully integrated into the Company's existing systems and internal control over financial reporting as of December 31, 2025. As such, our management has excluded Feyen Zylstra, Meisner, Right Way, and Century from its assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. Collectively, Feyen Zylstra, Meisner, Right Way and Century comprised 7.0% of total assets and 2.2% of revenues in our consolidated financial statements as of and for the year ended December 31, 2025.

Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included elsewhere herein, has issued an attestation report auditing the effectiveness of our internal control over financial reporting as of December 31, 2025.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Comfort Systems USA, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Comfort Systems USA, Inc and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 19, 2026, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Feyen-Zylstra Holdings, LLC ("Feyen Zylstra") (acquired October 1, 2025), Meisner Electric, Inc. ("Meisner") (acquired October 1, 2025), Right Way Plumbing & Mechanical LLC ("Right Way") (acquired May 1, 2025) and Century Contractors, LLC ("Century") (acquired January 1, 2025) and whose financial statements collectively constitute 7.0% of total assets and 2.2% of total revenues in the consolidated financial statement amounts as of and for the year ended December 31, 2025. Accordingly, our audit did not include the internal control over financial reporting at Feyen Zylstra, Meisner, Right Way and Century.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Controls. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Deloitte & Touche LLP

Houston, Texas
February 19, 2026

ITEM 9B. ***Other Information***

Securities Trading Plans of Directors and Officers

During the three months ended December 31, 2025, no directors or officers of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) and (c) of Regulation S-K.

ITEM 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

ITEM 10. ***Directors, Executive Officers and Corporate Governance***

We have adopted a code of ethics that applies to our principal executive officer, our principal financial officer, and our principal accounting officer, as well as to our other employees. This code of ethics consists of our Code of Conduct. The Company has made this code of ethics available on our website, as described in Item 1 of this Annual Report on Form 10-K. If we make substantive amendments to this code of ethics or grant any waiver, including any implicit waiver, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K within four business days of such amendment or waiver.

We have an insider trading policy which governs the purchase, sale, and/or other dispositions of its securities (and related derivative securities) by the Company, directors, officers and key employees and other covered persons and is designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of the Company's Insider Trading Window Policy is filed as Exhibit 19 to this Annual Report on Form 10-K.

The other information required by this Item 10 will be furnished on or prior to May 1, 2026 (and is hereby incorporated by reference) by an amendment hereto or pursuant to a definitive proxy statement involving the election of directors pursuant to Regulation 14A that will contain such information.

ITEMS 11, 12, 13 AND 14.

The information required by Items 11, 12, 13 and 14 will be furnished on or prior to May 1, 2026 (and is hereby incorporated by reference) by an amendment hereto or pursuant to a definitive proxy statement involving the election of directors pursuant to Regulation 14A that will contain such information. Notwithstanding the foregoing, information appearing in the sections "Compensation Committee Report" and "Audit Committee Report" shall not be deemed to be incorporated by reference in this Form 10-K.

PART IV

ITEM 15. ***Exhibits and Financial Statement Schedules***

(a) *The following documents are filed as part of this annual report on Form 10-K:*

(1) Consolidated Financial Statements: The Index to the Consolidated Financial Statements is included under Part II, Item 8 of this annual report on Form 10-K and is incorporated herein by reference.

(2) Financial Statement Schedules:

None.

(b) *Exhibits*

Reference is made to the Index of Exhibits immediately following the signature page thereof, which is incorporated herein by reference.

(c) *Excluded financial statements:*

None.

ITEM 16. ***Form 10-K Summary***

None.

INDEX OF EXHIBITS

Exhibit Number	Description of Exhibits	Incorporated by Reference to the Exhibit Indicated Below and to the Filing with the Commission Indicated Below	
		Exhibit Number	Filing or File Number
3.1	Second Amended and Restated Certificate of Incorporation of the Registrant	3.1	333-24021
3.2	Certificate of Amendment dated May 21, 1998	3.2	1998 Form 10-K
3.3	Certificate of Amendment dated July 9, 2003	3.3	2003 Form 10-K
3.4	Certificate of Amendment dated May 20, 2016	3.1	May 20, 2016 Form 8-K
3.5	Amended and Restated Bylaws of Comfort Systems USA, Inc.	3.1	March 25, 2016 Form 8-K
4.1	Form of certificate evidencing ownership of Common Stock of the Registrant	4.1	333-24021
4.2	Description of Registrant's Securities	4.2	2019 Form 10-K
*10.1	Employment Agreement between the Company, Eastern Heating & Cooling, Inc. and Alfred J. Giardinelli, Jr.	10.1	Second Quarter 2003 Form 10-Q
*10.2	Form of Comfort Systems USA, Inc. Executive Severance Policy	10.3	First Quarter 2008 Form 10-Q
*10.3	Form of Directors and Officers Indemnification Agreement	10.1	May 19, 2009 Form 8-K
10.4	Second Amended and Restated Credit Agreement by and among Comfort Systems USA, Inc., as Borrower and Wells Fargo Bank, National Association, as Administrative Agent/Wells Fargo Securities LLC, as Sole Lead Arranger and Sole Lead Book Runner/Bank of Texas, N.A., Capital One, N.A., and Regions Bank as Co-Syndication Agent/and Certain Financial Institutions as Lenders	10.1	July 22, 2010 Form 8-K/A
10.5	Stock Purchase Agreement, dated July 28, 2010	10.1	July 30, 2010 Form 8-K
10.6	Amendment No. 1 to Second Amended and Restated Credit Agreement, Second Amended and Restated Security Agreement, and Second Amended and Restated Pledge Agreement	10.1	Third Quarter 2011 Form 10-Q
10.7	Amendment No. 2 to Second Amended and Restated Credit Agreement and Amendment to Other Loan Documents	10.1	Second Quarter 2013 Form 10-Q
10.8	Amendment No. 3 to Second Amended and Restated Credit Agreement and Amendment to Other Loan Documents	10.1	Third Quarter 2014 Form 10-Q
10.9	Agreement and Plan of Merger between the Company and Dyna Ten Corporation, dated April 7, 2014	10.1	April 9, 2014 Form 8-K
*10.10	Form of Amended Change in Control Agreement	10.1	Third Quarter 2015 Form 10-Q
10.11	Amendment No. 4 to Second Amended and Restated Credit Agreement and Amendment to Other Loan Documents	10.1	2015 Form 10-K
*10.12	Form of 2016 Stock Option Notice	10.3	March 25, 2016 Form 8-K
*10.13	Resignation and General Release Agreement between the Company and James Mylett, dated as of January 10, 2017	10.1	January 11, 2017 Form 8-K
10.14	Stock Purchase Agreement, dated February 21, 2017, by and among the Company, BCH, the Selling Shareholders and Daryl Blume, in his capacity as representative of the Selling Shareholders	2.1	February 23, 2017 Form 8-K
10.15	Form of Promissory Note, dated April 1, 2017, issued by the Company in favor of each of the Selling Shareholders	10.1	April 3, 2017 Form 8-K

Exhibit Number	Description of Exhibits	Incorporated by Reference to the Exhibit Indicated Below and to the Filing with the Commission Indicated Below	
		Exhibit Number	Filing or File Number
*10.16	2017 Omnibus Incentive Plan	A	April 10, 2017 Proxy Statement
*10.17	2017 Senior Management Annual Performance Plan	B	April 10, 2017 Proxy Statement
*10.18	Form of Restricted Stock Unit Agreement under the Company's 2017 Omnibus Incentive Plan	10.1	First Quarter 2018 Form 10-Q
*10.19	Form of Stock Option Notice under the Company's 2017 Omnibus Incentive Plan	10.2	First Quarter 2018 Form 10-Q
*10.20	Form of Dollar-denominated Performance Restricted Stock Unit Agreement under the Company's 2017 Omnibus Incentive Plan	10.3	First Quarter 2018 Form 10-Q
10.21	Amendment No. 5 to Second Amended and Restated Credit Agreement and Amendment to Other Loan Documents	10.1	Second Quarter 2018 Form 10-Q
10.22	Purchase Agreement, dated February 21, 2019, by and among the Company, Walker, the Shareholder Sellers and Scott Walker, in his capacity as representative of the Shareholder Sellers	2.1	February 26, 2019 Form 8-K
10.23	Amendment No. 6 to Second Amended and Restated Credit Agreement and Amendment to Other Loan Documents	10.56	2019 Form 10-K
10.24	Agreement and Plan of Merger dated as of March 9, 2020 among Comfort Systems USA, Inc., OSC Acquisition Corp., TAS Energy Inc., and Element Partners II, L.P., as Stockholder Representative	2.1	March 13, 2020 Form 8-K
*10.25	Resignation and General Release Agreement between Comfort Systems USA, Inc. and Terrence Young, dated as of January 18, 2022	10.1	January 19, 2022 Form 8-K
10.26	Third Amended and Restated Credit Agreement dated as of May 25, 2022 by and among Comfort Systems USA, Inc., as Borrower, the Lenders listed on the signature pages thereof, and Wells Fargo Bank, National Association, as Agent for the Lenders	10.1	May 27, 2022 Form 8-K/A
*10.27	Form of Restricted Stock Unit Agreement with a Blank Vesting Schedule under the Company's 2017 Omnibus Incentive Plan	10.2	Second Quarter 2022 Form 10-Q
*10.28	Form of Restricted Stock Unit Agreement with Revisions under the Company's 2017 Omnibus Incentive Plan	10.1	First Quarter 2023 Form 10-Q
*10.29	Form of Dollar-denominated Performance Restricted Stock Unit Agreement with Revisions under the Company's 2017 Omnibus Incentive Plan	10.2	First Quarter 2023 Form 10-Q
*10.30	Form of Restricted Stock Unit Agreement without "Rule of 75" Vesting under the Company's 2017 Omnibus Incentive Plan	10.34	2023 Form 10-K
10.31	Fourth Amended and Restated Credit Agreement dated as of August 27, 2025 by and among Comfort Systems USA, Inc. as Borrower, the Lenders listed on the signature pages thereof, and Wells Fargo Bank, National Association, as Agent for the Lenders	10.1	September 2, 2025 Form 8-K
10.32	Fourth Amended and Restated Credit Agreement dated as of August 27, 2025 by and among Comfort Systems USA, Inc. as Borrower, the Lenders listed on the signature pages thereof, and Wells Fargo Bank, National Association, as Agent for the Lenders	10.32	Filed Herewith
19	Insider Trading Window Policy		Filed Herewith
21.1	List of subsidiaries of Comfort Systems USA, Inc.		Filed Herewith
23.1	Consent of Deloitte & Touche LLP		Filed Herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		Filed Herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		Filed Herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		Furnished Herewith

Exhibit Number	Description of Exhibits	Incorporated by Reference to the Exhibit Indicated Below and to the Filing with the Commission Indicated Below	
		Exhibit Number	Filing or File Number
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		Furnished Herewith
97	Comfort Systems USA, Inc. Policy for Recoupment of Incentive Compensation		2023 Form 10-K
101.INS	Inline XBRL Instance Document		Filed Herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document		Filed Herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document		Filed Herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document		Filed Herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document		Filed Herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document		Filed Herewith
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)		

* Management contract or compensatory plan.

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.

COMFORT SYSTEMS USA, INC.

By: /s/ BRIAN E. LANE
Brian E. Lane
Chief Executive Officer

Date: February 19, 2026

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

Signature	Title	Date
/s/ BRIAN E. LANE Brian E. Lane	Chief Executive Officer and Director (Principal Executive Officer)	February 19, 2026
/s/ WILLIAM GEORGE William George	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 19, 2026
/s/ JULIE S. SHAEFF Julie S. Shaeff	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 19, 2026
/s/ FRANKLIN MYERS Franklin Myers	Chair of the Board	February 19, 2026
/s/ DARCY G. ANDERSON Darcy G. Anderson	Director	February 19, 2026
/s/ HERMAN E. BULLS Herman E. Bulls	Director	February 19, 2026
/s/ RHOMAN J. HARDY Rhoman J. Hardy	Director	February 19, 2026
/s/ GAURAV KAPOOR Gaurav Kapoor	Director	February 19, 2026
/s/ PABLO G. MERCADO Pablo G. Mercado	Director	February 19, 2026
/s/ WILLIAM J. SANDBROOK William J. Sandbrook	Director	February 19, 2026
/s/ CONSTANCE E. SKIDMORE Constance E. Skidmore	Director	February 19, 2026
/s/ CINDY L. WALLIS-LAGE Cindy L. Wallis-Lage	Director	February 19, 2026

Exhibit 10.32

Execution Version

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of August 27, 2025,

by and among

COMFORT SYSTEMS USA, INC.,
as Borrower,

CERTAIN FINANCIAL INSTITUTIONS,
as Lenders,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
BOKF, NA dba BANK OF TEXAS,
PNC CAPITAL MARKETS LLC,
TRUIST SECURITIES, INC.
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers

KEYBANK NATIONAL ASSOCIATION
and
REGIONS BANK,
as Co-Documentation Agents

TABLE OF CONTENTS

Schedules and Exhibits:

THIS FOURTH AMENDED AND RESTATED CREDIT AGREEMENT is made as of August 27, 2025, by and among Comfort Systems USA, Inc., a Delaware corporation, Wells Fargo Bank, National Association, as Agent, and the Lenders referred to below, and amends and restates that certain Third Amended and Restated Credit Agreement dated May 25, 2022 (as amended, the "Existing Credit Agreement"), among Borrower, the Lenders therein and Wells Fargo Bank, National Association., as administrative agent.

W I T N E S S E T H:

In consideration of the mutual covenants and agreements contained herein, in consideration of the loans which may hereafter be made by Lenders and the Letters of Credit which may be made available by LC Issuer to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

DEFINITIONS AND REFERENCES

Section 1.1. Defined Terms. As used in this Agreement, each of the following terms has the meaning given to such term in this Section 1.1 or in the sections and subsections referred to below:

"Account Debtor" means the Person which is obligated on any Receivable.

"Acquisition" means the direct or indirect purchase or acquisition, whether in one or more related transactions, of all or substantially all of the capital stock of any Person or group of Persons or all or substantially all of the assets, liabilities, and business of any Person, group of Persons, or businesses.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, as to any Person, each other Person that directly or indirectly (through one or more intermediaries or otherwise) controls, is controlled by, or is under common control with, such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power to vote 20% or more of the securities or other equity interests (on a fully diluted basis) having ordinary voting power for the election of directors, the managing general partner or partners or the managing member or members; or to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agent" means Wells Fargo Bank, National Association, as administrative agent hereunder, and its successors in such capacity.

"Aggregate Revolving Loan Commitment" means the aggregate of all Lenders' Revolving Loan Commitments, as such may be reduced or increased from time to time in accordance with this Agreement. As of the Closing Date, the Aggregate Revolving Loan Commitment is equal to $1,100,000,000.

"Agreement" means this Credit Agreement.

"Anti-Corruption Laws" means all laws, rules and regulations of any jurisdiction applicable to Borrower or its Subsidiaries from time to time concerning or relating to bribery or anti-corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"Approved Fund" means (a) a CLO and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an affiliate of such investment advisor. As used herein, "CLO" shall mean any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an affiliate of a Lender.

"Acquired EBITDA" means, with respect to any Person or business acquired pursuant to an Acquisition for any period, the amount for such period of Consolidated EBITDA of any such Person or business so acquired (determined using such definitions as if references to the Borrower and its Subsidiaries therein were to such Person or business), as calculated by the Borrower in good faith and which shall be factually supported by historical financial statements, or by other financial information reasonably satisfactory to the Agent; provided, that, notwithstanding anything to the contrary in the foregoing, in determining Acquired EBITDA for any Person or business that does not have historical financial accounting periods which coincide with that of the financial accounting periods of the Borrower and its Subsidiaries (a) references to Reference Period in any applicable definitions shall be deemed to mean the same relevant period as the applicable period of determination for the Borrower and its Subsidiaries and (b) to the extent the commencement of any such Reference Period shall occur during a fiscal quarter of such acquired Person or business (such that only a portion of such fiscal quarter shall be included in such Reference Period), Acquired EBITDA for the portion of such fiscal quarter so included in such Reference Period shall be deemed to be an amount equal to (x) Acquired EBITDA otherwise attributable to the entire fiscal quarter (determined in a manner consistent with the terms set forth above) multiplied by (y) a fraction, the numerator of which shall be the number of months of such fiscal quarter included in the relevant Reference Period and the denominator of which shall be actual months in such fiscal quarter.

"Arrangers" means, together, Wells Fargo Bank, National Association, BOKF dba Bank of Texas, PNC Capital Markets LLC, Truist Securities, Inc. and U.S. Bank National Association, each in its capacity as joint lead arranger and joint bookrunner.

"Assignment and Acceptance" means the agreement contemplated by Section 10.5.

"Attributable Indebtedness" means, when used with respect to any Sale Leaseback Transaction, as at the time of determination, the capitalized amount of the remaining lease payments under the relevant lease or other applicable agreement that would appear on a balance sheet of Borrower prepared as of such date in accordance with GAAP (as in effect on the Closing Date) if such lease or other agreement were accounted for as a Capital Lease.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is 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 (b) 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, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 3.7(c)(iv).

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

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Base Rate" means, for any day, the rate per annum equal to the highest of (a) the Federal Funds Rate for such day plus one-half of one percent (0.5%), (b) the Prime Rate for such day, and (c) Term SOFR for a one-month tenor in effect on such day plus one percent (1.0%). Each change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate or Term SOFR shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Rate or Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Term SOFR is unavailable or unascertainable). As used in this definition, "Prime Rate" means the per annum rate of interest established from time to time by Wells Fargo Bank, National Association, as its Prime Rate, which rate may not be the lowest rate of interest charged by Wells Fargo Bank, National Association to its customers.

"Base Rate Loan" means a Loan that bears interest based upon the Base Rate as provided in Section 2.5(a)(i).

"Base Rate Margin" means on any date, with respect to each Base Rate Loan, the rate per annum set forth as such on the Pricing Schedule.

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or 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 Section 3.7(c)(i).

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Agent and Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the

mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, 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 Agent and 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 Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) 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

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) 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:

(a) 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);

(b) 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), the FRB, the FRBNY, 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

(c) 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) 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 Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"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 all purposes hereunder and under any Loan Document in accordance with Section 3.7(c)(i) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.7(c)(i).

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

"Beneficial Ownership Regulation" means 31 CFR § 1010.230.

"Bonded Receivables" means any Receivable resulting from goods or services provided to an Account Debtor under a job which is covered by a surety bond provided by Borrower or its agent, that is secured by assets of any Restricted Person.

"Borrower" means Comfort Systems USA, Inc., a Delaware corporation.

"Borrowing" means a borrowing of (i) new Loans of the same Class and Type (and, in the case of SOFR Loans, with the same Interest Period) pursuant to Section 2.2, (ii) a Continuation or Conversion of existing Loans of the same Class into a single Type (and, in the case of SOFR Loans, with the same Interest Period) pursuant to Section 2.3, or (iii) a Swingline Loan pursuant to Section 2.16.

"Borrowing Notice" means a written or telephonic request, or a written confirmation, made by Borrower which meets the requirements of Section 2.2.

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks are open for business with the public in Houston, Harris County, Texas.

"Capital Asset" means any asset which would be classified as a fixed or capital asset on a Consolidated balance sheet of any Person prepared in accordance with GAAP.

"Capital Lease" means a lease with respect to which the lessee would be required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP as in effect on the Closing Date.

"Capital Lease Obligation" means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP as in effect on the Closing Date, appear as a liability on a balance sheet of such Person.

"Captive Insurance Company" means any of Post Oak Insurance Co. Ltd., a sponsored captive insurance company, or any other single parent, protected cell, group captive, risk retention group or similar dedicated insurance vehicle utilized by Borrower or its Subsidiaries in its insurance operations.

"Captive Insurance Entity" means any Captive Insurance Company, any Subsidiary of a Captive Insurance Company and any direct parent of a Captive Insurance Company, the primary purpose of which is to own the Equity in such Captive Insurance Company.

"Cash Equivalents" means Investments in:

(a) marketable obligations, maturing within twelve months after acquisition thereof, issued or unconditionally guaranteed by the United States of America or an instrumentality or agency thereof and entitled to the full faith and credit of the United States of America;

(b) demand deposits, and time deposits (including certificates of deposit) maturing within twelve months from the date of deposit thereof, with any office of any

Lender or with a domestic office of any national or state bank or trust company which is organized under the Laws of the United States of America or any state therein, which has capital, surplus and undivided profits of at least $500,000,000, and whose long term certificates of deposit are rated at least Aa3 by Moody's or AA- by S&P;

(c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in subsection (a) above entered into with any commercial bank meeting the specifications of subsection (b) above;

(d) open market commercial paper, maturing within 270 days after acquisition thereof, which are rated at least P-1 by Moody's or A-1 by S&P; and

(e) money market or other mutual funds substantially all of whose assets comprise securities of the types described in subsections (a) through (d) above.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking into 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 or issued.

"Change of Control" means the occurrence of any of the following events: (a) any Person or two or more Persons acting as a group shall acquire beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Act of 1934, as amended, and including holding proxies to vote for the election of directors other than proxies held by Borrower's management or their designees to be voted in favor of Persons nominated by Borrower's Board of Directors) of 35% or more of the outstanding voting securities of Borrower, measured by voting power (including both common stock and any preferred stock or other equity securities entitling the holders thereof to vote with the holders of common stock in elections for directors of Borrower) or (b) a majority of the directors of Borrower shall consist of Persons not approved by a majority of Borrower's Board of Directors (not including as Board approved directors any directors which the Board is obligated to approve pursuant to shareholders agreements, voting trust arrangements or similar arrangements).

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Swingline Loans, or Term Loans.

"Closing Date" means the date on which all of the conditions precedent set forth in Section 4.1 and Section 4.2 shall have been satisfied or waived.

"Collateral" means all property of any Restricted Person of any kind which, under the terms of any Security Document, is subject to or is purported to be subject to a Lien in favor of Secured Parties (or in favor of Agent for the benefit of Secured Parties).

"Commitment Fee" shall have the meaning set forth in Section 2.5(c).

"Commitment Fee Rate" means, on any date, the rate per annum designated as such and set forth on the Pricing Schedule.

"Commitment Period" means the period from and including the Closing Date until the Maturity Date (or, if earlier, the day on which the obligations of Lenders to make Loans hereunder or the obligations of LC Issuer to issue Letters of Credit have been terminated or the Notes become due and payable in full).

"Commitments" means, collectively, as to all Lenders, the Revolving Loan Commitments and the Incremental Term Loan Commitments of such Lenders.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et. seq.), as amended from time to time, and any successor statute.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept 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 Section 5.9 and other technical, administrative or operational matters) that Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or if Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Consolidated" refers to the consolidation of any Person, in accordance with GAAP, with its properly consolidated subsidiaries. References herein to a Person's Consolidated financial statements, financial position, financial condition, liabilities, etc. refer to the consolidated financial statements, financial position, financial condition, liabilities, etc. of such Person and its properly consolidated subsidiaries.

"Consolidated EBITDA" means, for any Person for any period, the sum of (a) such Person's Consolidated Net Income during such period, plus (b) all interest expense which was deducted in determining such Person's Consolidated Net Income; plus (c) all income Taxes which were deducted in determining such Person's Consolidated Net Income; plus (d) all depreciation and amortization which were deducted in determining such Person's Consolidated Net Income; plus (e) any expense relating to stock options or other equity compensation provided to employees

of Borrower or any of its Subsidiaries during such period that was deducted in determining such Person's Consolidated Net Income; plus (f) other non-cash charges, including non-cash amortization of debt incurrence costs and net mark-to-market losses; provided that if such Person or any of its Subsidiaries has acquired or sold (or otherwise disposed of) a Subsidiary or assets during such period, Consolidated EBITDA of such Person shall be adjusted by the amount of the Consolidated EBITDA attributable to such Subsidiary or assets as if such acquisition or sale (or other disposition) had occurred on the first day of such period; provided that (i) with respect to Non-Wholly Owned Subsidiaries, only that amount attributable to Borrower's direct and indirect proportionate share shall be included for purposes of this calculation, and (ii) for purposes of calculating Consolidated EBITDA for any Reference Period during which one or more Permitted Acquisitions occurs, that (A) such Permitted Acquisitions (and all other Permitted Acquisitions that have been consummated during the applicable period) shall be deemed to have occurred as of the first day of the applicable Reference Period, (B) Consolidated EBITDA for such Reference Period shall include, without duplication, the Acquired EBITDA for such Reference Period (including the portion thereof attributable to the portion of such Reference Period prior to such acquisition) of any Person or business, or attributable to any property or asset, acquired by the Borrower or any Subsidiary pursuant to a Permitted Acquistion during such Reference Period (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any assets or property, in each case to the extent not so acquired), and (C) Consolidated EBITDA for such Reference Period shall not include, without duplication, any portion of Consolidated EBITDA attributable to any Person, business, property, or asset, disposed of by the Borrower and its Subsidiaries to a non-Restricted Person during such Reference Period (including the portion thereof occurring prior to such disposition or discontinuation); provided that the foregoing amounts shall be without duplication of any adjustments that are already included in the calculation of Consolidated EBITDA.

"Consolidated Interest Expense" means, for any Person, for any period without duplication, all interest paid or accrued during such period on Indebtedness (including Capital Lease Obligations) excluding amortization of debt incurrence expenses, original issue discount, and mark-to-market interest expense.

"Consolidated Net Income" means, for any Person, for any period, (a) such Person's Consolidated net income for such period after eliminating earnings or losses attributable to outstanding minority interests and excluding the net income of any Person other than a Subsidiary in which such Person has an ownership interest *plus* (b) any Goodwill Impairment Charges of such Person and its Consolidated Subsidiaries; provided in each case that, with respect to Non-Wholly Owned Subsidiaries, only that amount attributable to Borrower's direct or indirect proportionate ownership share in such Non-Wholly Owned Subsidiaries shall be included for purposes of this calculation.

"Consolidated Total Assets" means, as of any date, the total assets of Borrower and its Consolidated Subsidiaries, determined in accordance with GAAP, as set forth on the Consolidated financial statements most recently delivered pursuant to Section 6.2. With respect to Non-Wholly Owned Subsidiaries, only that amount attributable to Borrower's direct and indirect proportionate share shall be included for purposes of this calculation.

"Consolidated Total Indebtedness" means, for any Person, as of any date, the sum of all Indebtedness of that Person and its Consolidated Subsidiaries, *minus* LC Exclusions, *minus* Attributable Indebtedness of such Person and its Consolidated Subsidiaries in an amount not to exceed $100,000,000 under Sale Leaseback Transactions relating solely to vehicles and real property, *minus* Indebtedness in respect of Hedging Contracts. With respect to Non-Wholly Owned Subsidiaries, only that amount attributable to Borrower's direct and indirect proportionate share shall be included for purposes of this calculation.

"Continuation" refers to the continuation pursuant to Section 2.3 hereof of a SOFR Loan as a SOFR Loan from one Interest Period to the next Interest Period.

"Continuation/Conversion Notice" means a written or telephonic request, or a written confirmation, made by Borrower which meets the requirements of Section 2.3.

"Conversion" refers to a conversion pursuant to Section 2.3 or Article III of one Type of Loan into another Type of Loan.

"Default" means any Event of Default and any default, event or condition which would, with the giving of any requisite notices and the passage of any requisite periods of time, constitute an Event of Default.

"Default Rate" means, at the time in question (a) with respect to any Base Rate Loan or any other Obligation except as described in the immediately following clause (b), the rate per annum equal to two percent (2%) above the rate (including the Base Rate Margin) then applicable to Base Rate Loans or such other Obligation and (b) with respect to any SOFR Loan, the rate per annum equal to two percent (2%) above the rate (including the SOFR Margin) then applicable to SOFR Loans; provided in each case that no Default Rate charged by any Person shall ever exceed the Highest Lawful Rate.

"Defaulting Lender" means any Lender, as determined by Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three Business Days of the date required to be funded by it hereunder (provided that, if such Lender has failed for at least five Business Days to comply with any such funding obligation, unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, Borrower may declare such Lender to be a Defaulting Lender in a written notice to Agent), (b) notified Borrower, Agent, the LC Issuer, the Swingline Lender or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or any other agreement in which it commits to extend credit or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) failed, within three Business Days after request by Agent or Borrower, to confirm that it will comply with the terms of this Agreement

relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans, (d) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute (provided that, if such Lender has failed for at least five Business Days to pay any such other amount, unless the subject of a good faith dispute, Borrower may declare such Lender to be a Defaulting Lender in a written notice to Agent), or (e)(i) become or is or has a parent company that has become or is insolvent or generally unable to pay its debts as they become due, or such Lender or its parent company admits in writing its inability to pay its debts as they become due or makes a general assignment for the benefit of its creditors or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (iii) become the subject of a Bail-In Action.

"Distribution" means (a) any dividend or other distribution made by a Restricted Person on or in respect of any stock, partnership interest, or other equity interest in such Restricted Person or any other Restricted Person (including any option or warrant to buy such an equity interest), or (b) any payment made by a Restricted Person to purchase, redeem, acquire or retire any stock, partnership interest, or other equity interest in such Restricted Person or any other Restricted Person (including any such option or warrant).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Record" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Electronic Signature" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Eligible Transferee" means any Person (subject to such consents as may be required under Section 10.5(c)(v)) other than (a) any Person organized outside the United States if Borrower would be required to pay withholding Taxes on interest or principal owed to such Person, (b)

Borrower or any of its Subsidiaries or Affiliates, (c) any natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person) or (d) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this definition.

"Environmental Laws" means any and all Laws relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

"Equity" means shares of capital stock or a partnership, profits, capital, member or other equity interest, or options, warrants or any other rights to substitute for or otherwise acquire the capital stock or a partnership, profits, capital, member or other equity interest of any Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statutes or statute, together with all rules and regulations promulgated with respect thereto.

"ERISA Affiliate" means each Restricted Person and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that, together with such Restricted Person, are treated as a single employer under Section 414(b), Section 414(c), Section 414(m) or Section 414(o) of the Internal Revenue Code.

"ERISA Plan" means any employee pension benefit plan subject to Section 412 of the Internal Revenue Code or Title IV of ERISA with respect to which any Restricted Person has a fixed or contingent liability.

"Erroneous Payment" has the meaning ascribed to it in Section 9.12(a).

"Erroneous Payment Deficiency Assignment" has the meaning ascribed to it in Section 9.12(d).

"Erroneous Payment Impacted Class" has the meaning ascribed to it in Section 9.12(d).

"Erroneous Payment Return Deficiency" has the meaning ascribed to it in Section 9.12(d).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" has the meaning given to such term in Section 8.1.

"Excluded Accounts" means, collectively, each of the following: (a) deposit accounts exclusively used for payroll, payroll Taxes, and other employee wage and benefit payments (or the equivalent thereof in non-U.S. jurisdictions), (b) pension fund accounts, 401(k) and other benefits accounts, and trust accounts (or the equivalent thereof in non-U.S. jurisdictions), (c) withholding Tax and other similar Tax accounts (including sales Tax accounts), (d) fiduciary

accounts, escrow accounts, trust accounts, and other accounts, in each case, which solely hold funds on behalf of any unaffiliated third party (or the equivalent thereof in any non-U.S. jurisdiction), (g) any account that holds solely LC Collateral, (f) other deposit accounts, securities accounts, and commodity accounts with balances in the aggregate for all accounts referred to in this subclause (f) not exceeding $10,000,000 at any time, and (g) any other account to the extent the cost of creating a Lien therein is excessive in relation to the practical benefit to the Lenders afforded thereby, as reasonably determined by Agent.

"Excluded Assets" means, collectively, (a) equity interests in any Unrestricted Subsidiary or Non-Wholly Owned Subsidiary, so long as a pledge or transfer of such equity interests would be prohibited or restricted under, or would require consent of a third party that is not an Affiliate pursuant to, the governing documents of such Unrestricted Subsidiary or Non-Wholly Owned Subsidiary or any other agreement binding on the Restricted Persons or their assets; provided that, in the event such pledge or transfer is not prohibited but is so restricted or would require such consent of a third party that is not an Affiliate, Borrower shall have used commercially reasonable efforts to satisfy such restriction or obtain such consent, (b) assets, a security interest in which would be prohibited by contract or applicable Law unless such prohibition is not effective under applicable Law, (c) assets as to which Agent has determined in its sole discretion that the costs of obtaining a lien or security interest therein are excessive in relation to the value of the security to be afforded thereby, (d) equity interests representing in excess of 65% of the voting stock of any Foreign Subsidiary, (e) amounts escrowed or otherwise set aside as a Permitted Lien described in clause (r) of the definition of "Permitted Lien" (solely so long as such cash remains subject to such Permitted Lien), (f) equity interests in any Captive Insurance Entity, for so long as any such Captive Insurance Entity is subject to regulatory restrictions that prohibit or limit (or create an adverse tax effect on Borrower and the Restricted Persons as a result of) the creation of a security interest in such equity interests, (g) Excluded Accounts, (h) any interest in real property (whether fee-owned, leasehold, or otherwise), (i) any limited partner interests in Brick & Mortar Ventures II, L.P, (j) any ownership interest, beneficiary interest, or trustee interest in N471VY Trust, a non-citizen trust organized in Utah, (k) any ownership interest in HVACRedu.net LLC, (l) any limited partner interests in Brick & Mortar Ventures III, L.P., and (m) Margin Stock.

"Excluded Subsidiaries" means, collectively, (a) the Immaterial Subsidiaries, (b) the Unrestricted Subsidiaries, (c) the Foreign Subsidiaries, (d) any Captive Insurance Entity, for so long as such Captive Insurance Entity is subject to regulatory restrictions that prohibit or limit (or create an adverse tax effect on Borrower and the Restricted Persons as a result of) the execution of a Guaranty or the grant of a Lien pursuant to the Security Documents and (e) N471VY Trust, a non-citizen trust organized in Utah.

"Excluded Swap Obligations" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application of official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing

more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition.

"Excluded Taxes" has the meaning ascribed to it in Section 3.6(b).

"Existing Credit Agreement" has the meaning set forth in the introductory paragraph to this Agreement.

"Existing Letters of Credit" means the letters of credit listed on Schedule 1.1(a).

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, any intergovernmental agreements entered into in connection with the implementation of such Sections of the Internal Revenue Code and any Laws, fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement.

"Federal Funds Rate" means, for any day, the rate per annum calculated by the FRBNY based on such day's federal funds transactions by depository institutions (as determined in such manner as the FRBNY shall set forth on the FRBNY's Website from time to time) and published on the next succeeding Business Day by the FRBNY as the federal funds effective rate; provided that if such rate is not so published for any day that is a Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Agent on such day on such transactions as determined by Agent. Notwithstanding the foregoing, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Financial Covenant Increase Option" means the option of the Borrower, after the consummation of any Specified Acquisition, to elect to increase the maximum Net Leverage Ratio pursuant to Section 7.11(b) solely for the Fiscal Quarter during which such Specified Acquisition (or the last of such series of Permitted Acquisitions comprising such Specified Acquisition) is consummated and the three (3) consecutive Fiscal Quarters ending thereafter; provided that, at any time when a Financial Covenant Increase Option is in effect, the Borrower may choose to terminate such Financial Covenant Increase Option prior to delivery of financial statements pursuant to Section 6.2 for such Fiscal Quarter. Notwithstanding the foregoing, upon the exercise by the Borrower of any Financial Covenant Increase Option, the Borrower shall not be permitted to exercise a subsequent Financial Covenant Increase Option earlier than two (2) Fiscal Quarters after the end of such prior Financial Covenant Increase Option.

"Fiscal Quarter" means a three-month period ending on March 31, June 30, September 30 or December 31 of any year.

"Fiscal Year" means a twelve-month period ending on December 31 of any year.

"Floor" means a rate of interest equal to 0%.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Foreign Subsidiary" means:

(a) any Subsidiary that is a "controlled foreign corporation" under Section 957 of the Internal Revenue Code,

(b) any Subsidiary all or substantially all of the assets of which are equity interests in or Indebtedness of (i) one or more such "controlled foreign corporations" or (ii) Persons described in this clause (b), or

(c) any Subsidiary that is held directly or indirectly by a Person that constitutes a Foreign Subsidiary pursuant to this definition.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"FRBNY" means the Federal Reserve Bank of New York.

"FRBNY's Website" means the website of the FRBNY at http://www.newyorkfed.org, or any successor source.

"GAAP" means those generally accepted accounting principles and practices which are recognized as such by the Financial Accounting Standards Board (or any generally recognized successor) and which, in the case of Restricted Persons and their Consolidated Subsidiaries, are applied for all periods on a consistent basis, as in effect from time to time and in a manner consistent with that used in preparing the audited financial statements required by Section 6.2(a), except as otherwise specifically provided herein. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Required Lenders shall so request, Agent, Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Agent and Lenders financial statements and other documents required under this Agreement or otherwise reasonably requested hereunder setting forth a reconciliation between such calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

"Goodwill Impairment Charges" means accounting charges resulting from the write-up or write-down of acquired goodwill and other intangible assets in accordance with FAS 142.

"Governmental Authority" means any nation, state, county, city or other political subdivision and any other governmental department, court, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, domestic or foreign.

"Guarantors" means, collectively, (a) each Subsidiary of Borrower existing on the Closing Date, other than the Excluded Subsidiaries, and (b) any Subsidiary of Borrower that executes and delivers a Guaranty to Agent after the Closing Date, pursuant to Section 6.16.

"Guaranty" means (a) that certain Fourth Amended and Restated Subsidiary Guaranty dated as of the date hereof, executed by each Guarantor existing on the Closing Date, in favor of

Agent for the benefit of the Secured Parties, and (b) any Guaranty or joinder to a Guaranty executed by a Guarantor after the Closing Date, in favor of Agent for the benefit of the Secured Parties, in each case as such Guaranties may be amended, supplemented, or modified and in effect from time to time.

"Hazardous Materials" means any substances regulated under any Environmental Law, whether as pollutants, contaminants, or chemicals, or as industrial, toxic or hazardous substances or wastes, or otherwise.

"Hedging Contract" means (a) any agreement providing for options, swaps, floors, caps, collars, forward sales or forward purchases involving interest rates, commodities or commodity prices, equities, currencies, bonds, or indexes based on any of the foregoing, (b) any option, futures or forward contract traded on an exchange, and (c) any other derivative agreement or other similar agreement or arrangement.

"Highest Lawful Rate" means, with respect to each Lender Party to whom Obligations are owed, the maximum nonusurious rate of interest that such Lender Party is permitted under applicable Law to contract for, take, charge, or receive with respect to such Obligations. All determinations herein of the Highest Lawful Rate, or of any interest rate determined by reference to the Highest Lawful Rate, shall be made separately for each Lender Party as appropriate to assure that the Loan Documents are not construed to obligate any Person to pay interest to any Lender Party at a rate in excess of the Highest Lawful Rate applicable to such Lender Party.

"Immaterial Subsidiary" any Subsidiary (a) the total assets of which for the most recently ended fiscal quarter (determined on a Consolidated basis for such Subsidiary and its Consolidated Subsidiaries) are less than 2.5% of Consolidated Total Assets and (b) the Consolidated revenue attributable to such Subsidiary and its Consolidated Subsidiaries for the most recently ended fiscal quarter (determined on a Consolidated basis for such Subsidiary and its Consolidated Subsidiaries) is less than 2.5% of the Consolidated revenue of Borrower and its Consolidated Subsidiaries for the most recently ended fiscal quarter; provided that (i) the total assets of all Immaterial Subsidiaries shall not exceed 10% of Consolidated Total Assets and (ii) the total Consolidated revenue attributable to all Immaterial Subsidiaries (and their Consolidated Subsidiaries) shall not exceed 10% of the Consolidated revenue of Borrower and its Consolidated Subsidiaries.

"Incremental Commitment Agreement" means an agreement in substantially the form attached as Exhibit 2.17 or such other form as Agent approves in its reasonable discretion.

"Incremental Lender" has the meaning assigned to that term in Section 2.17.

"Incremental Amendment" has the meaning assigned to that term in Section 2.17(e).

"Incremental Revolving Credit Facility Increase" has the meaning assigned thereto in Section 2.17.

"Incremental Term Loan" has the meaning assigned thereto in Section 2.17.

"Incremental Term Loan Commitment" has the meaning assigned thereto in Section 2.17.

"Indebtedness" of any Person means, without duplication, obligations in any of the following categories:

(a) debt for borrowed money;

(b) an obligation to pay the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business);

(c) obligations evidenced by a bond, debenture, note or similar instrument;

(d) Off-Balance Sheet Liabilities;

(e) obligations arising under Hedging Contracts (on a net basis to the extent netting is provided for in the applicable Hedging Contract);

(f) Capital Lease Obligations;

(g) obligations to pay money arising under conditional sales or other title retention agreements;

(h) obligations owing under direct or indirect guaranties of Indebtedness of any other Person or otherwise constituting obligations to purchase or acquire or to otherwise protect or insure a creditor against loss in respect of Indebtedness of any other Person (such as obligations under working capital maintenance agreements, agreements to keep-well, or agreements to purchase Indebtedness, assets, goods, securities or services), but excluding endorsements in the ordinary course of business of negotiable instruments in the course of collection;

(i) obligations to purchase or redeem securities or other property, if such obligations arise out of or in connection with the sale or issuance of the same or similar securities or property (for example, repurchase agreements, mandatorily redeemable preferred stock and sale/leaseback agreements), except to the extent such purchase or redemption is to be made with the proceeds of a substantially concurrent issuance of Equity of such Person;

(j) obligations with respect to letters of credit or applications or reimbursement agreements therefor (but, for the avoidance of doubt, excluding any obligations with respect to (i) letters of credit to the extent they support other obligations constituting Indebtedness of a Restricted Person under this definition, and (ii) letters of credit that support performance obligations); or

(k) obligations with respect to banker's acceptances (but, for the avoidance of doubt, excluding any obligations with respect to (i) banker's acceptances to the extent they support other obligations constituting Indebtedness of a Restricted Person under this definition, and (ii) banker's acceptances that support performance obligations);

provided, however, that the "Indebtedness" of any Person shall not include (i) obligations incurred by such Person in the ordinary course of its business under purchasing cards or similar arrangements, or (ii) any obligations under Operating Leases.

"Initial Financial Statements" means the audited annual Consolidated financial statements of Borrower dated as of December 31, 2024 and the unaudited quarterly Consolidated financial statements of Borrower dated as of March 31, 2025.

"Intercreditor Agreement" means (i) that certain Intercreditor Agreement dated as of June 24, 2009 among Zurich American Insurance Company, a New York corporation, and Wachovia Bank, N.A., a national banking association, as predecessor to Lender Agent (as therein defined), as amended from time to time, and (ii) any other agreement to which Borrower, Agent, and any surety are parties that establishes the priorities of the parties with respect to Bonded Receivables.

"Interest Payment Date" means (a) with respect to each Base Rate Loan, the first Business Day of each Fiscal Quarter, and the Maturity Date; and (b) with respect to each SOFR Loan, the last day of the Interest Period that is applicable thereto, and the Maturity Date; provided that, if such Interest Period is greater than three months in length, then respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates for such SOFR Loan.

"Interest Period" means, with respect to each SOFR Loan, the period specified in the Borrowing Notice or Continuation/Conversion Notice applicable to such SOFR Loan, beginning on and including the date specified in such Borrowing Notice or Continuation/Conversion Notice (which must be a Business Day), and ending one, three, or six months thereafter, as Borrower may elect in such notice; provided that (a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day; (b) any Interest Period which begins on the last Business Day in a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day in a calendar month; (c) notwithstanding the foregoing, any Interest Period which would otherwise end after the last day of the Commitment Period shall end on the last day of the Commitment Period (or, if the last day of the Commitment Period is not a Business Day, on the next preceding Business Day) and (d) no tenor that has been removed from this definition pursuant to Section 3.7(c)(iv) shall be available for specification in any Borrowing Notice or Continuation/Conversion Notice.

"Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended from time to time and any successor statute or statutes, together with all rules and regulations promulgated with respect thereto.

"Investment" means any investment, made directly or indirectly, in any Person, whether by purchase, acquisition of equity interests, indebtedness or other obligations or securities or by extension of credit, loan, advance, capital contribution or otherwise and whether made in cash, by the transfer of property, or by any other means.

"Law" means any statute, law, regulation, ordinance, rule, treaty, judgment, order, decree, permit, concession, franchise, license, agreement or other governmental restriction of the United States or any state or political subdivision thereof or of any foreign country or any department, province or other political subdivision thereof. Any reference to a Law includes any amendment or modification to such Law, and all regulations, rulings, and other Laws promulgated under such Law.

"LC Application" means any application for a Letter of Credit hereafter made by Borrower, for itself or for the account of any Subsidiary, to LC Issuer.

"LC Collateral" has the meaning given to such term in Section 2.14(a).

"LC Conditions" means the conditions for issuance of a Letter of Credit set forth in Sections 2.9 and 2.10.

"LC Exclusions" means the sum of (a) LC Obligations for Letters of Credit issued in the ordinary course of Borrower's business for insurance, state qualification and routine licensing purposes and (b) LC Obligations, up to $4,000,000, for Letters of Credit issued for purposes other than those set forth in subsection (a) above.

"LC Issuer" means each of Wells Fargo Bank, National Association, BOKF dba Bank of Texas, PNC Bank, National Association, Truist Bank and U.S. Bank National Association in its respective capacity as an issuer of Letters of Credit hereunder, and its respective successors in such capacity, and any issuer of an Existing Letter of Credit. Agent may, with the consent of Borrower and the Lender in question, appoint any Lender hereunder as an LC Issuer in place of or in addition to Wells Fargo Bank, National Association, BOKF dba Bank of Texas, PNC Bank, National Association, Truist Bank and U.S. Bank National Association.

"LC Obligations" means, at the time in question, the sum of all Matured LC Obligations plus the maximum amounts which LC Issuer might then or thereafter be called upon to advance under all Letters of Credit then outstanding.

"LCA Test Date" has the meaning assigned thereto in Section 1.9(a).

"Left Lead Arranger" means Wells Fargo Securities, LLC, in its capacity as lead left arranger and joint bookrunner.

"Lender Bank Services Obligations" means obligations to a Lender or an Affiliate of a Lender arising out of any of the following bank services provided by such Lender or Affiliate to a Restricted Person: commercial credit cards, commercial checking accounts, stored value cards, and treasury management services (including, without limitation, controlled disbursements, automated clearinghouse transactions, return items, overdraft and interstate depository network services).

"Lender Hedging Obligations" means Indebtedness to a Lender or an Affiliate of a Lender arising out of any Hedging Contract permitted under Section 7.3.

"Lender Party" means Agent, LC Issuer, Swingline Lender and all Lenders.

"Lenders" means each Person executing this Agreement as a Lender on the Closing Date and any other Person that shall have become a party to this Agreement as a Lender pursuant to an Assignment and Assumption or pursuant to Section 2.17, other than any Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Lenders Schedule" means Schedule 3.1 hereto.

"Lending Office" means, with respect to any Lender, the office of such Lender maintaining such Lender's Loans and participations in Letters of Credit and Swingline Loans, which office may, to the extent the applicable Lender notifies Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

"Letter of Credit" means any letter of credit issued by LC Issuer hereunder at the application of Borrower, for itself or for the account of any Subsidiary, and shall include the Existing Letters of Credit, in each case as extended or otherwise modified by the LC Issuer from time to time.

"Liabilities" means, as to any Person, all liabilities that would appear as such on a balance sheet of such Person under GAAP.

"Lien" means, with respect to any property or assets, any right or interest therein of a creditor to secure Liabilities owed to it or any other arrangement with such creditor which provides for the payment of such Liabilities out of such property or assets or which allows such creditor to have such Liabilities satisfied out of such property or assets prior to the general creditors of any owner thereof, including any lien, mortgage, security interest, pledge, rights of a vendor under any title retention or conditional sale agreement or lease substantially equivalent thereto, Tax lien, mechanic's or materialmen's lien, or any other charge or encumbrance for security purposes, whether arising by Law or agreement or otherwise, but excluding any right of offset which arises without agreement in the ordinary course of business.

"Limited Condition Acquisition" means any Acquisition that (a) is not prohibited hereunder, and (b) is not conditioned on the availability of, or on obtaining, third-party financing.

"Loan Documents" means this Agreement, the Notes, the Security Documents, the Guaranties, the LC Applications and the Intercreditor Agreements, and all other agreements, certificates, documents, instruments and writings at any time executed and delivered in connection herewith or therewith (exclusive of term sheets, commitment letters, any Hedging Contracts, and any agreements or arrangements pursuant to which Lender Bank Services Obligations are provided).

"Loans" means the (a) Revolving Loans as otherwise described in Section 2.1, (b) Swingline Loans as otherwise described in Section 2.16 and (c) Term Loans as otherwise described in Section 2.17.

"Margin Stock" means margin stock, as such term is defined in Regulation U promulgated by the FRB.

"Material Adverse Change" means a material and adverse change, from the state of affairs presented in the Initial Financial Statements or as represented or warranted in any Loan Document, to (a) Borrower's Consolidated financial condition, (b) Borrower's Consolidated business, assets, operations or properties, considered as a whole, (c) Borrower's ability to timely pay the Obligations, or (d) the enforceability of the material terms of any Loan Documents.

"Matured LC Obligations" means all amounts paid by LC Issuer on drafts or demands for payment drawn or made under or purported to be made under any Letter of Credit and all other amounts due and owing to LC Issuer under any LC Application for any Letter of Credit, to the extent the same have not been repaid to LC Issuer (with the proceeds of Loans or otherwise).

"Maturity Date" means October 1, 2030.

"Maximum Drawing Amount" means at the time in question the sum of the maximum amounts which LC Issuer might then or thereafter be called upon to advance under all Letters of Credit which are then outstanding.

"Moody's" means Moody's Investors Service, Inc., or its successor.

"Net Leverage Ratio" means the ratio, determined as of the end of each of Borrower's Fiscal Quarters for the then most-recently ended four consecutive Fiscal Quarters, of (a) its Consolidated Total Indebtedness on such day, minus the lesser of (i) its and its Subsidiaries' unrestricted cash and Cash Equivalents (and cash or Cash Equivalents that would be unrestricted but for a Lien in favor of Agent for the benefit of the Secured Parties) and (ii) $100,000,000, to (b) its Consolidated EBITDA for such period.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver, amendment, modification or termination that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.1 and (b) has been approved by the Required Lenders.

"Non-Wholly Owned Subsidiary" means, with respect to any Person, any entity in which such Person directly or indirectly owns equity interests which represent less than 100% of the total equity interests (other than qualifying shares required to be owned by directors) of such entity.

"Note(s)" means the Revolving Notes, the Swingline Note, and any Term Notes.

"Obligation" means any part of the Obligations.

"Obligations" means all indebtedness, liabilities and obligations, whether matured or unmatured, liquidated or unliquidated, primary or secondary, direct or indirect, absolute, fixed or contingent, from time to time owing by any Restricted Person to any Lender Party under or pursuant to any of the Loan Documents, including all LC Obligations.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Off-Balance Sheet Liability" of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) Synthetic

Lease Obligations, or (c) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (but, for the avoidance of doubt, excluding any Operating Leases other than a Synthetic Lease).

"Operating Lease" means (a) an operating lease under GAAP and (b) any lease that was treated as an operating lease under GAAP at the time it was entered into that later becomes a capital lease as a result of a change in GAAP during the life of such lease, including any renewals.

"Other Connection Taxes" means, with respect to any Lender Party, Taxes imposed by reason of any present or former connection between such Lender Party and the jurisdiction imposing such Taxes (other than connections arising from such Lender Party 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 any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.8(b)).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub, L. 107-56 (signed into law October 26, 2001)).

"Payment Recipient" has the meaning ascribed to it in Section 9.12(a).

"Percentage Share" means, with respect to any Lender, the percentage obtained by dividing (i) the sum of the unpaid principal balance of such Lender's Loans at the time in question plus the Matured LC Obligations which such Lender has funded pursuant to Section 2.11(c) plus the portion of the Maximum Drawing Amount which such Lender might be obligated to fund under Section 2.11(c), by (ii) the sum of the aggregate unpaid principal balance of all Loans at such time plus the aggregate amount of LC Obligations outstanding at such time.

"Permitted Acquisition" means an Acquisition that is permitted by Section 7.7(b).

"Permitted Investments" means:

(a) Cash Equivalents;

(b) existing Investments described in Schedule 1.1(b);

(c) extensions of credit by Restricted Persons to their customers for buying goods and services in the ordinary course of business or to another Restricted Person in the ordinary course of business;

(d) extensions of credit among Restricted Persons which are subordinated to the Obligations pursuant to the terms of the Guaranty or upon other terms and conditions reasonably satisfactory to Agent;

(e) Investments by Restricted Persons in other Restricted Persons;

(f) Investments by Restricted Persons in the Equity of another Person made in connection with a Permitted Acquisition;

(g) repurchases by Restricted Persons of their Equity that are permitted pursuant to Section 7.6; and

(h) any Investment made as a result of the receipt of non-cash consideration from a sale, transfer, lease, exchange, alienation, or disposition of assets that is permitted pursuant to Section 7.5.

"Permitted Liens" means:

(a) statutory Liens for Taxes, assessments or other governmental charges or levies which are not yet delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(b) landlords', operators', carriers', warehousemen's, repairmen's, mechanics', materialmen's, worker's, suppliers or other like Liens, in each case only to the extent arising in the ordinary course of business and only to the extent securing obligations (i) which are not delinquent or which are being contested in good faith by appropriate proceedings; and (ii) for which adequate reserves have been maintained in accordance with GAAP;

(c) zoning restrictions, easements, licenses, and minor defects and irregularities in title to any real property, so long as such defects and irregularities do not materially impair the value of such property or the use of such property for the purposes for which such property is held;

(d) pledges or deposits of cash or securities to secure (i) the performance of bids, trade contracts, leases, statutory obligations and other obligations of a like nature (excluding appeal bonds) incurred in the ordinary course of business; (ii) obligations under worker's compensation, unemployment insurance, social security, or public Laws or similar legislation (excluding Liens arising under ERISA); or (iii) letters of credit or surety bonds that support obligations described in clause (i) or (ii) above;

(e) Liens under the Security Documents;

(f) with respect only to property subject to any particular Security Document, Liens burdening such property which are expressly allowed by such Security Document;

(g) any Lien in favor of a surety in the actual proceeds of a project and project-related assets arising by operation of law (including common law) or under any indemnity, surety, or similar agreement entered into in the ordinary course of business in connection with project-related bid or performance bonds; provided that such Lien does not at any time encumber any property other than the applicable bonded contractual obligation and other project-related assets;

(h) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which Borrower or any of its Subsidiaries is a party;

(i) any attachment or judgment Lien not constituting an Event of Default under Section 8.1(j)(iv);

(j) Liens existing on the Closing Date and renewals and extensions thereof, which Liens are set forth on Schedule 1.1(c);

(k) Liens securing Indebtedness permitted by Section 7.1(c); provided that such Liens attach only to the assets financed by such Indebtedness and any proceeds thereof;

(l) Liens securing obligations in respect to Technology-as-a-Service arrangements that are permitted by Section 7.1(k) and Section 7.5(e);

(m) inchoate Liens arising under ERISA to secure contingent Liabilities of Borrower or any of its Subsidiaries;

(n) Liens securing Indebtedness permitted by Section 7.1(h); provided that (i) such Liens existed at the time such Person became a Subsidiary of Borrower or at the time such assets were acquired, as the case may be, and were not created in anticipation thereof, (ii) such Liens do not apply to any property or assets of Borrower or its Subsidiaries, as the case may be, other than (A) the assets of such Person that has become a Subsidiary of Borrower and such Person's Subsidiaries or (B) such acquired assets and their proceeds, as applicable, and (iii) such Liens secure only those obligations that they secured on the date such Person became a Subsidiary of Borrower or at the time such assets were acquired, as the case may be;

(o) Liens securing obligations of the Restricted Persons in connection with Sale Leaseback Transactions solely related to vehicles and real property in an aggregate amount not to exceed $150,000,000;

(p) Liens securing Indebtedness permitted by Section 7.1(l);

(q) Liens in respect of Operating Leases; and

(r) Liens on amounts escrowed or otherwise set aside in connection with a proposed Permitted Acquisition, Permitted Investment or other disposition permitted hereunder.

"Person" means an individual, corporation, general partnership, limited partnership, limited liability company, association, joint stock company, trust or trustee thereof, estate or executor thereof, Tribunal, or any other legally recognizable entity.

"Pledge Agreement" means (a) that certain Fourth Amended and Restated Pledge Agreement dated as of the date hereof, executed by each Restricted Person existing on the Closing Date, in favor of Agent for the benefit of the Secured Parties, and (b) any Pledge Agreement or joinder to a Pledge Agreement executed by a Restricted Person after the Closing Date, in favor of Agent for the benefit of the Secured Parties, in each case as such Pledge Agreements may be amended, supplemented, or modified and in effect from time to time.

"Prescribed Forms" means (i) 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 any Loan Document, executed copies of IRS Form W-8BEN, or W-8BEN-E, as applicable (or applicable successor form), 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 any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable (or applicable successor form), 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; (ii) executed copies of IRS Form W-8ECI (or applicable successor form); (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 1.1-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable (or applicable successor form); (iv) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable (or applicable successor form), a U.S. Tax Compliance Certificate substantially in the form of Exhibit 1.1-2 or Exhibit 1.1-3, IRS Form W-9 (or successor form), 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 Exhibit 1.1-4 on behalf of each such direct and indirect partner; and/or (v) executed copies 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.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Receivables" means all present and future rights of Borrower or any Subsidiary of Borrower to payment for goods sold or leased or for services rendered (except those evidenced by

instruments or chattel paper), whether now existing or hereafter arising and wherever arising and whether or not earned by performance.

"Reference Period" means, as of any date of determination, the period of four (4) consecutive fiscal quarters most recently ended for which financial statements of the Borrower and its Subsidiaries have been delivered to the Agent hereunder.

"Regulation D" means Regulation D of the FRB as from time to time in effect.

"Reimbursable Taxes" has the meaning ascribed to it in Section 3.6(b).

"Relevant Governmental Body" means the FRB or the FRBNY, or a committee officially endorsed or convened by the FRB or the FRBNY or any successor thereto.

"Required Lenders" means Lenders having aggregate Total Credit Exposure representing more than fifty percent (50%) of the aggregate Total Credit Exposure of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Restricted Person" means any of Borrower and each Guarantor.

"Revolving Facility Usage" means, at the time in question, without duplication, the aggregate principal amount of outstanding Revolving Loans, Swingline Loans, and LC Obligations at such time.

"Revolving Lenders" means those Lenders having a Revolving Loan Commitment.

"Revolving Loan" means a loan made to Borrower pursuant to Section 2.1.

"Revolving Loan Commitment" means as to any Lender, the commitment of such Lender to make Revolving Loans or participate in Swingline Loans or LC Obligations as set forth on the Lenders Schedule or in the most recent Assignment and Acceptance or Incremental Commitment Agreement, if any, executed by such Lender, as such amount may be adjusted, if at all, from time to time in accordance with this Agreement.

"Revolving Notes" has the meaning ascribed to it in Section 2.1.

"Revolving Percentage Share" means, with respect to any Revolving Lender at any time, such Lender's Revolving Loan Commitment at such time, divided by the aggregate Revolving Loan Commitments at such time; provided that, if the Revolving Loan Commitments have expired or been terminated, a Lender's "Revolving Loan Commitment" shall be its Revolving Facility Usage divided by the aggregate Revolving Facility Usage of all Revolving Lenders at such time.

"S&P" means Standard & Poor's Rating Service, a division of S&P Global Inc. and any successor thereto.

"Sale Leaseback Transaction" means any transaction or series of related transactions under which Borrower or any of its Subsidiaries (a) sells, transfers or otherwise disposes of any property,

real or personal, whether now owned or hereafter acquired, and (b) as part of that transaction, thereafter rents or leases that property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed of.

"Sanctioned Country" means at any time, a country or territory which is itself the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or His Majesty's Treasury, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned in the aggregate, directly or indirectly, 50% or more by any such Person or Persons described in clauses (a) and (b) or (d) any Person controlled by any such Person or Persons described in clauses (a) and (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC), the United Nations Security Council, the European Union or His Majesty's Treasury.

"Secured Obligations" means all Obligations, Lender Hedging Obligations, and Lender Bank Services Obligations; provided, however, that the "Secured Obligations" shall exclude any Excluded Swap Obligations.

"Secured Party" means each Lender Party and each Affiliate of a Lender that holds Lender Hedging Obligations or Lender Bank Services Obligations.

"Security Agreement" means (a) that certain Fourth Amended and Restated Security Agreement dated as of the date hereof, executed by each Restricted Person existing on the Closing Date, in favor of Agent for the benefit of the Secured Parties, and (b) any Security Agreement or joinder to a Security Agreement executed by a Restricted Person after the Closing Date, in favor of Agent for the benefit of the Secured Parties, in each case as such Security Agreements may be amended, supplemented, or modified and in effect from time to time.

"Security Documents" means the Security Agreement, the Pledge Agreement and all other security agreements, deeds of trust, mortgages, chattel mortgages, pledges, financing statements, continuation statements, extension agreements and other agreements or instruments now, heretofore, or hereafter delivered by any Restricted Person to Agent in connection with this Agreement or any transaction contemplated hereby to secure the payment of any part of the Secured Obligations or the performance of any Restricted Person's other duties and obligations under the Loan Documents.

"SOFR" means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the FRBNY (or a successor administrator of the secured overnight financing rate).

"SOFR Loan" means any Loan bearing interest at a rate based on Term SOFR as provided in Section 2.5(a)(ii) and, for the avoidance of doubt, shall not include Base Rate Loans.

"SOFR Margin" means, on any date, with respect to each SOFR Loan, the rate per annum set forth on the Pricing Schedule.

"Solvent" means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including subordinated and contingent liabilities, of such Person; (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and liabilities, including subordinated and contingent liabilities as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can be reasonably be expected to become an actual or matured liability.

"Specified Acquisition" means any Permitted Acquisition or series of Permitted Acquisitions occurring within any consecutive twelve (12) month period having aggregate consideration (including, without limitation, cash, Cash Equivalents, Equity, earn-outs, holdbacks and other deferred payment obligations) in excess of $100,000,000 or more.

"Subordinated Debt" means unsecured Indebtedness that is subordinated to the Obligations in a manner and form reasonably satisfactory to Agent, as to the right and time of payment and as to any and all other rights and remedies thereunder.

"Subsidiary" means, with respect to any Person, any corporation, association, partnership, limited liability company, joint venture, or other business or corporate entity, enterprise or organization which is directly or indirectly (through one or more intermediaries) controlled by or owned fifty percent or more by such Person. Unless otherwise qualified, references to "Subsidiary" or "Subsidiaries" herein shall refer to those of Borrower.

"Swap Obligations" means, with respect to any Guarantor, any obligation to pay or perform under any Lender Hedging Contract that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swingline Lender" means Wells Fargo Bank, National Association, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a loan made pursuant to Section 2.16.

"Swingline Note" has the meaning specified in Section 2.16(d).

"Synthetic Lease Obligations" means an arrangement treated as an operating lease for financial accounting purposes in accordance with GAAP and a financing lease for Tax purposes.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any

Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"Technology-as-a-Service" means a transaction, or series of transactions, entered into by a Restricted Person and one or more counterparties, pursuant to which such Restricted Person or its counterparty provides financing services to a bona fide customer of a Restricted Person (including those subject to contingent repurchase obligations of such Restricted Person with respect to accounts receivable or similar obligations under customer contracts), or pursuant to which such Restricted Person or its counterparty provides a bona fide customer with access to technology services, support, maintenance, upgrades, and related services on a subscription, lease, or other recurring payment basis, in each case, in the ordinary course of business.

"Term Lender" means any Lender with an Incremental Term Loan Commitment and/or outstanding Incremental Term Loans.

"Term Loans" means, if applicable, Incremental Term Loans and "Term Loan" means any of such Term Loans.

"Term Notes" means a promissory note made by the Borrower in favor of a Term Lender evidencing the portion of the Term Loans made by such Term Lender, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR

Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day; provided, however, that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be Floor.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Termination Date" has the meaning specified in Section 10.9(a).

"Termination Event" means (a) the occurrence with respect to any ERISA Plan of (i) an event described in Section 4041A of ERISA, or (ii) the withdrawal of any ERISA Affiliate from an ERISA Plan if such withdrawal is described in Section 4201(a) of ERISA, or (iii) a reportable event described in Section 4043(c)(5) or (6) of ERISA or (iv) any other reportable event described in Section 4043(c) of ERISA other than a reportable event not subject to the provision for 30-day notice to the Pension Benefit Guaranty Corporation pursuant to a waiver by such corporation (determined under final regulations promulgated by the Pension Benefit Guaranty Corporation regarding such waivers as in effect on the date of this Credit Agreement) under Section 4043(a) or 4043(b)(4) of ERISA, or (b) the withdrawal of any ERISA Affiliate from an ERISA Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, or (c) the filing of a notice of intent to terminate any ERISA Plan or the treatment of any ERISA Plan amendment as a termination under Section 4041(c) of ERISA, or (d) the institution of proceedings to terminate any ERISA Plan by the Pension Benefit Guaranty Corporation under Section 4042 of ERISA, or (e) any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any ERISA Plan.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments, Revolving Facility Usage and outstanding Term Loans of such Lender at such time.

"Tribunal" means any government, any arbitration panel, any court or any governmental department, commission, board, bureau, agency or instrumentality of the United States of America or any state, province, commonwealth, nation, territory, possession, county, parish, town, township, village or municipality, whether now or hereafter constituted or existing.

"Type" means, with respect to any Loans, the characterization of such Loans as either Base Rate Loans or SOFR Loans.

"UK Financial Institution" means any means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct

Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"Unrestricted Subsidiary" means a direct or indirect Non-Wholly Owned Subsidiary of Borrower that has been designated as an Unrestricted Subsidiary in a written notice by Borrower to Agent.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in United States government securities; provided that for purposes of the notice requirements in Sections 2.2(b), 2.3 and 2.7(a), in each case, such day is also a Business Day.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code (including any disregarded entity thereof for U.S. federal income tax purposes).

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness, in each case of clauses (a) and (b), without giving effect to the application of any prior prepayment to such scheduled installment, sinking fund, serial maturity or other required scheduled payment of principal.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2. Exhibits and Schedules. All Exhibits and Schedules attached to this Agreement are a part hereof for all purposes.

Section 1.3. Amendment of Defined Instruments. Unless the context otherwise requires or unless otherwise provided herein the terms defined in this Agreement which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions,

modifications, amendments and restatements of such agreement, instrument or document, provided that nothing contained in this Section shall be construed to authorize any such renewal, extension, modification, amendment or restatement.

Section 1.4. References and Titles. All references in this Agreement to Exhibits, Schedules, articles, sections, subsections and other subdivisions refer to the Exhibits, Schedules, articles, sections, subsections and other subdivisions of this Agreement unless expressly provided otherwise. Exhibits and Schedules to any Loan Document shall be deemed incorporated by reference in such Loan Document. References to any document, instrument, or agreement (a) shall include all exhibits, schedules, and other attachments thereto, and (b) shall include all documents, instruments, or agreements issued or executed in replacement thereof. Titles appearing at the beginning of any subdivisions are for convenience only and do not constitute any part of such subdivisions and shall be disregarded in construing the language contained in such subdivisions. The words "this Agreement", "this instrument", "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The phrases "this section" and "this subsection" and similar phrases refer only to the sections or subsections hereof in which such phrases occur. The word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation". Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer. References to "days" shall mean calendar days, unless the term "Business Day" is used. Unless otherwise specified, references herein to any particular Person also refer to its successors and permitted assigns.

Section 1.5. Calculations and Determinations. All calculations under the Loan Documents of interest chargeable with respect to SOFR Loans and of fees shall be made on the basis of actual days elapsed (including the first day but excluding the last) and a year of 360 days. All other calculations of interest made under the Loan Documents shall be made on the basis of actual days elapsed (including the first day but excluding the last) and a year of 365 or 366 days, as appropriate. Each determination by a Lender Party of amounts to be paid under Article III or any other matters which are to be determined hereunder by a Lender Party shall, in the absence of manifest error, be conclusive and binding. Unless otherwise expressly provided herein or unless Required Lenders otherwise consent all financial statements and reports furnished to any Lender Party hereunder shall be prepared and all financial computations and determinations pursuant hereto shall be made in accordance with GAAP.

Section 1.6. Joint Preparation; Construction of Indemnities and Releases. This Agreement and the other Loan Documents have been reviewed and negotiated by sophisticated parties with access to legal counsel and no rule of construction shall apply hereto or thereto which would require or allow any Loan Document to be construed against any party because of its role in drafting such Loan Document. All indemnification and release provisions of this Agreement shall be construed broadly (and not narrowly) in favor of the Persons receiving indemnification or being released.

Section 1.7. Rates. Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of,

calculation of or any other matter related to the Term SOFR Reference Rate or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 3.7(c), will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to Borrower. Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.8. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity at such time.

Section 1.9. Limited Condition Acquisitions. In the event that the Borrower notifies the Agent in writing that any proposed Acquisition is a Limited Condition Acquisition and that the Borrower wishes to test the conditions to such Acquisition and the Indebtedness that is to be used to finance such Acquisition (including pursuant to any Incremental Revolving Credit Facility Increase or Incremental Term Loan Commitment) in accordance with this Section 1.9, then, so long as agreed to by the Agent and the lenders providing such Indebtedness, the following provisions shall apply.

(a) any condition to such Limited Condition Acquisition or such Indebtedness that requires that no Default or Event of Default shall have occurred and be continuing at the time of such Limited Condition Acquisition or the incurrence of such Indebtedness, shall be satisfied if (i) no Default or Event of Default shall have occurred and be continuing at the time of the execution of the definitive purchase agreement, merger agreement or other acquisition agreement governing such Limited Condition Acquisition (the "LCA Test Date") and (ii) no Event of Default under any of Section 8.1(a), 8.1(b), 8.1(j)(i), 8.1(j)(ii) and 8.1(j)(iii) shall have occurred and be continuing both immediately before and immediately after giving effect to such Limited Condition Acquisition and any Indebtedness incurred in connection therewith (including any such additional Indebtedness);

(b) any condition to such Limited Condition Acquisition or such Indebtedness that the representations and warranties in this Agreement and the other Loan Documents shall be true and correct at the time of consummation of such Limited Condition Acquisition or the incurrence of such Indebtedness shall be deemed satisfied if, as of the date of consummation of such Limited Condition Acquisition, (i) the representations and warranties under the relevant definitive agreement governing such Limited Condition Acquisition as are material to the lenders providing such Indebtedness shall be true and correct, but only to the extent that the Borrower or its applicable Subsidiary has the right to terminate its obligations under such agreement or otherwise decline to close such Limited Condition Acquisition as a result of a breach of such representations and warranties or the failure of those representations and warranties to be true and correct and (ii) certain of the representations and warranties in this Agreement and the other Loan Documents which are customary for similar "funds certain" financings and required by the lenders providing such Indebtedness shall be true and correct in all material respects (except for any representation and warranty that is qualified by materiality or reference to Material Adverse Change, which such representation and warranty shall be true and correct in all respects);

(c) any financial ratio test or condition to be tested in connection with such Limited Condition Acquisition and the availability of such Indebtedness will be tested as of the LCA Test Date, in each case, after giving effect to the relevant Limited Condition Acquisition and related incurrence of Indebtedness, on a pro forma basis where applicable, and, for the avoidance of doubt, (i) such ratios and baskets shall not be tested at the time of consummation of such Limited Condition Acquisition and (ii) if any of such ratios are exceeded or conditions are not met following the LCA Test Date, but prior to the closing of such Limited Condition Acquisition, as a result of fluctuations in such ratio or amount (including due to fluctuations in Consolidated EBITDA of the Borrower and its Subsidiaries or the Person subject to such Limited Condition Acquisition), at or prior to the consummation of the relevant transaction or action, such ratios will not be deemed to have been exceeded and such conditions will not be deemed unmet as a result of such fluctuations solely for purposes of determining whether the relevant transaction or action is permitted to be consummated or taken;

(d) except as provided in the next sentence, in connection with any subsequent calculation of any ratio or basket on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated and the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated (i) on a pro forma basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including the incurrence or assumption of Indebtedness) have been consummated and (ii) assuming such Limited Condition Acquisition and other transactions in connection therewith (including the incurrence or assumption of Indebtedness) have not been consummated. Notwithstanding the foregoing, any calculation of a ratio in connection with determining the Status in accordance with the Pricing Schedule and determining whether or not the Borrower is in compliance with the financial covenants set forth in Section 7.11 shall, in each case be calculated assuming such Limited Condition Acquisition and other transactions in

connection therewith (including the incurrence or assumption of Indebtedness) have not been consummated.

The foregoing provisions shall apply with similar effect during the pendency of multiple Limited Condition Acquisitions such that each of the possible scenarios is separately tested.

ARTICLE II.

THE LOANS AND LETTERS OF CREDIT

Section 2.1. Commitments to Lend; Notes. Subject to the terms and conditions hereof, each Revolving Lender agrees, severally and not jointly, to make Revolving Loans to Borrower upon the request of Borrower from time to time during the Commitment Period; provided that (a) Revolving Loans of the same Type made on the same day shall be made by Revolving Lenders in accordance with their respective Revolving Percentage Shares and as part of the same Borrowing; and (b) after giving effect to such Revolving Loans, the Revolving Facility Usage shall not exceed the Aggregate Revolving Loan Commitment then in effect. The amount of all Revolving Loans in any Borrowing must be greater than or equal to $100,000, or must equal the remaining availability under the Aggregate Revolving Loan Commitment. The obligation of Borrower to repay to each Revolving Lender the aggregate amount of all Revolving Loans made by such Revolving Lender, together with interest accruing in connection therewith, may, at the request of such Revolving Lender, be evidenced by a promissory note made by Borrower payable to the order of such Revolving Lender in the principal amount of the Revolving Loan Commitment of the applicable Revolving Lender, substantially in the form of Exhibit 2.1 (each a "Revolving Note" and, collectively, the "Revolving Notes"). The amount of principal owing on any Revolving Note at any given time shall be the aggregate amount of all Revolving Loans theretofore made by such Revolving Lender minus all payments of principal theretofore received by such Revolving Lender on such Revolving Note. Interest on each Revolving Loan shall accrue and be due and payable as provided herein. Each Revolving Loan shall be due and payable as provided herein, and shall be due and payable in full on the Maturity Date. Subject to the terms and conditions hereof, Borrower may borrow, repay, and reborrow Revolving Loans hereunder.

Section 2.2. Requests for Loans. Borrower must give to Agent written or electronic notice (or telephonic notice promptly confirmed in writing) of any requested Borrowing of new Loans to be advanced by the applicable Lenders. Each such notice constitutes a "Borrowing Notice" hereunder and must:

(a) specify (i) the aggregate amount of any such Borrowing of new Base Rate Loans and the date on which such Base Rate Loans are to be advanced, or (ii) the aggregate amount of any such Borrowing of new SOFR Loans, the date on which such SOFR Loans are to be advanced (which shall be the first day of the Interest Period which is to apply thereto), and the length of the applicable Interest Period; and

(b) be received by Agent not later than 11:00 a.m., Houston, Texas time, on (i) the day on which any such Base Rate Loans are to be made, or (ii) the third U.S. Government Securities Business Day preceding the day on which any such SOFR Loans are to be made.

Each such written request or confirmation must be made in the form and substance of the "Borrowing Notice" attached hereto as Exhibit 2.2(b), duly completed. If Borrower fails to specify the Type of Loans in any such Borrowing Notice, then the applicable Borrowing shall be made as Base Rate Loans. If Borrower specifies a Borrowing of SOFR Loans in any such Borrowing Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Each such telephonic request shall be deemed a representation, warranty, acknowledgment and agreement by Borrower as to the matters which are required to be set out in such written confirmation. Upon receipt of any such Borrowing Notice, Agent shall give each applicable Lender prompt notice of the terms thereof. If all conditions precedent to such new Loans have been met, each applicable Lender will on the date requested promptly remit to Agent at Agent's office in Houston, Texas the amount of such Lender's new Loan in immediately available funds, and upon receipt of such funds, unless to its actual knowledge any conditions precedent to such Loans have been neither met nor waived as provided herein, Agent shall promptly make such Loans available to Borrower. Unless Agent shall have received prompt notice from a Lender that such Lender will not make available to Agent such Lender's new Loan, Agent may in its discretion assume that such Lender has made such Loan available to Agent in accordance with this Section and Agent may if it chooses, in reliance upon such assumption, make such Loan available to Borrower. If and to the extent such Lender shall not so make its new Loan available to Agent, such Lender and Borrower severally agree to pay or repay to Agent within three Business Days after demand the amount of such Loan together with interest thereon, for each day from the date such amount was made available to Borrower until the date such amount is paid or repaid to Agent, with interest at (i) the Federal Funds Rate, if such Lender is making such payment and (ii) the interest rate applicable at the time to the other new Loans made on such date, if Borrower is making such repayment. If neither such Lender nor Borrower pays or repays to Agent such amount within such three Business Day period, Agent shall in addition to such amount be entitled to recover from such Lender and from Borrower, on demand, interest thereon at the Default Rate, calculated from the date such amount was made available to Borrower. The failure of any Lender to make any new Loan to be made by it hereunder shall not relieve any other Lender of its obligation hereunder, if any, to make its new Loan, but no Lender shall be responsible for the failure of any other Lender to make any new Loan to be made by such other Lender.

Section 2.3. Continuations and Conversions of Existing Loans. Borrower may make the following elections with respect to Loans already outstanding: to convert Base Rate Loans to SOFR Loans, to convert SOFR Loans to Base Rate Loans on the last day of the Interest Period applicable thereto, and to continue SOFR Loans beyond the expiration of such Interest Period by designating a new Interest Period to take effect at the time of such expiration. In making such elections, Borrower may combine existing Loans of the same Class made pursuant to separate Borrowings into one new Borrowing or divide existing Loans made pursuant to one Borrowing into separate new Borrowings; provided that Borrower may have no more than five Borrowings of SOFR Loans outstanding at any time. To make any such election, Borrower must give to Agent written notice (or telephonic notice promptly confirmed in writing) of any such Conversion or Continuation of existing Loans, with a separate notice given for each new Borrowing. Each such notice constitutes a "Continuation/Conversion Notice" hereunder and must:

(a) specify the existing Loans which are to be Continued or Converted;

(b) specify (i) the aggregate amount of any Borrowing of Base Rate Loans into which such existing Loans are to be converted and the date on which such Continuation or Conversion is to occur, or (ii) the aggregate amount of any Borrowing of SOFR Loans into which such existing Loans are to be continued or converted, the date on which such Continuation or Conversion is to occur (which shall be the first day of the Interest Period which is to apply to such SOFR Loans), and the length of the applicable Interest Period; and

(c) be received by Agent not later than 11:00 a.m., Houston, Texas time, on (i) the day on which any such conversion to Base Rate Loans is to occur, or (ii) the third U.S. Government Securities Business Day preceding the day on which any such Continuation or Conversion to SOFR Loans is to occur.

Each such written request or confirmation must be made in the form and substance of the "Continuation/Conversion Notice" attached hereto as Exhibit 2.3(c), duly completed. Each such telephonic request shall be deemed a representation, warranty, acknowledgment and agreement by Borrower as to the matters which are required to be set out in such written confirmation. Upon receipt of any such Continuation/Conversion Notice, Agent shall give each applicable Lender prompt notice of the terms thereof. Each Continuation/Conversion Notice shall be irrevocable and binding on Borrower. During the continuance of any Default, Borrower may not make any election to convert existing Loans into SOFR Loans or continue existing Loans as SOFR Loans. If (due to the existence of a Default or for any other reason) Borrower fails to timely and properly give any Continuation/Conversion Notice with respect to a Borrowing of existing SOFR Loans at least three U.S. Government Securities Business Days prior to the end of the Interest Period applicable thereto, such SOFR Loans shall automatically be converted into Base Rate Loans at the end of such Interest Period. If Borrower requests a conversion to, or continuation of, SOFR Loans, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No new funds shall be repaid by Borrower or advanced by any Lender in connection with any Continuation or Conversion of existing Loans pursuant to this Section, and no such Continuation or Conversion shall be deemed to be a new advance of funds for any purpose; such Continuations and Conversions merely constitute a change in the interest rate applicable to already outstanding Loans.

Section 2.4. Use of Proceeds. Borrower shall use the Loans to provide working capital for its operations and for other general corporate purposes. Borrower shall use all Letters of Credit for its general corporate purposes. In no event shall the funds from any Loan or any Letter of Credit be used directly or indirectly by any Person for personal, family, household or agricultural purposes or for the purpose, whether immediate, incidental or ultimate, of purchasing, acquiring or carrying any Margin Stock (except in connection with an acquisition or Investment permitted under Section 7.7 which does not violate Regulation U of the FRB) or to extend credit to others directly or indirectly for the purpose of purchasing or carrying any such Margin Stock. Borrower represents and warrants that Borrower is not engaged principally, or as one of Borrower's important activities, in the business of extending credit to others for the purpose of purchasing or carrying such Margin Stock. No Loan or Letter of Credit will be requested and no proceeds of any Loan or Letter of Credit will be used (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) to fund any activities or business (A) of or with any

Person, that, at the time of such funding, is the subject of Sanctions or (B) in any country or territory that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 2.5. Interest Rates and Fees; Payment Dates.

(a) Interest. Subject to subsection (b) below, (i) each Base Rate Loan shall bear interest on each day it is outstanding at the Base Rate plus the Base Rate Margin, in each case, in effect on such day, (ii) each SOFR Loan shall bear interest on each day during the related Interest Period at Term SOFR for such Interest Period plus the SOFR Margin in effect on such day, and (iii) if an Event of Default has occurred and is continuing, the Loans shall bear interest as set forth in Section 2.5(b) below.

(b) Default Rate. If an Event of Default shall have occurred and be continuing under Section 8.1(a), (b), (j)(i), (j)(ii) or (j)(iii), all outstanding Loans shall bear interest at the applicable Default Rate. In addition, if an Event of Default shall have occurred and be continuing (other than under Section 8.1(a), (b), (j)(i), (j)(ii) or (j)(iii)), Required Lenders may, by notice to Borrower, elect to have the outstanding Loans bear interest at the applicable Default Rate, whereupon such Loans shall bear interest at the applicable Default Rate until the earlier of (i) the first date thereafter upon which there shall be no Event of Default continuing and (ii) the date upon which Required Lenders shall have rescinded such notice.

(c) Commitment Fees. In consideration of each Revolving Loan Commitment of each Revolving Lender, Borrower will pay to Agent for the account of each Revolving Lender a fee (the "Commitment Fee") determined on a daily basis by multiplying the applicable Commitment Fee Rate by the Revolving Percentage Share of such Revolving Lender of the unused portion of the aggregate Revolving Loan Commitments on each day during the Commitment Period, determined for each such day by deducting from the amount of the aggregate Revolving Loan Commitments at the end of such day the Revolving Facility Usage at the end of such day (calculated as if no Swingline Loans were outstanding). This Commitment Fee shall be due and payable in arrears on the first day of each Fiscal Quarter and at the end of the Commitment Period.

(d) Additional Fees. In addition to all other amounts due to Agent under the Loan Documents (but without duplication of the Letter of Credit fronting fee described in Section 2.12(b)), Borrower will pay fees to the Left Lead Arranger and Agent as described in a letter dated July 7, 2025, between the Left Lead Arranger and Borrower.

(e) Payment Dates. On each Interest Payment Date relating to Base Rate Loans, Borrower shall pay to the Lenders all unpaid interest which has accrued on the Base Rate Loans to but not including such Interest Payment Date. On each Interest Payment Date relating to a SOFR Loan, Borrower shall pay to Lenders all unpaid interest which has accrued on such SOFR Loan to but not including such Interest Payment Date.

Section 2.6. Repayment of Loans.

(a) Borrower hereby unconditionally promises to pay to Agent for the ratable account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date.

(b) Borrower shall repay the aggregate principal amount of each Incremental Term Loan (if any) on the stated maturity date for such Incremental Term Loan determined pursuant to, and in accordance with, Section 2.17.

Section 2.7. Prepayment of Loans.

(a) Optional Prepayments. Borrower may, without penalty, (i) upon same-day notice to Agent to be received no later than 11:00 a.m., Houston, Texas time, with respect to any Base Rate Loan and (ii) upon three U.S. Government Securities Business Days' notice to each Lender with respect to any SOFR Loan, from time to time and without premium or penalty prepay the Loans, in whole or in part, provided (A) that the aggregate amounts of all partial prepayments of principal on the Notes equals $100,000 or any higher integral multiple of $100,000; and (B) that if Borrower prepays any SOFR Loan on any day other than the last day of the Interest Period applicable thereto, it shall pay to Lenders any amounts due under Section 3.5.

(b) Mandatory Prepayments. If at any time the Revolving Facility Usage exceeds the Aggregate Revolving Loan Commitment (whether due to a reduction in the Revolving Loan Commitments in accordance with this Agreement, or otherwise), Borrower shall immediately upon demand prepay the principal of the Revolving Loans (and after the Revolving Loans are repaid in full, provide LC Collateral in accordance with Section 2.14(a)) in an amount at least equal to such excess.

(c) Prepayments Generally. Each prepayment of principal under this Section shall be accompanied by all interest then accrued and unpaid on the principal so prepaid. Any principal or interest prepaid pursuant to this Section shall be in addition to, and not in lieu of, all payments otherwise required to be paid under the Loan Documents at the time of such prepayment.

Section 2.8. Termination of Commitments; Reduction of Revolving Loan Commitments.

(a) Unless previously terminated, the Revolving Loan Commitments will terminate on the Maturity Date.

(b) Borrower may at any time terminate, or from time to time reduce, without premium or penalty, the Revolving Loan Commitments, but (i) each reduction of the Revolving Loan Commitments must be in an amount that is an integral multiple of $100,000 (unless such reduction would reduce the unused Revolving Loan Commitments to zero) and (ii) Borrower shall not terminate or reduce the Revolving Loan Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.7, the sum of the aggregate Revolving Facility Usage would exceed the Aggregate Revolving Loan Commitment then in effect.

(c) Borrower shall notify Agent of any election to terminate or reduce the Revolving Loan Commitments under Section 2.8(b) at least three Business Days prior to the effective date of that termination or reduction, specifying that election and the effective date thereof. Promptly following receipt of any notice, Agent shall advise the Revolving Lenders of the contents thereof. Each notice delivered by Borrower pursuant to this Section will be irrevocable, except that a notice of termination of the Revolving Loan Commitments delivered by Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by Borrower (by notice to Agent on or prior to the specified effective date) if such condition is not satisfied. Except as provided in the immediately preceding sentence, any termination or reduction of the Revolving Loan Commitments will be permanent and such Revolving Loan Commitments will not be reinstated except pursuant to, and in accordance with, Section 2.17. Except as provided in Section 2.18, each reduction of the Revolving Loan Commitments must be made ratably among the Revolving Lenders in accordance with their respective Revolving Loan Commitments.

Section 2.9. Letters of Credit; Letters of Credit Issued for Subsidiaries.

(a) Subject to the terms and conditions hereof, Borrower may during the Commitment Period request LC Issuer to, and LC Issuer shall, issue one or more Letters of Credit for the account of Borrower or any Subsidiary; provided that, after taking such Letter of Credit into account:

(i) the Revolving Facility Usage does not exceed the Aggregate Revolving Loan Commitment (whether due to a reduction in the Revolving Loan Commitments in accordance with this Agreement, or otherwise) at such time;

(ii) the aggregate LC Obligations at such time do not exceed $200,000,000; and

(iii) the expiration date of such Letter of Credit is prior to the Maturity Date, unless Borrower shall have agreed to deliver to Agent, for the benefit of the LC Issuer, cash collateral in an amount equal to 103% of the LC Obligations in respect of such Letter of Credit not later than five Business Days prior to the Maturity Date; provided that, if a Letter of Credit has an expiration date later than the Maturity Date and Borrower fails to so cash collateralize such Letter of Credit on or prior to the fifth Business Day prior to the Maturity Date, Borrower shall be deemed to have timely given a Borrowing Notice to Agent requesting that the Lenders make a Borrowing of Base Rate Loans on the fourth Business Day prior to the Maturity Date in an amount equal to 103% of the LC Obligations of such Letter of Credit, and the Lenders shall make Base Rate Loans in such amount, the proceeds of which shall be held by Agent, for the benefit of the LC Issuer, as security for payment of Borrower's obligations to reimburse the LC Issuer for amounts drawn on such Letter of Credit.

All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date, shall be subject to and governed by the terms and conditions hereof.

(b) Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the "account party," "applicant," "customer," "instructing party," or the like of or for such Letter of Credit, and without derogating from any rights of the applicable LC Issuer (whether arising by contract, at law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, Borrower (a) shall be obligated to reimburse, or to cause the applicable Subsidiary to reimburse, LC Issuer hereunder for any and all drawings under such Letter of Credit as if such Letter of Credit had been issued solely for the account of Borrower and (b) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any of its Subsidiaries inures to the benefit of Borrower and that Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

Section 2.10. Requesting Letters of Credit. Borrower must make written application for any Letter of Credit at least two (2) Business Days (or such shorter period as LC Issuer may in its discretion from time to time agree) before the date on which Borrower desires for LC Issuer to issue such Letter of Credit for the account of Borrower or any Subsidiary. By making any such written application, Borrower shall be deemed to have represented and warranted that the LC Conditions described in Section 2.11 will be met as of the date of issuance of such Letter of Credit. Each such written application for a Letter of Credit must be made in writing in such form as may mutually be agreed upon by LC Issuer and Borrower, the terms and provisions of which are hereby incorporated herein by reference. Two (2) Business Days after the LC Conditions for a Letter of Credit have been met (or if LC Issuer otherwise desires to issue such Letter of Credit), LC Issuer will issue such Letter of Credit at LC Issuer's office in Houston, Texas. If any provisions of any LC Application conflict with any provisions of this Agreement, the provisions of this Agreement shall govern and control. Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Borrower's instructions or other irregularity, Borrower will promptly notify LC Issuer. Notwithstanding the foregoing, no LC Issuer shall at any time be obligated to issue any Letter of Credit hereunder if (A) the proceeds of such Letter of Credit would be used in violation of Section 2.4, (B) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such LC Issuer from issuing such Letter of Credit, or shall by its terms request that such LC Issuer refrain from, or any Law applicable to such LC Issuer shall prohibit, the issuance of letters of credit generally or such Letter of Credit in particular, or (C) the issuance of such Letter of Credit would violate one or more policies of such LC Issuer applicable to letters of credit generally.

Section 2.11. Reimbursement and Participations.

(a) Reimbursement by Borrower. Each Matured LC Obligation shall constitute a Revolving Loan by LC Issuer to Borrower if not paid by Borrower in accordance with the following sentence. Borrower promises to pay to LC Issuer, or to LC Issuer's order, on the Business Day immediately following the day on which a demand is made, the full amount of each Matured LC Obligation, together with interest thereon at the rate applicable to Base Rate Loans. The obligation of Borrower to reimburse LC Issuer for each Matured LC Obligation shall be absolute, unconditional and irrevocable, and shall be paid strictly

in accordance with the terms of this Agreement (including any LC Application) under all circumstances, including the following: (i) any lack of validity or enforceability of such Letter of Credit or any other agreement or instrument relating thereto; (ii) the existence of any claim, counterclaim, set-off, defense or other right that Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), LC Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction; (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit; (iv) any payment by LC Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or (v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing. Without limiting the generality of the foregoing, it is expressly agreed that the absolute and unconditional nature of Borrower's obligations under this Section to reimburse LC Issuer for each drawing under a Letter of Credit will not be excused by the gross negligence or willful misconduct of LC Issuer, as determined in a final judgment by a court of competent jurisdiction. However, the foregoing shall not be construed to excuse LC Issuer from liability to Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable Law) suffered by Borrower that are caused by LC Issuer's gross negligence or willful misconduct, as determined in a final judgment by a court of competent jurisdiction, in determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(b) Letter of Credit Advances. If the beneficiary of any Letter of Credit makes a draft or other demand for payment thereunder then Borrower may, during the interval between the making thereof and the honoring thereof by LC Issuer, request Revolving Lenders to make Revolving Loans to Borrower in the amount of such draft or demand, which such Loans shall be made concurrently with LC Issuer's payment of such draft or demand and shall be immediately used by LC Issuer to repay the amount of the resulting Matured LC Obligation. Such a request by Borrower shall be made in compliance with all of the provisions hereof; provided that for the purposes of the first sentence of Section 2.1, the amount of such Loans shall be considered, but the amount of the Matured LC Obligation to be concurrently paid by such Loans shall not be considered.

(c) Participation by Lenders. LC Issuer irrevocably agrees to grant and hereby grants to each Revolving Lender, and to induce LC Issuer to issue Letters of Credit hereunder each Revolving Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from LC Issuer, on the terms and conditions hereinafter stated and for such Lender's own account and risk, an undivided interest equal to such Lender's Revolving Percentage Share of LC Issuer's obligations and rights under each Letter of Credit issued hereunder and the amount of each Matured LC Obligation paid by LC Issuer thereunder. Each Revolving Lender unconditionally and irrevocably agrees with LC Issuer that, if a Matured LC Obligation is paid under any Letter of Credit for which LC Issuer is

not reimbursed in full by Borrower in accordance with the terms of this Agreement and the related LC Application (including any reimbursement by means of concurrent Loans or by the application of LC Collateral), such Lender shall (in all circumstances and without set-off or counterclaim) pay to LC Issuer on demand, in immediately available funds at LC Issuer's address for notices hereunder, such Lender's Revolving Percentage Share of such Matured LC Obligation (or any portion thereof which has not been reimbursed by Borrower). Each Revolving Lender's obligation to pay LC Issuer pursuant to the terms of this subsection is irrevocable and unconditional. If any amount required to be paid by any Revolving Lender to LC Issuer pursuant to this subsection is paid by such Lender to LC Issuer within three Business Days after the date such payment is due, LC Issuer shall in addition to such amount be entitled to recover from such Lender, on demand, interest thereon calculated from such due date at the Federal Funds Rate. If any amount required to be paid by any Revolving Lender to LC Issuer pursuant to this subsection is not paid by such Lender to LC Issuer within three Business Days after the date such payment is due, LC Issuer shall in addition to such amount be entitled to recover from such Lender, on demand, interest thereon calculated from such due date at the Default Rate.

(d) Distributions to Participants. Whenever LC Issuer has in accordance with this Section received from any Revolving Lender payment of such Lender's Revolving Percentage Share of any Matured LC Obligation, if LC Issuer thereafter receives any payment of such Matured LC Obligation or any payment of interest thereon (whether directly from Borrower or by application of LC Collateral or otherwise, and excluding only interest for any period prior to LC Issuer's demand that such Lender make such payment of its Revolving Percentage Share), LC Issuer will distribute to such Lender its Revolving Percentage Share of the amounts so received by LC Issuer; provided, however, that if any such payment received by LC Issuer must thereafter be returned by LC Issuer, such Lender shall return to LC Issuer the portion thereof which LC Issuer has previously distributed to it.

(e) Calculations. A written advice setting forth in reasonable detail the amounts owing under this Section, submitted by LC Issuer to Borrower or any Lender from time to time, shall be conclusive, absent manifest error, as to the amounts thereof.

Section 2.12. Letter of Credit Fees; Resignation of LC Issuer. In consideration of LC Issuer's issuance of any Letters of Credit, Borrower agrees to pay (a) to Agent, for the account of all Revolving Lenders in accordance with their respective Percentage Shares, (i) with respect to each Letter of Credit supporting non-financial contractual obligations, a per annum letter of credit fee on the undrawn face amount of such Letter of Credit at a rate equal to 50% of the rate specified as the LC Rate on the Pricing Schedule and (ii) with respect to each other Letter of Credit, a per annum letter of credit fee on the undrawn face amount of such Letter of Credit at a rate equal to the rate specified as the LC Rate on the Pricing Schedule and (b) to such LC Issuer for its own account, a letter of credit fronting fee at a rate equal to 0.125% per annum. The letter of credit fee and the letter of credit fronting fee will be calculated on the undrawn face amount of each Letter of Credit outstanding on each day at the above-applicable rates and will be due and payable in arrears on the first day of each Fiscal Quarter and at the end of the Commitment Period. Any LC Issuer may resign as an "LC Issuer" effective concurrently with its assignment of 100% of its Revolving Loan Commitment and Revolving Loans; provided that, on or prior to the date of such

resignation, the relevant LC Issuer shall have identified a successor LC Issuer reasonably acceptable to the Borrower willing to accept its appointment as successor LC Issuer, and the effectiveness of such resignation shall be conditioned upon such successor assuming the rights and duties of the resigning LC Issuer pursuant to the terms of this Agreement. At the time any such resignation shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the resigning or terminated LC Issuer pursuant to this Agreement. Notwithstanding the effectiveness of any such resignation, the resigning LC Issuer shall continue to have all the rights of an LC Issuer under this Agreement with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue any additional Letters of Credit or to extend, reinstate, or otherwise amend any then-existing Letter of Credit.

Section 2.13. No Duty to Inquire.

(a) Drafts and Demands. LC Issuer is authorized and instructed to accept and pay drafts and demands for payment under any Letter of Credit without requiring, and without responsibility for, any determination as to the existence of any event giving rise to said draft, either at the time of acceptance or payment or thereafter. LC Issuer is under no duty to determine the proper identity of anyone presenting such a draft or making such a demand (whether by tested telex or otherwise) as the officer, representative or Agent of any beneficiary under any Letter of Credit, and payment by LC Issuer to any such beneficiary when requested by any such purported officer, representative or Agent is hereby authorized and approved. Borrower releases each Lender Party from, and agrees to hold each Lender Party harmless and indemnified against, any liability or claim in connection with or arising out of the subject matter of this Section, **which indemnity shall apply whether or not any such liability or claim is in any way or to any extent caused, in whole or in part, by any negligent act or omission of any kind by any Lender Party**; provided only that no Lender Party shall be entitled to indemnification for that portion, if any, of any liability or claim which is proximately caused by its own individual gross negligence or willful misconduct, as determined in a final judgment by a court of competent jurisdiction.

(b) Extension of Maturity. If the maturity of any Letter of Credit is extended by its terms or by Law or governmental action, if any extension of the maturity or time for presentation of drafts or any other modification of the terms of any Letter of Credit is made at the request of any Restricted Person, or if the amount of any Letter of Credit is increased at the request of any Restricted Person, this Agreement shall be binding upon all Restricted Persons with respect to such Letter of Credit as so extended, increased or otherwise modified, with respect to drafts and property covered thereby, and with respect to any action taken by LC Issuer, LC Issuer's correspondents, or any Lender Party in accordance with such extension, increase or other modification.

(c) Transferees of Letters of Credit. If any Letter of Credit provides that it is transferable, LC Issuer shall have no duty to determine the proper identity of anyone appearing as transferee of such Letter of Credit, nor shall LC Issuer be charged with responsibility of any nature or character for the validity or correctness of any transfer or successive transfers, and payment by LC Issuer to any purported transferee or transferees as determined by LC Issuer is hereby authorized and approved, and Borrower releases each

Lender Party from, and agrees to hold each Lender Party harmless and indemnified against, any liability or claim in connection with or arising out of the foregoing, **which indemnity shall apply whether or not any such liability or claim is in any way or to any extent caused, in whole or in part, by any negligent act or omission of any kind by any Lender Party**; provided only that no Lender Party shall be entitled to indemnification for that portion, if any, of any liability or claim which is proximately caused by its own individual gross negligence or willful misconduct, as determined in a final judgment by a court of competent jurisdiction.

Section 2.14. LC Collateral.

(a) Acceleration of LC Obligations. If the Obligations or any part thereof become immediately due and payable pursuant to Section 8.1 then, unless Required Lenders otherwise specifically elect to the contrary (which election may thereafter be retracted by Required Lenders at any time), all LC Obligations shall be deemed to become immediately due and payable without regard to whether or not actual drawings or payments on the Letters of Credit have occurred, and Borrower shall be obligated to pay to LC Issuer immediately an amount equal to the aggregate LC Obligations which are then outstanding, which amount shall be held by LC Issuer as security for LC Obligations (the "LC Collateral") and the other Obligations, and such LC Collateral may be applied from time to time to any Matured LC Obligations or any other Obligations which are due and payable.

(b) Investment of LC Collateral. Pending application thereof, all LC Collateral shall be invested by Agent in such Investments as Agent may choose in its sole discretion. All interest on (and other proceeds of) such Investments shall be reinvested or applied to Matured LC Obligations or other Obligations which are due and payable. When all Obligations have been satisfied in full, including all LC Obligations, all Letters of Credit have expired or been terminated, and all of Borrower's reimbursement obligations in connection therewith have been satisfied in full or when the condition pursuant to which the LC Collateral was required no longer exists, Agent shall release any remaining LC Collateral. Borrower hereby assigns and grants to Agent a continuing security interest in all LC Collateral paid by it to Agent, all Investments purchased with such LC Collateral, and all proceeds thereof to secure its Matured LC Obligations and its Obligations under this Agreement, each Note, and the other Loan Documents, and Borrower agrees that such LC Collateral, Investments and proceeds shall be subject to all of the terms and conditions of the Security Documents. Borrower further agrees that Agent shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of Texas with respect to such security interest and that an Event of Default under this Agreement shall constitute a default for purposes of such security interest.

(c) Payment of LC Collateral. When Borrower is required to provide LC Collateral for any reason and fails to do so on the day when required, Agent or LC Issuer may without notice to Borrower or any other Restricted Person provide such LC Collateral (whether by application of proceeds of other Collateral, by transfers from other accounts maintained with Agent or LC Issuer, or otherwise) using any available funds of Borrower or any other Person also liable to make such payments. Any such amounts which are required to be provided as LC Collateral and which are not provided on the date required

shall, for purposes of each Security Document, be considered past due Obligations owing hereunder, and LC Issuer is hereby authorized to exercise its respective rights under each Security Document to obtain such amounts.

Section 2.15. Existing Letters of Credit. On the effective date of this Agreement, without further action by any party hereto, the LC Issuer shall be deemed to have granted to each Revolving Lender, and each Revolving Lender shall be deemed to have acquired from the LC Issuer, a participation in each of the Existing Letters of Credit equal to such Lender's Revolving Percentage Share of (a) the aggregate amount available to be drawn under such Existing Letters of Credit and (b) the aggregate amount of any outstanding reimbursement obligations in respect thereof. With respect to each of the Existing Letters of Credit, if the LC Issuer has heretofore sold a participation therein to a Revolving Lender, the LC Issuer and such Lender agree that such participation shall be automatically canceled on the Closing Date, and if the LC Issuer has heretofore sold a participation therein to any bank or financial institution that is not a Revolving Lender under this Agreement, then the LC Issuer agrees, for the benefit of such Person, that such participation shall be automatically cancelled on the Closing Date. On and after the Closing Date, each of the Existing Letters of Credit shall be a Letter of Credit issued hereunder.

Section 2.16. Swingline Loans.

(a) Subject to the terms and conditions hereof, upon the request of Borrower from time to time during the Commitment Period, the Swingline Lender may, but will not be obligated to, make swingline loans (the "Swingline Loans") to Borrower, notwithstanding the fact that such Swingline Loans, when aggregated with the Revolving Percentage Share of the Revolving Loans and LC Obligations of the Lender acting as Swingline Lender, may exceed such Lender's Revolving Loan Commitment; provided, however that the (i) aggregate principal amount of outstanding Swingline Loans at any time outstanding shall not exceed $75,000,000, and (ii) Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Notwithstanding the foregoing, the aggregate principal balance of the Revolving Loans and Swingline Loans outstanding at any time together with all LC Obligations shall not exceed the Aggregate Revolving Loan Commitment. Each Swingline Loan (i) shall be a Base Rate Loan, (ii) shall be made in the minimum amount of $100,000.00 and integral multiples thereof or in the amount of any unused portion of the Aggregate Revolving Loan Commitment, and (iii) may be repaid and, so long as no Default or Event of Default exists hereunder, reborrowed, at the option of Borrower in accordance with the provisions hereof. There shall be no further Borrowings under Swingline Loans after the Maturity Date.

(b) The Swingline Lender may by written notice given to Agent not later than 9:00 a.m. Houston, Texas time on any Business Day require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Revolving Lenders will participate. Promptly upon receipt of such notice, Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Revolving Percentage Share of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to Agent, for the account of the Swingline Lender, such Lender's Revolving Percentage

Share of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default, Event of Default or reduction or termination of the Revolving Loan Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.2 with respect to Loans made by such Lender (and Section 2.2 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. Agent shall notify Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from Borrower (or other party on behalf of Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to Agent; any such amounts received by Agent shall be promptly remitted by Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to Agent, as applicable, if and to the extent such payment is required to be refunded to Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve Borrower of any default in the payment thereof.

(c) Whenever Borrower requests a Swingline Loan, it must deliver to Agent a Borrowing Notice as described in Section 2.2.

(d) Borrower's obligation to repay the Swingline Loans made by the Swingline Lender shall be evidenced by a revolving credit promissory note duly executed and delivered by Borrower to the Swingline Lender substantially in the form of Exhibit 2.16 hereto (the "Swingline Note"), and the Swingline Note shall (i) be payable to the order of the Swingline Lender and be dated as of the Closing Date, (ii) be in a stated principal amount equal to $75,000,000, (iii) prior to the Maturity Date, be payable as provided herein and mature on the Maturity Date, (iv) bear interest as provided in this Section 2.16 and (v) be entitled to the benefits of this Agreement and the other Loan Documents.

(e) Borrower hereby promises to pay all outstanding principal (and any accrued, unpaid interest) of any Swingline Loan on the earliest of (i) the Maturity Date, (ii) the first date after such Swingline Loan is made that is the last day of a calendar month and is at least two Business Days after such Swingline Loan is made, and (iii) the first date that a Revolving Loan is made after the date of such Swingline Loan.

(f) The unpaid principal amount of each Swingline Loan shall bear interest at an annual rate equal to the Base Rate plus the Base Rate Margin, in each case, in effect from time to time.

(g) The obligation of the Swingline Lender to make Swingline Loans to Borrower is subject to the same conditions precedent for the making of Loans under Section 4.2.

Section 2.17. Incremental Increases.

(a) Subject to Section 2.17(b), Borrower may request (i) one or more incremental term loan commitments (each an "Incremental Term Loan Commitment") to make one or more additional term loans, including a borrowing of an additional term loan the principal of which will be added to the outstanding principal amount of the existing Class of outstanding Term Loans with the latest scheduled maturity date (any such additional term loan, an "Incremental Term Loan"), and/or (i) one or more increases in the Aggregate Revolving Loan Commitment (each an "Incremental Revolving Credit Facility Increase") and, together with the Incremental Term Loan Commitments and Incremental Term Loans, the "Incremental Increases") then in effect, in each case by entering into an Incremental Commitment Agreement with one or more banks or financial institutions (each an "Incremental Lender"), pursuant to which each such Incremental Term Loan Commitment and/or Incremental Lender's Revolving Loan Commitment shall be increased or, if such Incremental Lender was not a Lender prior to entering such Incremental Commitment Agreement, pursuant to which such Incremental Lender makes and is allocated an Incremental Term Loan Commitment and/or Revolving Loan Commitment, as the case may be. The Agent and the Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such Incremental Increase. The Agent shall promptly notify the Borrower and the Incremental Lenders of the final allocation of such Incremental Increases (limited in the case of the Incremental Lenders to their own respective commitments in respect thereof) and the Increase Effective Date. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to increase its Commitment, or to provide a Commitment, pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(b) Any Incremental Increase pursuant to this Section 2.17 will be subject to the satisfaction of the following conditions:

(i) in the case of each Incremental Term Loan:

(A) the stated maturity of any such Incremental Term Loan shall not be earlier than the latest scheduled maturity date of any Term Loans in effect as of the Increase Effective Date, and the Weighted Average Life to Maturity of any such Incremental Term Loan shall not be shorter than the remaining Weighted Average Life to Maturity of such latest maturing Term Loans;

(B) pricing grid, fees, and amortization schedule, if applicable, for such Incremental Term Loan shall be determined by the applicable Incremental Lenders and the Borrower; and

(C) except as provided above, all other terms and conditions applicable to any Incremental Term Loan, to the extent not consistent with any existing Incremental Term Loan or Incremental Term Loan Commitment, shall be reasonably satisfactory to the Agent and the Borrower, and such applicable Incremental Lenders;

(ii) each Incremental Revolving Credit Facility Increase shall have the same terms and maturity as, and be a part of, the Revolving Loan Commitments; provided that any upfront fees payable by the Borrower to the Lenders under any Incremental Revolving Credit Facility Increases, and the Pricing Schedule, Commitment Fees, and interest rate floor applicable to any Incremental Revolving Credit Facility Increase may differ from those applicable to the existing Revolving Loan Commitments; and

(iii) in the case of each Incremental Increase (but subject to Section 1.9 in the case of an Incremental Increase incurred to finance a substantially concurrent Limited Condition Acquisition):

(A) no Event of Default has occurred and is continuing;

(B) all of the representations and warranties set forth in Article V shall be true and correct in all material respects (or if qualified by materiality or Material Adverse Change, in all respects) as of such Increase Effective Date, or if such representation speaks as of an earlier date, as of such earlier date;

(C) Borrower and each Incremental Lender shall have executed and delivered an Incremental Commitment Agreement and each Incremental Lender, if not already a Lender, shall have delivered to Agent a completed administrative questionnaire;

(D) Agent shall have delivered its prior written consent, which consent shall not be unreasonably withheld, to each such Incremental Lender, unless such Incremental Lender is already a Lender or an Affiliate of a Lender;

(E) each such increase shall be at least $5,000,000;

(F) the aggregate of all Incremental Increases effected after the Closing Date pursuant to this Section 2.17 shall not exceed the greater of (A) $500,000,000 and (B) 1.0x Consolidated EBITDA (as set forth in the compliance certificate most recently delivered by Borrower pursuant to Section 6.2(c) prior to the date of the relevant Incremental Increase), without the approval of the Required Lenders;

(G) if any SOFR Loans are outstanding on the Increase Effective Date, then Borrower shall pay any compensation payable pursuant to Section 3.5 in connection with any related assignments or purchases by Lenders pursuant to clause (c) below that are not waived by the relevant Lenders;

(H) no event shall have occurred since the date of the audited financial statements most recently delivered pursuant to Section 6.2(a), with respect to Borrower and its Subsidiaries, taken as a whole, that has resulted, or could reasonably be expected to result, in a Material Adverse Change;

(I) on the effective date of such increase, Borrower shall pay any compensation due pursuant to Section 3.5 (unless waived by the applicable Lender) as a result of any deemed payment or prepayment in connection with such Incremental Increase;

(J) to the extent that previously delivered resolutions do not authorize such Incremental Increases, Agent shall have received such corporate resolutions of Borrower and legal opinions of counsel to Borrower as Agent may reasonably request with respect thereto, in each case, in form and substance reasonably satisfactory to Agent; and

(K) the Agent shall have received from the Borrower, a compliance certificate in the form required to be delivered in accordance with Section 6.2(c) demonstrating that the Borrower is in compliance with the financial covenants set forth in Section 7.11, in each case based on the financial statements most recently delivered under Section 6.2(a) or (b) after giving pro forma effect to the incurrence of any such Incremental Increase (and assuming that any such Incremental Revolving Credit Facility Increase is fully drawn) and any Permitted Acquisition, refinancing of Indebtedness or other event consummated in connection therewith.

(c) Upon the effectiveness of each Incremental Commitment Agreement executed by an Incremental Lender, (i) such Incremental Lender will become a Term Lender or a Revolving Lender, as applicable, for all purposes and to the same extent as if originally a party hereto and will be bound by and entitled to the benefits of this Agreement, (ii) the Incremental Term Loan Commitments or Revolving Loan Commitments and Aggregate Revolving Loan Commitment, if and as applicable, will be deemed to include the Incremental Increase of such Incremental Lender, and (iii) such Incremental Lender shall purchase a pro rata portion of the outstanding Incremental Term Loans or Revolving

Loans (and participation interests in Letters of Credit), if and as applicable, from each of the other Revolving Lenders or Term Lenders, if and as applicable, (and such Lenders hereby agree to sell and to take all such further action to effectuate such sale) so that each Lender (including each Incremental Lender) holds the appropriate percentage of Revolving Facility Usage or Term Loans, as applicable.

(d) Upon its receipt of a duly completed Incremental Commitment Agreement, executed by Borrower and each Incremental Lender party thereto, and the administrative questionnaire referred to in Section 2.17(b)(iii)(C), and subject to the satisfaction of the other conditions of this Section 2.17, Agent shall accept such Incremental Commitment Agreement and record the information contained therein in the Register. No increase in the aggregate Revolving Loan Commitments will be effective for purposes of this Agreement unless the relevant Incremental Commitment Agreement shall have been delivered to Agent.

(e) In additional to the receipt of a duly completed Incremental Commitment Agreement, each such Incremental Increase shall be effected pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Restricted Persons, the Agent and the applicable Incremental Lenders, which Incremental Amendment may, without the consent of any other Lenders and notwithstanding anything to the contrary in Section 10.1 or otherwise in this Agreement, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent, to effect the provisions of this Section 2.17.

Section 2.18. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions will apply for so long as that Lender is a Defaulting Lender:

(a) Such Defaulting Lender shall not be entitled to fees that would otherwise have accrued during such period under Section 2.5(c), and such fees shall cease to accrue during such period with respect to such Defaulting Lender's unused Revolving Loan Commitment;

(b) the Commitments, Revolving Facility Usage, and Term Loans of the Defaulting Lender will not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.1), and the definition of "Required Lenders" will automatically be deemed modified accordingly for the duration of such period; provided, that any such amendment, waiver, determination, consent, or notification that would increase or extend the term of any Commitment of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any Obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of the Defaulting Lender. If a Defaulting Lender's consent to an amendment, waiver, determination, consent, or notification is

required pursuant to this Section 2.18 or any other provision in the Loan Documents, and such Defaulting Lender has failed to respond to a written request from Agent to approve such waiver, amendment, determination, consent, or notification for 10 Business Days after such Defaulting Lender's receipt of such request, such Defaulting Lender will be deemed to have approved such amendment, waiver, determination, consent, or notification;

(c) if any Swingline Loan or LC Obligation exists at the time a Revolving Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Loan or LC Obligation will be reallocated among the non-Defaulting Lenders that are Revolving Lenders in accordance with their respective Revolving Percentage Shares but only to the extent such non-Defaulting Lender's Revolving Percentage Shares of the Revolving Facility Usage plus the portion of such Defaulting Lender's Revolving Percentage Share of such Swingline Loan or LC Obligation to be reallocated does not exceed the total of such non-Defaulting Lender's Revolving Loan Commitment; provided that, subject to Section 10.12, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation; and

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, Borrower shall within one Business Day following notice by Agent (x) first, prepay such Swingline Loans and (y) second, cash collateralize such Defaulting Lender's Revolving Percentage Share of the LC Obligations (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.14 for so long as such LC Obligation is outstanding;

(iii) if Borrower cash collateralizes any portion of such Defaulting Lender's Revolving Percentage Share of the LC Obligations pursuant to this Section 2.18(c), Borrower shall not be required to pay any fees to such Defaulting Lender or any other Person pursuant to Section 2.12 with respect to such cash collateralized portion of such Defaulting Lender's Revolving Percentage Share of the LC Obligations during the period those LC Obligations are cash collateralized;

(iv) if LC Obligations are allocated to non-Defaulting Lenders pursuant to Section 2.18(c)(i), then the fees payable to the Revolving Lenders pursuant to Section 2.12 will be adjusted to reflect the non-Defaulting Lenders' post-allocation Revolving Percentage Shares; or

(v) if any portion of any Defaulting Lender's Revolving Percentage Share of the LC Obligations is neither cash collateralized pursuant to Section 2.18(c)(ii) nor reallocated pursuant to Section 2.18(c)(i), then, without prejudice to any rights or remedies of the LC Issuer or any Lender hereunder, any letter of credit fees payable under Section 2.12(a) with respect to such non-cash

collateralized, unreallocated portion of such Defaulting Lender's Revolving Percentage Share of the LC Obligations will be payable to the LC Issuer until such portion of such Defaulting Lender's Revolving Percentage Share of the LC Obligations is cash collateralized and/or reallocated or such Defaulting Lender ceases to be a Defaulting Lender;

(d) so long as any Revolving Lender is a Defaulting Lender, the Swingline Lender will not be required to fund any Swingline Loan and the LC Issuer will not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Loan Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by Borrower in accordance with Section 2.18(c)(ii), and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan will be allocated among non-Defaulting Lenders that are Revolving Lenders in a manner consistent with Section 2.18(c)(i) (and Defaulting Lenders will not participate therein);

(e) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 9.6 but excluding Section 3.8) shall, in lieu of being distributed to such Defaulting Lender, be retained by Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be determined by Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder, (ii) second, *pro rata*, to the payment of any amounts owing by such Defaulting Lender to the LC Issuer or Swingline Lender hereunder, (iii) third, to the funding of any Loan or the funding or cash collateralization of any participating interest in any Swingline Loan or Letter of Credit in respect of which such Defaulting Lender has failed to fund its portion as required by this Agreement, as determined by Agent, (iv) fourth, if so determined by Agent and Borrower, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (v) fifth, *pro rata*, to the payment of any amounts owing to Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement and (vi) sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; and

(f) If there is not in existence a Default or Event of Default, Borrower may terminate the unused amount of any Commitment of a Defaulting Lender upon not less than three Business Days' prior notice to Agent (which will promptly notify the Lenders thereof); provided that such termination shall not be deemed to be a waiver or release of any claim Borrower, Agent, the LC Issuer, the Swingline Lender, or any Lender may have against such Defaulting Lender.

ARTICLE III.

PAYMENTS TO LENDERS

Section 3.1. General Procedures. Borrower will make each payment which it owes under the Loan Documents to Agent for the account of the Lender Party to whom such payment is owed, in lawful money of the United States of America, without set-off, deduction or counterclaim, and in immediately available funds. Each such payment must be received by Agent not later than 11:00 a.m., Houston, Texas time, on the date such payment becomes due and payable. Any payment received by Agent after such time will be deemed to have been made on the next following Business Day. Should any such payment become due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day, and, in the case of a payment of principal or past due interest, interest shall accrue and be payable thereon for the period of such extension as provided in the Loan Document under which such payment is due. Each payment under a Loan Document shall be due and payable at the place set forth for Agent on the Lenders Schedule.

All payments of principal or interest in respect of any Loan shall be applied (a) first to any interest then due and payable in respect of such Loan, (b) then to principal then due and payable in respect of such Loan, and (c) last to any prepayment of principal and interest in respect of such Loan in compliance with Section 2.7. Subject to Section 2.18(e), all distributions of amounts described in any of clauses (a), (b), or (c) of the immediately preceding sentence shall be made by Agent pro rata to each Lender Party then owed Obligations described in such clause in proportion to all amounts owed to all Lender Parties which are described in such clause; provided that if any Lender then owes payments to LC Issuer for the purchase of a participation under Section 2.11(c) or to Agent under Section 9.4, any amounts otherwise distributable under this Section to such Lender shall be deemed to belong to LC Issuer, or Agent, respectively, to the extent of such unpaid payments, and Agent shall apply such amounts to make such unpaid payments rather than distribute such amounts to such Lender.

Section 3.2. Capital Reimbursement. If any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on any Lender Party's capital, or on the capital of any corporation controlling such Lender Party, as a consequence of the Loans made, or Letters of Credit issued, by such Lender Party, to a level below that which such Lender Party or such corporation could have achieved but for such change (taking into consideration such Lender Party's policies and the policies of any such corporation with respect to capital adequacy), then from time to time upon written request of such Lender Party Borrower will pay to Agent for the benefit of such Lender Party, within five (5) Business Days of demand therefore by such Lender Party, such additional amount or amounts as will compensate such Lender Party or such Lender Party's controlling corporation, for any such reduction suffered.

Section 3.3. Increased Costs.

(a) If any Change in Law shall:

(i) subject any Lender Party to any Taxes (other than (x) Reimbursable Taxes, (y) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (z) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(ii) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended by or participated in by, any Lender Party; or

(iii) impose on any Lender Party any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender Party of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender Party of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender Party (whether of principal, interest or any other amount), then such Lender Party shall promptly notify Agent and Borrower in writing of the happening of such event and of the amount required to compensate such Lender Party for such additional costs or reduced return, whereupon Borrower shall pay such additional amount or amounts as will compensate such Lender Party for such additional costs incurred or reduction suffered to Agent for the account of such Lender Party.

(b) A certificate of a Lender Party setting forth the amount or amounts necessary to compensate such Lender Party or the corporation controlling such Lender Party, as the case may be, as specified in Section 3.2 or this Section 3.3 shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay the applicable Lender Party the amount shown as due on any such certificate within 10 days after receipt thereof.

(c) Failure or delay on the part of any Lender Party to demand compensation pursuant to Section 3.2 or this Section 3.3 shall not constitute a waiver of such Lender Party's right to demand such compensation; provided that Borrower shall not be under any obligation to compensate any Lender Party under Section 3.3(a) or (b) above with respect to increased costs or reductions suffered more than nine months prior to the date that such Lender Party notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender Party's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.4. [Reserved].

Section 3.5. Funding Losses. In addition to its other obligations hereunder, Borrower will indemnify each Lender Party against, and reimburse each Lender Party on demand for, any loss, cost or expense incurred or sustained by such Lender Party (including any loss, cost or

expense arising from the liquidation or reemployment of funds or from any fees payable, but excluding any loss of Base Rate Margin or SOFR Margin), as a result of (a) any payment or prepayment (whether authorized or required hereunder or otherwise) of all or a portion of a SOFR Loan on a day other than the day on which the applicable Interest Period ends, (b) any payment or prepayment, whether required hereunder or otherwise, of a Loan made after the delivery, but before the effective date, of a Continuation/Conversion Notice requesting the continuation of outstanding SOFR Loans as, or the conversion of outstanding Base Rate Loans to, SOFR Loans, if such payment or prepayment prevents such Continuation/Conversion Notice from becoming fully effective, (c) the failure of any Loan to be made or of any Continuation/Conversion Notice requesting the continuation of outstanding SOFR Loans as, or the conversion of outstanding Base Rate Loans to, SOFR Loans to become effective due to any condition precedent not being satisfied or due to any other action or inaction of any Restricted Person, (d) any Conversion (whether authorized or required hereunder or otherwise) of all or any portion of any SOFR Loan into a Base Rate Loan or into a different SOFR Loan on a day other than the day on which the applicable Interest Period ends, or (e) any assignment of a SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by Borrower pursuant to Section 3.8(b).

Section 3.6. Reimbursable Taxes.

(a) For purposes of this Section, the term "Lender" includes any LC Issuer and the term "applicable Law" shall include FATCA.

(b) Borrower will indemnify each Lender Party against and reimburse each Lender Party for all present and future Taxes imposed, assessed, levied or collected on or in respect of any obligation of any Restricted Person under any Loan Document (whether or not correctly or legally imposed), excluding, however, any of the following Taxes (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (A) imposed as a result of such Lender Party being organized under the Laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) in the case of any Lender, any United States withholding Tax imposed on any 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 (A) such Lender acquires such interest in any Loan or Revolving Loan Commitment (other than pursuant to an assignment request by Borrower under Section 3.8(b)) or (B) such Lender Party changes its Lending Office, except in each case to the extent that, pursuant to this Section, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (iii) Taxes attributable to such Lender Party's failure to comply with requirements set forth in Section 3.6(f) or (g), as applicable, and (iv) any withholding Taxes imposed under FATCA (all such Taxes "Excluded Taxes", and all Taxes (other than Excluded Taxes) imposed on or with respect to any payment made by or on account of any obligation of Borrower under any Loan Document and all Other Taxes being collectively called "Reimbursable Taxes"). Such indemnification shall be on an after-Tax basis and, except as otherwise provided in this Section 3.6(b), such indemnification shall be paid within 10 Business Days after a Lender Party delivers a certificate demonstrating the amount of such payment or liability.

(c) Each Lender shall severally indemnify Agent, within 10 Business Days after demand therefor, for (i) any Reimbursable Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified Agent for such Reimbursable Taxes and without limiting the obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.5(b) relating to the maintenance of the Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to such Lender from any other source against any amount due to Agent under this clause (c).

(d) All payments on account of the principal of, and interest on, each Lender Party's Loans and Note, and all other amounts payable by Borrower to any Lender Party hereunder, shall be made without deductions or withholdings for any Taxes (except to the extent required by applicable Law). In the event of Borrower or Agent being compelled by applicable Law to make any such deduction or withholding of any Tax from any payment to any Lender Party pursuant to this Agreement, then Borrower or Agent, as the case may be, 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 the Tax is a Reimbursable Tax, Borrower shall pay on the due date of such payment such additional amounts as are needed to cause the amount receivable by such Lender Party after such deduction or withholding to equal the amount which would have been receivable in the absence of such deduction or withholding. If Borrower should make any deduction or withholding as aforesaid, Borrower shall within 60 days thereafter forward to Agent an official receipt or other official document evidencing payment of such deduction or withholding. Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(e) If Borrower is ever required to pay any Reimbursable Tax with respect to any SOFR Loan, Borrower may elect, by giving to Agent and such Lender Party not less than three Business Days' notice, to convert all (but not less than all) of any such SOFR Loan into a Base Rate Loan, but such election shall not diminish Borrower's obligation to pay all Reimbursable Taxes with respect to such SOFR Loan.

(f) Any Lender Party that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Agent, at the time or times reasonably requested by Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Borrower or Agent as will enable Borrower or Agent to determine whether or

not such Lender Party is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, (i) each Lender Party who is a U.S. Person for U.S. federal income Tax purposes shall deliver to Agent (with copies to Borrower), on or about the date on which such Lender Party becomes a Lender Party under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender Party is exempt from U.S. federal backup withholding Tax or (ii) each Lender Party who is a Foreign Lender shall deliver to Agent the Prescribed Forms (with copies provided to Borrower), on or about the date on which such Foreign Lender becomes a Lender Party under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent). If a payment made to a Lender Party under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender Party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender Party shall deliver to Borrower and Agent at the time or times prescribed by applicable Law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender Party has complied with such Lender Party's obligations under FATCA or to determine the amount to deduct and withhold from such payment. For the avoidance of doubt, for purposes of determining withholding Taxes imposed under FATCA, Borrower, its Guarantors, and Agent shall treat (and the Lenders hereby authorize Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i). Solely for purposes of this clause (e), "FATCA" shall include any amendments made to FATCA after the Closing Date.

Each Lender Party agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(g) On or before the date hereof, Wells Fargo Bank, National Association shall (and any successor or replacement Agent shall, on or before the date it becomes Agent) deliver to Borrower executed copies of either:

(i) IRS Form W-9, or

(ii) IRS Form W-8ECI with respect to any payments to be received on its own behalf and IRS Form W-8IMY (certifying that it is either a "qualified intermediary" within the meaning of Section 1.1441-1(e)(5) of the United States Treasury Regulations that has assumed primary withholding obligations under the Internal Revenue Code, including Chapters 3 and 4 of the Internal Revenue Code, or a "U.S. branch" within the meaning of Section 1.1441-1(b)(2)(iv) of the United States Treasury Regulations that is treated as a U.S. Person for purposes of withholding obligations under the Code) for the amounts Agent receives for the account of others.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund (or credit in lieu of cash refund) of any Taxes as to which it has been indemnified pursuant to this Section 3.6 (including by the payment of additional amounts pursuant to this Section 3.6), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

Section 3.7. Changed Circumstances.

(a) Circumstances Affecting Benchmark Availability. Subject to clause (c) below, in connection with any request for a SOFR Loan or a conversion to or continuation thereof or otherwise, if for any reason (i) Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Term SOFR for the applicable Interest Period with respect to a proposed SOFR Loan on or prior to the first day of such Interest Period or (ii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that Term SOFR does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans during such Interest Period and, in the case of clause (ii), the Required Lenders have provided notice of such determination to Agent, then, in each case, Agent shall promptly give notice thereof to Borrower. Upon notice thereof by Agent to Borrower, any obligation of the Lenders to make SOFR Loans, and any right of Borrower to convert any Loan to or continue any Loan as a SOFR Loan, shall be suspended (to the extent of the affected SOFR Loans or the affected Interest Periods) until Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or the affected Interest Periods) or, failing that, Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans in the amount specified therein and (B) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such prepayment or conversion, Borrower shall also

pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.5.

(b) Laws Affecting SOFR Availability. If, after the date hereof, the introduction of, or any change in, any applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) made by any such Governmental Authority, central bank or comparable agency after the date hereof, shall make it unlawful or impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any SOFR Loan, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate or Term SOFR, such Lender shall promptly give notice thereof to Agent and Agent shall promptly give notice to Borrower and the other Lenders (an "Illegality Notice"). Thereafter, until each affected Lender notifies Agent and Agent notifies Borrower that the circumstances giving rise to such determination no longer exist, (i) any obligation of the Lenders to make SOFR Loans, and any right of Borrower to convert any Loan to a SOFR Loan or continue any Loan as a SOFR Loan, shall be suspended and (ii) if necessary to avoid such illegality, Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate". Upon receipt of an Illegality Notice, Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to Agent), prepay or, if applicable, convert all SOFR Loans to Base Rate Loans (in each case, if necessary to avoid such illegality, shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Loans to such day. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.5.

(c) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, Agent and Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after Agent has posted such proposed amendment to all affected Lenders and Borrower so long as Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 3.7(c)(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Agent will have the right to make Conforming Changes from time to time and,

notwithstanding anything to the contrary herein or in any other Loan 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 Loan Document.

(iii) Notices; Standards for Decisions and Determinations. Agent will promptly notify 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. Agent will promptly notify Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.7(c)(iv) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.7(c), 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 Loan Document, except, in each case, as expressly required pursuant to this Section 3.7(c).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) 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 Agent in its reasonable discretion or (2) 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 Agent 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 (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) 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 Agent 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 Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans

and (B) any outstanding affected SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any 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.

Section 3.8. Change of Lending Office; Replacement of Lenders.

(a) Each Lender Party agrees that, upon the occurrence of any event giving rise to the operation of Sections 3.2, 3.3 or 3.6 with respect to such Lender Party, it will, if requested by Borrower, use reasonable efforts (subject to overall policy considerations of such Lender Party) to designate another Lending Office, provided that such designation is made on such terms that such Lender Party and its Lending Office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section shall affect or postpone any of the obligations of Borrower or the rights of any Lender Party provided in Sections 3.2, 3.3 or 3.6.

(b) If any Lender requests compensation under Section 3.2 or 3.3, or if Borrower is required to pay any additional amount to any Lender Party or any governmental authority for the account of any Lender Party pursuant to Section 3.6, or if any Lender Party is a Defaulting Lender or a Non-Consenting Lender, then Borrower may, at its sole expense and effort (such expense to include any transfer fee payable to Agent under Section 10.5(c) and any expense pursuant to Article III), upon notice to such Lender Party and Agent, require such Lender Party to assign and delegate in whole (but not in part), without recourse (in accordance with and subject to the restrictions contained in Section 10.5), all its interests, rights and obligations under this Agreement to an Eligible Transferee that shall assume such obligations (which Eligible Transferee may be another Lender Party, if a Lender Party accepts such assignment); provided that (i) Borrower shall have received the prior written consent of Agent, which consent shall not unreasonably be withheld, (ii) such Lender Party shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from Borrower or such Eligible Transferee (including any amounts payable pursuant to Section 3.5), (iii) in the case of any such assignment resulting from a claim for compensation under Section 3.2 or 3.3 or payments required to be made pursuant to Section 3.6, such assignment will result in a reduction in such compensation or payments, (iv), in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent, and (v) if Borrower elects to exercise such right with respect to any Lender Party, that has made such a request under Sections 3.2, 3.3 or 3.6, it shall be obligated to replace all Lender Parties that have made similar requests. A Lender Party shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender Party or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply. Any Lender Party being replaced shall execute and deliver an Assignment and Acceptance with respect to such Lender Party's outstanding Loans and participations in LC Obligations.

ARTICLE IV.

CONDITIONS PRECEDENT TO LENDING

Section 4.1. Documents to be Delivered. No Lender has any obligation to make its first Loan, and LC Issuer has no obligation to issue the first Letter of Credit, unless Agent shall have received all of the following, duly executed and delivered and in form, substance and date reasonably satisfactory to Agent, the Lenders and their counsel:

(a) This Agreement.

(b) Each Revolving Note and the Swingline Note.

(c) A Guaranty executed by each Guarantor existing on the date hereof.

(d) The Security Agreement and the Pledge Agreement, each executed by each Restricted Person existing on the date hereof.

(e) The following certificates of Borrower and, as appropriate, the Guarantors:

(i) An "Omnibus Certificate" of the Secretary or Assistant Secretary of Borrower and each Guarantor, which shall (A) contain the names and signatures of the officers of Borrower and each Guarantor authorized to execute Loan Documents, (B) certify that there have been no changes to the charter documents or bylaws of Borrower and each Guarantor delivered to Agent in connection with the Existing Credit Agreement (or, to the extent any such documents have not been delivered or have changed, attach and certify to the truth, correctness and completeness of such documents) and (C) attach and certify to the truth, correctness and completeness of a copy of resolutions duly adopted by the Board of Directors of Borrower and each Guarantor and in full force and effect at the time this Agreement is entered into, authorizing the execution of this Agreement and the other Loan Documents delivered or to be delivered in connection herewith and the consummation of the transactions contemplated herein and therein; and

(ii) A "Closing Certificate" of the chief financial officer of Borrower, as of the Closing Date, certifying that (A) the conditions set out in subsections (a) and (b) of Section 4.2 have been satisfied and (B) the Initial Financial Statements of Borrower delivered to Agent fairly present the Consolidated financial position for the periods covered thereby, as of the date of such Initial Financial Statements.

(f) A certificate of existence and good standing for Borrower issued by the Secretary of State of Delaware, a certificate of due qualification to do business for Borrower issued by the Secretary of State of Texas, and a certificate of account status for Borrower issued by the Texas Comptroller of Public Accounts.

(g) A favorable opinion of (i) Bracewell LLP, counsel for Restricted Persons, in form and substance reasonably satisfactory to Agent; and (ii) Laura Howell, in-house counsel for Restricted Persons, in form and substance reasonably satisfactory to Agent.

(h) The Initial Financial Statements.

(i) Projections prepared by management of Borrower consisting of projected balance sheets, income statements and cash flow statements of Borrower and its Consolidated Subsidiaries for the Fiscal Years ending December 31, 2025 through December 31, 2030.

(j) The certificate or certificates of insurance required by Section 6.8, to the extent not previously provided to the Agent with respect to the current policy year.

(k) At least five Business Days prior to the Closing Date (or such later time as is mutually agreed): (i) all documentation and other information requested by Agent or any Lender or required by regulatory authorities in order for Agent and the Lenders to comply with requirements of any anti money-laundering Laws, including the PATRIOT Act and any applicable "know your customer" rules and regulations and (ii) to the extent requested by Agent or any Lender, a Beneficial Ownership Certification in relation to Borrower (or a certification that Borrower qualifies for an express exclusion from the "legal entity customer" definition under the Beneficial Ownership Regulation).

(l) Payment of all fees and expenses due to the Lenders, the Left Lead Arranger, Agent and counsel to the Left Lead Arranger and Agent, in each case, to the extent invoiced at least three Business Days prior to the Closing Date.

(m) Such other documents and instruments as Agent and its counsel may reasonably require.

Section 4.2. Additional Conditions Precedent. No Lender has any obligation to make any Loan (including its first), and LC Issuer has no obligation to issue any Letter of Credit (including its first), unless the following conditions precedent have been satisfied:

(a) All representations and warranties made by any Restricted Person in any Loan Document shall be true in all material respects (or in all respects to the extent any such representation is qualified by a materiality standard) on and as of the date of such Loan or the date of issuance of such Letter of Credit as if such representations and warranties had been made as of the date of such Loan or the date of issuance of such Letter of Credit, except to the extent that such representation or warranty was made as of a specific date or updated, modified or supplemented as of a subsequent date with the consent of Required Lenders in which case that representation and warranty will have been true and correct in all material respects (or in all respects to the extent any such representation or warranty is qualified by a materiality standard) as of that earlier date.

(b) No Default shall exist at the date of such Loan or the date of issuance of such Letter of Credit.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

To confirm each Lender's understanding concerning Restricted Persons and Restricted Persons' businesses, properties and obligations and to induce each Lender to enter into this Agreement and to extend credit hereunder, Borrower represents and warrants to each Lender that:

Section 5.1. No Default. No event has occurred and is continuing which constitutes a Default or an Event of Default.

Section 5.2. Organization and Good Standing. Each Restricted Person is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization, having all powers required to carry on its business and enter into and carry out the transactions contemplated hereby except, in the case of Restricted Persons other than Borrower, where the failure to be so could not reasonably be expected to result in a Material Adverse Change. Each Restricted Person is duly qualified, in good standing, and authorized to do business in all other jurisdictions within the United States wherein the character of the properties owned or held by it or the nature of the business transacted by it makes such qualification necessary, except where the failure to so qualify or be authorized could not reasonably be expected to result in a Material Adverse Change. Each Restricted Person has taken all actions and procedures customarily taken in order to enter, for the purpose of conducting business or owning property, each jurisdiction outside the United States wherein the character of the properties owned or held by it or the nature of the business transacted by it makes such actions and procedures desirable except where the failure to take such actions and procedures could not reasonably be expected to result in a Material Adverse Change. No Restricted Person is an Affected Financial Institution.

Section 5.3. Authorization. Each Restricted Person has the power and authority to execute, deliver, and perform its respective obligations under this Agreement and the other Loan Documents. Each Restricted Person has taken all action necessary to authorize the execution and delivery by it of the Loan Documents to which it is a party and to authorize the consummation of the transactions contemplated thereby and the performance of its obligations thereunder. This Agreement and the other Loan Documents have been duly executed and delivered by Borrower and each other Restricted Person a party thereto. Borrower is duly authorized to borrow funds hereunder.

Section 5.4. No Conflicts or Consents. The execution and delivery by the various Restricted Persons of the Loan Documents to which each is a party, the performance by each of its obligations under such Loan Documents, and the consummation of the transactions contemplated by the various Loan Documents, do not and will not (a) conflict with any provision of (i) any Law where such conflict would reasonably be expected to result in a Material Adverse Change, (ii) the organizational documents of any Restricted Person, or (iii) any material agreement, judgment, license, order or permit applicable to or binding upon any Restricted Person where such conflict would reasonably be expected to result in a Material Adverse Change; (b) result in the acceleration of any Indebtedness owed by any Restricted Person; or (c) result in or require the creation of any Lien upon any assets or properties of any Restricted Person except as expressly contemplated or permitted in the Loan Documents. Except as expressly contemplated in the Loan Documents, no permit, consent, approval, authorization or order of, and no notice to or filing with, any Tribunal or third party is required in connection with the execution, delivery or performance by any Restricted Person of any Loan Document or to consummate any transactions contemplated by the Loan Documents.

Section 5.5. Enforceable Obligations. This Agreement is, and the other Loan Documents when duly executed and delivered will be, legal, valid and binding obligations of each Restricted Person which is a party hereto or thereto, enforceable in accordance with their respective terms except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to the enforcement of creditors' rights.

Section 5.6. Initial Financial Statements. Restricted Persons have heretofore delivered to each Lender true, correct and complete copies of the Initial Financial Statements. The Initial Financial Statements fairly present Borrower's Consolidated financial position at the respective dates thereof and the Consolidated results of Borrower's operations and Borrower's Consolidated cash flows for the respective periods thereof. Since December 31, 2024, no Material Adverse Change has occurred.

Section 5.7. [Reserved].

Section 5.8. Full Disclosure. The Restricted Persons have disclosed to Agent and the Lenders all agreements, instruments and corporate or other restrictions to which any Restricted Person are subject, and all other matters known to them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change. No financial statement, material report, material certificate or other material information furnished (whether in writing or orally) by or on behalf of any Restricted Person to Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken together as a whole, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, pro forma financial information, estimated financial information and other projected or estimated information, such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may vary from such projections). As of the Closing Date, the information included in each Beneficial Ownership Certification (if any) provided to Agent or any Lender in connection with this Agreement is true and correct.

Section 5.9. Litigation. Except as disclosed in the Initial Financial Statements or in Schedule 5.9, (a) there are no actions, suits or legal, equitable, arbitrative or administrative proceedings pending, or to the knowledge of any Restricted Person threatened, against any Restricted Person or affecting any Collateral (including any which challenge or otherwise pertain to any Restricted Person's title to any Collateral) before any Tribunal which could reasonably be expected to cause a Material Adverse Change, and (b) there are no outstanding judgments, injunctions, writs, rulings or orders by any such Tribunal against any Restricted Person or, to the knowledge of Borrower, any Restricted Person's stockholders, partners, directors or officers, or affecting any Collateral or any of its material assets or property which could reasonably be expected to cause a Material Adverse Change.

Section 5.10. Labor Disputes and Acts of God. Except as disclosed in Schedule 5.10, neither the business nor the properties of any Restricted Person has been affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake,

embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which could reasonably be expected to cause a Material Adverse Change.

Section 5.11. ERISA Plans and Liabilities. Except as disclosed in the Initial Financial Statements or in Schedule 5.11, no Termination Event has occurred with respect to any ERISA Plan and all ERISA Plans are in compliance with ERISA unless the aggregate effect of all Termination Events and failures to comply with ERISA could not reasonably be expected to cause a Material Adverse Change. Except as permitted under Section 7.10 hereof, no ERISA Affiliate is required to contribute to, or has any other absolute or contingent liability in respect of, any "multiemployer plan" as defined in Section 4001 of ERISA. The payment by a Restricted Person of the sum of the contributions to each ERISA Plan that would be necessary for the "adjusted funding target attainment percentage" (within the meaning of Section 436 of the Internal Revenue Code) of each such ERISA Plan to equal 100 percent could not reasonably be expected to cause a Material Adverse Change. Each representation with respect to a "multiemployer plan" is made to Borrower's knowledge.

Section 5.12. Environmental and Other Laws. Except as disclosed in Schedule 5.12: (a) Restricted Persons are conducting their businesses in compliance with all applicable Laws, including Environmental Laws, where the failure to so comply could reasonably be expected to cause a Material Adverse Change, and have and are in compliance with all licenses and permits required under any such Laws where the failure to so comply could reasonably be expected to cause a Material Adverse Change; (b) none of the operations or properties of any Restricted Person is the subject of federal, state or local investigation evaluating whether any material remedial action is needed to respond to a release of any Hazardous Materials into the environment or to the improper storage or disposal (including storage or disposal at offsite locations) of any Hazardous Materials, in each case which could reasonably be expected to cause a Material Adverse Change; (c) no Restricted Person (and to the best knowledge of Borrower, no other Person) has filed any notice under any Law indicating that any Restricted Person is responsible for the improper release into the environment, or the improper storage or disposal, of any material amount of any Hazardous Materials or that any Hazardous Materials have been improperly released, or are improperly stored or disposed of, upon any property of any Restricted Person which could reasonably be expected to cause a Material Adverse Change; (d) to the knowledge of Borrower, no Restricted Person has transported or arranged for the transportation of any Hazardous Material to any location which is (i) listed on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, listed for possible inclusion on such National Priorities List by the Environmental Protection Agency in its Comprehensive Environmental Response, Compensation and Liability Information System List, or listed on any similar state list or (ii) the subject of federal, state or local enforcement actions or other investigations, in the case of either of the forgoing clauses (i) and (ii), which may lead to claims against any Restricted Person for clean-up costs, remedial work, damages to natural resources or for personal injury claims (whether under Environmental Laws or otherwise) which could reasonably be expected to cause a Material Adverse Change; and (e) no Restricted Person otherwise has any known material contingent liability under any Environmental Laws or in connection with the release into the environment, or the storage or disposal, of any Hazardous Materials which could reasonably be expected to cause a Material Adverse Change.

Section 5.13. [Reserved].

Section 5.14. Subsidiaries. As of the Closing Date, Borrower (a) does not have any Subsidiary except those listed in Schedule 5.14 and (b) owns, directly or indirectly, the equity interests in each of its Subsidiaries indicated in Schedule 5.14.

Section 5.15. Investment Company Act. Neither Borrower nor any other Restricted Person owing Obligations is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 5.16. [Reserved].

Section 5.17. Solvency. As of the Closing Date, upon giving effect to the issuance of the Notes, the execution of the Loan Documents by Borrower and each Guarantor and the consummation of the transactions contemplated hereby to occur on the Closing Date, Borrower and the Guarantors, on a Consolidated basis, will be Solvent.

Section 5.18. [Reserved].

Section 5.19. Title to Properties; Licenses. Each Restricted Person has good and defensible title to, or valid leasehold interests in, all of the Collateral and all of its material properties and assets, free and clear of all Liens, encumbrances, or adverse claims other than Permitted Liens and free and clear of all impediments to the use of such properties and assets in such Restricted Person's business, in each case except as could not reasonably be expected to result in a Material Adverse Change. Each Restricted Person possesses all licenses, permits, franchises, patents, copyrights, trademarks and trade names, and other intellectual property (or otherwise possesses the right to use such intellectual property without violation of the rights of any other Person) which are necessary to carry out its business as presently conducted and as presently proposed to be conducted hereafter, except to the extent failure to possess such licenses, permits, franchises, patents, copyrights, trademarks and trade names, and other intellectual property could reasonably be expected to cause a Material Adverse Change, and no Restricted Person is in violation of the terms under which it possesses such intellectual property or the right to use such intellectual property, the violation of which could reasonably be expected to cause a Material Adverse Change.

Section 5.20. Regulation U. None of Borrower and its Subsidiaries are engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Loans will be used for a purpose which violates Regulation U.

Section 5.21. Taxes. Each Restricted Person has timely filed or caused to be filed all material Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Restricted Person, as applicable, has set aside on its books adequate reserves in accordance with GAAP and (b) Taxes which individually or in the aggregate do not exceed $10,000,000.

Section 5.22. Anti-Corruption Laws and Sanctions. None of (a) Borrower, any Subsidiary or, to the knowledge of Borrower, any of their respective directors, officers or employees, (b) to the knowledge of Borrower, any agent or representative of Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility

established hereby, (i) is a Sanctioned Person or currently the subject or target of any Sanctions or (ii) has taken any action, directly or indirectly, that would result in a material violation by Borrower or any Guarantor of any Anti-Corruption Laws.

ARTICLE VI.

AFFIRMATIVE COVENANTS OF BORROWER.

Borrower covenants and agrees that until the full and final payment of the Obligations and the termination of this Agreement, unless Required Lenders have previously agreed otherwise:

Section 6.1. Payment and Performance. Borrower will cause each other Restricted Person to observe, perform and comply with every term, covenant and condition in any Loan Document applicable to such Restricted Person.

Section 6.2. Books, Financial Statements and Reports. Each Restricted Person will at all times maintain full and accurate books of account and records. Borrower will maintain and will cause its Subsidiaries to maintain a standard system of accounting, will maintain its Fiscal Year, and will furnish the following statements and reports to each Lender Party at Borrower's expense:

(a) As soon as available, and in any event within one hundred twenty (120) days after the end of each Fiscal Year, complete Consolidated financial statements of Borrower together with all notes thereto, prepared in reasonable detail in accordance with GAAP, together with an unqualified opinion on the Consolidated financial statements, based on an audit using GAAP, by independent certified public accountants selected by Borrower of nationally recognized standing, stating that such Consolidated financial statements have been so prepared. These financial statements shall contain a Consolidated balance sheet as of the end of such Fiscal Year and Consolidated statements of income for such Fiscal Year and Consolidated statements of cash flows and stockholders' equity for such Fiscal Year, each setting forth in comparative form the corresponding figures for the preceding Fiscal Year.

(b) As soon as available, and in any event within forty-five (45) days after the end of the first three Fiscal Quarters in each Fiscal Year, Borrower's unaudited Consolidated balance sheet and income statements as of the end of such Fiscal Quarter and Consolidated statements of Borrower's cash flows and stockholders' equity for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, all in reasonable detail and prepared in accordance with GAAP, subject to changes resulting from normal year-end adjustments.

(c) In addition Borrower will, together with each set of financial statements furnished under subsection (a) or subsection (b) of this section, furnish a certificate in the form of Exhibit 6.2(c) signed by the chief financial officer of Borrower stating that such financial statements are fair and complete in all material respects and fairly present the Consolidated financial position of Borrower for the periods covered thereby (subject to normal year-end adjustments), stating that he has reviewed the Loan Documents,

containing calculations showing compliance (or non-compliance) at the end of such Fiscal Quarter with the requirements of Section 7.11, stating that no Default exists at the end of such Fiscal Quarter or at the time of such certificate or specifying the nature and period of existence of any such Default.

(d) Promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent by any Restricted Person to its stockholders and all registration statements, periodic reports and other statements and schedules filed by any Restricted Person with any securities exchange, the Securities and Exchange Commission or any similar governmental authority.

(e) Promptly upon the request thereof, such information and documentation required under applicable "know your customer" rules and regulations, the PATRIOT Act or any applicable Anti-Corruption Laws or required for purposes of complying with the Beneficial Ownership Regulation (including, without limitation, updated Beneficial Ownership Certifications for any Restricted Person that qualifies as a "legal entity customer" thereunder as so requested, or written confirmation that the information provided in any Beneficial Ownership Certification delivered to Agent or any Lender on or about the Closing Date in connection with this Agreement remains true and correct), in each case, as from time to time reasonably requested by Agent or any Lender.

(f) Each Restricted Person will cooperate with Agent in connection with the publication of certain materials and/or information provided by or on behalf of each such Restricted Person to Agent, the Arrangers and Lenders (collectively, the "Information Materials") pursuant to this Article VI and will, at the reasonable request of Agent and/or the Arrangers, designate Information Materials (i) that are either available to the public or not material with respect to any Restricted Person or any of their respective securities for purposes of United States federal and state securities laws, as "Public Information" and (ii) that are not Public Information as "Private Information." If any Information Materials are not labeled "Public Information," they shall be deemed to be labeled "Private Information".

Section 6.3. Other Information and Inspections. Each Restricted Person will furnish to each Lender any information which Agent may from time to time reasonably request concerning any provision of the Loan Documents, any Collateral, or any matter in connection with Restricted Persons' businesses, properties, prospects, financial condition and operations, including all evidence which Agent from time to time reasonably requests in writing as to the accuracy and validity of or compliance with all representations, warranties and covenants made by any Restricted Person in the Loan Documents, the satisfaction of all conditions contained therein, and all other matters pertaining thereto. Each Restricted Person will permit representatives appointed by Agent (including independent accountants, auditors, Agents, attorneys, appraisers and any other Persons) to visit and inspect during normal business hours any of such Restricted Person's property, including its books of account, other books and records, and any facilities or other business assets, and to make extra copies therefrom and photocopies and photographs thereof, and to write down and record any information such representatives obtain, and each Restricted Person shall permit Agent or its representatives to investigate and verify the accuracy of the information

furnished to Agent or any Lender in connection with the Loan Documents and to discuss all such matters with its officers, employees and representatives.

Section 6.4. Notice of Material Events and Change of Address. Borrower will, after it has knowledge thereof, promptly notify each Lender in writing, stating that such notice is being given pursuant to this Agreement, of:

(a) the occurrence of any Material Adverse Change,

(b) the occurrence of any Default or Event of Default,

(c) the acceleration of the maturity of any Indebtedness owed by any Restricted Person or of any default by any Restricted Person under any indenture, mortgage, agreement, contract or other instrument to which any of them is a party or by which any of them or any of their properties is bound, if such acceleration or default could reasonably be expected to cause a Material Adverse Change,

(d) the occurrence of any Termination Event that could reasonably be expected to cause a Material Adverse Change,

(e) any claim that is reasonably likely to result in liability to Borrower and its Subsidiaries of $15,000,000 or more, any notice of potential liability under any Environmental Laws that is reasonably likely to result in liability to Borrower and its Subsidiaries of $15,000,000 or more, or any other claim asserted against any Restricted Person or with respect to any Restricted Person's properties that could reasonably be expected to cause a Material Adverse Change, and

(f) the filing of any suit or proceeding against any Restricted Person in which an adverse decision could reasonably be expected to cause a Material Adverse Change.

Each notice furnished pursuant to this Section 6.4 shall be accompanied by a statement of an officer of Borrower setting forth the details of the occurrence referred to therein and stating what action Borrower or the relevant Subsidiary has taken and proposes to take with respect thereto. Borrower will also notify Agent and Agent's counsel in writing at least ten (10) Business Days prior to the date that any Restricted Person changes its name or the location of its chief executive office or its location under the Uniform Commercial Code.

Section 6.5. Maintenance of Properties. Except as could not reasonably be expected to cause a Material Adverse Change, each Restricted Person will maintain, preserve, protect, and keep all Collateral and all other material property used or useful in the conduct of its business in good condition (ordinary wear and tear excepted) in accordance with reasonably prudent industry standards, and in compliance with all applicable Laws, in conformity with all applicable contracts, servitudes, leases and agreements, and will from time to time make all commercially reasonable repairs, renewals and replacements needed to enable the business and operations carried on in connection therewith to be promptly and advantageously conducted at all times.

Section 6.6. Maintenance of Existence and Qualifications. Except as permitted under Section 7.4, each Restricted Person will maintain and preserve its existence and its rights and

franchises in full force and effect and will qualify to do business in all states or jurisdictions where required by applicable Law, except where the failure to maintain, preserve and qualify could reasonably be expected to cause a Material Adverse Change.

Section 6.7. Payment of Taxes. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Change, each Restricted Person will (a) timely file all required tax returns taking into account valid extensions; (b) timely pay all Taxes, assessments, and other governmental charges or levies imposed upon it or upon its income, profits or property before the same become delinquent, except to the extent such Taxes, assessments, or other charges or levies are being contested in good faith and reserves are maintained therefor to the extent required by GAAP; and (c) maintain appropriate accruals and reserves for all of the foregoing in accordance with GAAP.

Section 6.8. Insurance.

(a) Each Restricted Person shall at all times maintain (at its own expense) insurance for its property and insurance with respect to all Collateral and liability insurance, with financially sound and reputable insurance companies (including the Captive Insurance Entities), in such amounts and against such risks as is customary in the industry for similarly situated businesses and properties. All property or casualty insurance policies covering Collateral shall be endorsed (i) to provide for payment of losses to Agent as its interests may appear and Borrower shall deliver a certificate to that effect, (ii) to provide that such policies may not be canceled or reduced or affected in any material manner for any reason without ten (10) days prior notice to Agent from the insurer, and (iii) to provide for any other matters specified in any applicable Security Document or which Agent may reasonably require.

(b) Each liability insurance (other than worker's compensation policies, directors and officers policies, and any other policies agreed by Agent and Borrower) shall (i) name Agent, as agent for the Lenders, as an additional insured thereunder (without any representation or warranty by or obligation upon Agent or Lenders) as their interests may appear, and (ii) not provide that there shall be recourse against Agent or Lenders for payment of premiums or other amounts with respect thereto. Each Restricted Person will, if so requested by Agent, deliver to Agent original or duplicate policies of such insurance. Agent is hereby authorized to enforce payment under all such property or casualty insurance policies covering Collateral and such liability insurance policies and to compromise and settle any claims thereunder, in its own name or in the name of the Restricted Persons, in each case after the occurrence and during the continuation of an Event of Default.

(c) Any proceeds paid under any liability insurance policy maintained by Restricted Persons pursuant to this Section 6.8 may be paid directly to the Person who has incurred the liability covered by such insurance.

(d) Any proceeds paid under a property or casualty insurance policy maintained by a Restricted Person pursuant to this Section 6.8 will be paid as follows:

(i) if an Event of Default exists, then such proceeds shall be paid to Agent; and

(ii) if an Event of Default does not exist, then such proceeds shall be paid to Borrower or the applicable Restricted Person, and Agent shall provide such consents thereto as are reasonably requested by Borrower or the provider of such policy.

Agent shall release to Borrower any funds delivered to it under clause (i) promptly upon request by Borrower after the cure or waiver of such Event of Default and a certificate of Borrower's chief financial offer stating that no Event of Default then exists.

(e) If Agent receives proceeds of property or casualty insurance required to be paid to Borrower or the applicable Restricted Person under clause (d)(ii) above, Agent shall promptly deliver such proceeds to Borrower or such Restricted Person. If Borrower or a Restricted Person receives proceeds of property or casualty insurance required to be paid to Agent under clause (d)(i) above, Borrower or such Restricted Person shall promptly deliver to Agent such proceeds.

Section 6.9. Performance on Borrower's Behalf. If any Restricted Person fails to pay any Taxes, insurance premiums, expenses, attorneys' fees or other amounts it is required to pay under any Loan Document, Agent may pay the same. Borrower shall immediately upon demand reimburse Agent for any such payments and each amount paid by Agent shall constitute an Obligation owed hereunder which is due and payable on the date such amount is paid by Agent.

Section 6.10. [Reserved].

Section 6.11. Compliance with Law. Each Restricted Person will conduct its business and affairs in compliance with all Laws applicable thereto, except as could not reasonably be expected to cause a Material Adverse Change. Each Restricted Person will cause all licenses and permits necessary or appropriate for the conduct of its business and the ownership and operation of its property used and useful in the conduct of its business to be at all times maintained in good standing and in full force and effect, except as could not reasonably be expected to cause a Material Adverse Change.

Section 6.12. Environmental Matters; Environmental Reviews.

(a) Each Restricted Person will comply with all Environmental Laws now or hereafter applicable to such Restricted Person, as well as all contractual obligations and agreements with respect to environmental remediation or other environmental matters (except as could not reasonably be expected to result in a Material Adverse Change), and shall obtain, at or prior to the time required by applicable Environmental Laws, all environmental, health and safety permits, licenses and other authorizations necessary for its operations (except as could not reasonably be expected to result in a Material Adverse Change) and will maintain such authorizations in full force and effect (except as could not reasonably be expected to result in a Material Adverse Change). No Restricted Person will do anything or permit anything to be done which will subject any of its properties to any remedial obligations under, or result in noncompliance with applicable permits and licenses

issued under, any applicable Environmental Laws, assuming disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances (except as could not reasonably be expected to result in a Material Adverse Change).

(b) Borrower will promptly furnish to Agent copies of all written notices of violation, orders, claims, citations, complaints, penalty assessments, suits or other proceedings received by any Restricted Person, or of which Borrower otherwise has notice, pending or threatened against any Restricted Person by any governmental authority with respect to any alleged violation of or non-compliance with any Environmental Laws or with respect to any permits, licenses or authorizations in connection with any Restricted Person's ownership or use of its properties or the operation of its business, in each case, that could reasonably be expected to result in a Material Adverse Change.

(c) Borrower will promptly furnish to Agent all written requests for information, notices of claim, demand letters, and other written notifications, received by Borrower in connection with any Restricted Person's ownership or use of its properties or the conduct of its business, relating to potential responsibility with respect to any investigation or clean-up of Hazardous Material at any location that could reasonably be expected to have a Material Adverse Change.

Section 6.13. Further Assurances. Borrower shall, and shall cause each other Restricted Person to, (a) promptly upon the reasonable request by Agent, correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) promptly upon request by Agent, take such action as Agent may reasonably require from time to time in order to carry out more effectively the purposes of the Loan Documents.

Section 6.14. Bank Accounts. To secure the repayment of the Obligations, Borrower hereby grants to each Lender a security interest, a lien, and a right of offset, each of which shall be in addition to all other interests, liens, and rights of any Lender at common law, under the Loan Documents, or otherwise, and each of which shall be upon and against (a) any and all moneys, securities or other property (and the proceeds therefrom) of Borrower now or hereafter held or received by or in transit to any Lender from or for the account of Borrower, whether for safekeeping, custody, pledge, transmission, collection or otherwise, (b) any and all deposits (general or special, time or demand, provisional or final) of Borrower with any Lender, and (c) any other credits and claims of Borrower at any time existing against any Lender, including claims under certificates of deposit, except, in the cases of clauses (a) through (c) above, Excluded Accounts. Notwithstanding anything to the contrary in this Agreement or the other Loan Documents, so long as no Event of Default exists, no account control agreements (or other perfection by control) shall be required with respect to any Guarantor's deposit, investment, securities, or commodities accounts. During the existence of an Event of Default, Agent may request Borrower to put in place control agreements with respect to the deposit accounts, securities accounts and commodities accounts of the Borrower and the Guarantors. Following its receipt of that request, Borrower shall use commercially reasonable efforts to enter into, and cause the Guarantors to enter into, such control agreements with the institutions maintaining those accounts. If Borrower has not delivered to Agent an executed control agreement with respect to any such account within 30 days after its receipt of that request (or such later date as is approved by Agent

in its sole discretion), if an Event of Default continues to exist at that time, then Borrower shall promptly transfer that account to an institution that has entered into a control agreement with respect to that account.

Section 6.15. Tennessee Financing Statements. No UCC financing statements shall be required to be filed in Tennessee, so long as (A) no Event of Default exists, and (B) the value, as reasonably determined by Borrower, of tangible assets (excluding intercompany obligations and right of use assets) located in Tennessee and owned by a Guarantor formed under the laws of Tennessee does not exceed 8% of the value, as reasonably determined by Borrower, of the Consolidated tangible assets of the Borrower and its Consolidated Subsidiaries.

Section 6.16. Guaranties of Borrower's Subsidiaries. Each Subsidiary (other than an Excluded Subsidiary) created, acquired or coming into existence after the date hereof (including any Subsidiary that ceases to be an Excluded Subsidiary) shall, within sixty (60) days thereof (or such longer period as may be approved by Agent in its reasonable discretion), execute and deliver to Agent an absolute and unconditional guaranty of the timely repayment of the Secured Obligations and the due and punctual performance of the Secured Obligations, which guaranty shall be in substantially the same form as the Guaranty entered into as of the Closing Date or otherwise reasonably satisfactory to Agent in form and substance. Borrower will cause each such Subsidiary to deliver to Agent, simultaneously with its delivery of such a guaranty, written evidence reasonably satisfactory to Agent and its counsel that such Subsidiary has taken all corporate or partnership action necessary to duly approve and authorize its execution, delivery and performance of such guaranty and any other documents which it is reasonably required to execute.

Section 6.17. Agreement to Deliver Security Documents. Borrower agrees to deliver and to cause each Guarantor to deliver, to further secure the Secured Obligations whenever requested by Agent in its reasonable discretion, chattel mortgages, security agreements, financing statements, continuation statements, extension agreements, acknowledgments, and other Security Documents in form and substance reasonably satisfactory to Agent for the purpose of granting, confirming, protecting and perfecting Liens or security interests in any personal property (other than Excluded Assets) now owned or hereafter acquired by Borrower or any Guarantor.

ARTICLE VII.

NEGATIVE COVENANTS OF BORROWER

To conform with the terms and conditions under which each Lender is willing to have credit outstanding to Borrower, and to induce each Lender to enter into this Agreement and make the Loans, Borrower warrants, covenants and agrees that until the full and final payment of the Obligations and the termination of this Agreement, unless Required Lenders have previously agreed otherwise:

Section 7.1. Indebtedness. No Restricted Person will in any manner owe or be liable for Indebtedness except:

(a) the Secured Obligations;

(b) unsecured Indebtedness among Borrower and the Guarantors;

(c) purchase money Indebtedness, Capital Lease Obligations and Indebtedness incurred to finance the construction, renovation or improvement of assets of any Restricted Person and any refinancing or replacement of such Indebtedness in an aggregate principal amount for all such Indebtedness not to exceed $80,000,000 at any time; provided that the original principal amount of any such Indebtedness shall not be in excess of the purchase price of the assets acquired with the proceeds thereof or subject to such Capital Lease, or the fair market value of the assets constructed, renovated, or improved with the proceeds thereof, as applicable, and such Indebtedness shall be secured only by such assets;

(d) Indebtedness existing on the Closing Date and listed on Schedule 7.1, and renewals and extensions thereof;

(e) Subordinated Debt incurred in connection with Permitted Acquisitions having a maturity date beyond the term of this Agreement at the time such Subordinated Debt is entered into;

(f) Indebtedness in respect of deferred software licensing fees in connection with Borrower or any of its Subsidiaries licensing software in the ordinary course of business consistent with past practices in a total amount not to exceed $10,000,000 in the aggregate at any time outstanding;

(g) unsecured Indebtedness incurred in connection with Permitted Acquisitions in an unlimited amount if the Net Leverage Ratio is at least 0.25 to 1.00 less than the maximum Net Leverage Ratio permitted by Section 7.11(b) at such time, measured as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 6.2(a) or (b), prior to such incurrence and after giving pro forma effect to such Indebtedness;

(h) Indebtedness of a Person that becomes a Subsidiary of Borrower (or is a Subsidiary of Borrower that survives a merger with that Person or any of its Subsidiaries) and Indebtedness secured by assets that are acquired by Borrower or any of its Subsidiaries, in each case after the Closing Date as the result of a Permitted Acquisition if (i) that Indebtedness existed at the time such Person became a Subsidiary of Borrower or at the time such assets were acquired, as the case may be, and was not created in anticipation thereof, (ii) that Indebtedness is not guaranteed in any respect by Borrower or any other Subsidiary of Borrower (other than (x) a Subsidiary acquired as part of such Permitted Acquisition that had guaranteed such Indebtedness prior to such Permitted Acquisition, or (y) an obligation of the Restricted Person that acquired such assets that is secured only by such acquired assets and proceeds), and (iii) the aggregate principal amount of Indebtedness outstanding under this Section 7.1(h) does not exceed $80,000,000 at any time;

(i) Attributable Indebtedness in connection with Sale Leaseback Transactions solely related to vehicles and real property, in an aggregate amount not to exceed $150,000,000;

(j) Indebtedness in respect of Hedging Contracts not in violation of Section 7.3;

(k) Indebtedness in respect to Technology-as-a-Service arrangements permitted under Section 7.5(e); and

(l) any other Indebtedness not to exceed in the aggregate at any time outstanding the greater of (i) $100,000,000 and (ii) 2.5% of Consolidated Total Assets.

Section 7.2. Limitation on Liens. Except for Permitted Liens, no Restricted Person will create, assume or permit to exist any Lien upon any of its properties or assets.

Section 7.3. Hedging Contracts. No Restricted Person will enter into or in any manner become liable on any Hedging Contract, except Hedging Contracts entered into by a Restricted Person and Agent or any other Lender or an Affiliate of Agent or any Lender for the purpose of managing existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes.

Section 7.4. Limitation on Mergers, Issuances of Securities. No Restricted Person will merge or consolidate with or into any other Person, except that any Subsidiary of Borrower may be merged into or consolidated with (a) another Subsidiary of Borrower so long as, if a Guarantor is one of the merged entities, a Guarantor is the surviving business entity, (b) Borrower, so long as Borrower is the surviving business entity, and (c) any other Person in connection with a sale of such Restricted Person's Equity that is permitted by Section 7.5. Borrower will not issue any equity securities other than shares of its common or preferred stock and any options or warrants giving the holders thereof only the right to acquire such shares. No Subsidiary of Borrower will issue any additional shares of its capital stock or other equity securities or any options, warrants or other rights to acquire such additional shares or other equity securities except to Borrower or another Subsidiary of Borrower and only to the extent not otherwise forbidden under the terms hereof. No Subsidiary of Borrower which is a partnership will allow any diminution of Borrower's interest (direct or indirect) therein.

Section 7.5. Limitation on Sales of Property and Discounting of Receivables. No Restricted Person will sell, transfer, lease, exchange, alienate or dispose of any of its material assets or properties or any material interest therein, or discount, adjust, settle, compromise, release, allow any credit against, sell, pledge or assign any notes payable to it, accounts receivable or future income, except:

(a) equipment which is worthless, obsolete, no longer used by or useful to a Restricted Person or which is replaced by equipment of equal suitability and value;

(b) inventory which is sold in the ordinary course of business;

(c) customary credits and discounts of accounts receivable (not including factoring or securitizations) in the ordinary course of business;

(d) sales of accounts receivable in an aggregate amount not to exceed $20,000,000 in any Fiscal Year;

(e) sales of accounts receivable pursuant to, or deemed to occur under, Technology-as-a-Service arrangements, in an aggregate amount not to exceed $10,000,000 in any Fiscal Year, and otherwise in the ordinary course of business;

(f) other property which is sold for fair consideration not in the aggregate in excess of $100,000,000 in any Fiscal Year, the sale of which will not materially impair or diminish the value of the Collateral or the Consolidated financial condition, business or operations of Borrower; and

(g) Sale Leaseback Transactions relating to solely to vehicles or real property if the Attributable Indebtedness of all such Sale Leaseback Transactions then in effect is less than $150,000,000.

Section 7.6. Limitation on Distributions and Subordinated Debt.

(a) No Restricted Person will declare or make any Distribution (other than Distributions to Restricted Persons) except that, so long as no Default or Event of Default exists at the time thereof or would result therefrom Distributions that satisfy the requirements of any of the following clauses (i) through (iv) below may be made:

(i) Distributions may be made in an unlimited amount at any time when the Net Leverage Ratio is less than or equal to 2.75 to 1.00;

(ii) regularly scheduled dividends may be paid in an amount per share in any Fiscal Quarter not to exceed 130% of the amount per share paid during the immediately preceding Fiscal Quarter;

(iii) repurchases of Borrower's common stock may be made in an aggregate amount not to exceed $50,000,000 in any Fiscal Year; provided that (x) any portion of such amount that is not expended in the Fiscal Year for which it is permitted may be carried over for repurchases of Borrower's common stock in the following Fiscal Year made at a time when no Default or Event of Default exists, and (y) if any such amount is so carried over, it will be deemed used in the applicable subsequent Fiscal Year before the amounts otherwise allocated for such Fiscal Year; and

(iv) other Distributions may be made in an aggregate amount not to exceed the greater of (A) $100,000,000 and (B) 2.5% of Consolidated Total Assets.

For purposes of this Section 7.6(a), the Net Leverage Ratio shall be measured as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 6.2(a) or (b) and after giving effect to the making of such Distribution and any Indebtedness incurred in connection therewith.

(b) No Restricted Person will make any payments on Subordinated Debt (other than Subordinated Debt among Restricted Persons), unless no Default or Event of Default exists at such time or would occur as a result thereof.

Section 7.7. Limitation on Investments, Acquisitions and Lines of Business. No Restricted Person will

(a) make any Investments except for:

(i) Permitted Investments;

(ii) Investments in an unlimited amount made at a time when the Net Leverage Ratio is less than or equal to 2.75 to 1.00;

(iii) Investments in the Captive Insurance Entities (A) for reserves and capital to the extent required by applicable Governmental Authorities or applicable Law, as determined in good faith by Borrower, (B) for the payment of claims made pursuant to the terms of the insurance policies maintained by such Captive Insurance Entities, and (C) constituting Equity in a Captive Insurance Entity; and

(iv) other Investments in an aggregate amount not to exceed the greater of (A) $100,000,000 and (B) 2.5% of Consolidated Total Assets.

(b) make any Acquisition unless the following conditions are satisfied, which in the case of a Limited Condition Acquisition shall be subject to Section 1.9:

(i) the Acquisition is not hostile in nature;

(ii) each line of business to be acquired in the Acquisition is similar or incidental to a line of business engaged in by Borrower at the time of the Acquisition; and

(iii) the Net Leverage Ratio is less than or equal to 0.25 less than the maximum Net Leverage Ratio permitted by Section 7.11(b) at such time; or

(c) engage directly or indirectly in any business or conduct any operations except in connection with or incidental to its present businesses and operations.

For purposes of subsections (a) and (b) of this Section 7.7, the Net Leverage Ratio shall be measured as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 6.2(a) or (b) and after giving effect to the making of such Investment or Acquisition and any Indebtedness incurred in connection therewith.

Section 7.8. [Reserved].

Section 7.9. Transactions with Affiliates. Neither Borrower nor any of its Subsidiaries will engage in any material transaction with any of its Affiliates on terms which are less favorable to it than those which would have been obtainable at the time in arm's-length dealing with Persons other than such Affiliates, provided that such restriction shall not apply to transactions among Borrower and its Subsidiaries.

Section 7.10. Multiemployer Plans. No ERISA Affiliate will incur any obligation with respect to any "multiemployer plan" as defined in Section 4001 of ERISA, except (i) an obligation pursuant to collective bargaining agreements to make contributions in the ordinary course of business for employees subject to such collective bargaining agreements, or (ii) as would not reasonably be expected to cause a Material Adverse Change.

Section 7.11. Financial Covenants.

(a) Interest Coverage Ratio. Borrower will not permit the ratio, determined as of the end of each of its Fiscal Quarters, for the then most-recently ended four Fiscal Quarters, of (i) its Consolidated EBITDA, to (ii) its Consolidated Interest Expense for such four-Fiscal Quarter period, to be less than 3.00 to 1.00.

(b) Net Leverage Ratio. Borrower will not permit its Net Leverage Ratio, determined as of the end of each of its Fiscal Quarters, for the then most-recently ended four Fiscal Quarters, to be greater than (i) for any such period ending when a Financial Covenant Increase Option is in effect, 4.00 to 1.00 and (ii) for any such period ending at any other time, 3.50 to 1.00.

Section 7.12. Burdensome Agreements, Limitation on Further Negative Pledges. No Restricted Person will, directly or indirectly, enter into, create, or otherwise allow to exist any contract that restricts, or other consensual restriction on, the ability of any Subsidiary of Borrower to: (i) pay dividends or make other Distributions to Borrower or any Restricted Person, (ii) repay loans and other Indebtedness owing by it to Borrower or any Restricted Person, (iii) transfer any of its assets to Borrower or any Restricted Person, or (iv) create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, in each case except:

(a) pursuant to the Loan Documents;

(b) such restrictions existing under or by reason of (i) any document or instrument governing Indebtedness permitted by Section 7.1 or (ii) any Permitted Lien or any document or instrument governing any Permitted Lien;

(c) (i) pursuant to any agreement with any counterparty that has entered into an Intercreditor Agreement, and (ii) prohibitions or limitations against encumbrances on actual proceeds of a bonded project or project-related assets subject to a lien permitted by clause (g) of the definition of "Permitted Liens";

(d) pursuant to any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Loan Documents on property or assets of Borrower or any other Restricted Person (whether now owned or hereafter acquired) securing the Secured Obligations and does not require the direct or indirect granting of any Lien on the Collateral securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of Borrower or any other Restricted Person to secure the Secured Obligations;

(e) prohibitions or limitations contained in any industrial revenue or development bonds, acquisition agreements, licenses, and leases of real property and equipment entered into in the ordinary course of business that apply only to the property that is the subject of those bonds, agreements, licenses or leases;

(f) prohibitions or limitations against other encumbrances on specific property encumbered to secure payment of particular Indebtedness permitted under this Agreement;

(g) prohibitions or limitations against encumbrances on specific property subject to a proposed asset sale permitted hereunder contained in any document relating to that asset sale;

(h) prohibitions or limitations in favor of any holder of Indebtedness permitted under Section 7.1(h), solely to the extent any such negative pledge relates to property acquired as part of the Permitted Acquisition pursuant to which Borrower acquired the obligor of such Indebtedness;

(i) prohibitions or limitations against encumbrances on property (including equipment, but excluding real property) (i) to be delivered by a Restricted Person to a job site in the ordinary course of business, (ii) transferred in the ordinary course of business to a Restricted Person as part of a transaction pursuant to which such property will be transferred to the owner of such project at or prior to the end of such job, or (iii) that otherwise temporarily enters a Restricted Person's custody in the ordinary course of business; and

(j) prohibitions or limitations against encumbrances on property subject to Technology-as-a-Service arrangements permitted under Section 7.5(e).

ARTICLE VIII.

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default. Each of the following events constitutes an Event of Default under this Agreement:

(a) Any Restricted Person fails to pay any principal component of any Obligation when due and payable;

(b) Any Restricted Person fails to make any payment of interest or fees pursuant to Section 2.5 or 2.12 on the date which such payment is due and such failure continues for a period of five Business Days;

(c) Any Restricted Person fails to pay any Obligation (other than the Obligations in subsections (a) and (b) above) within five Business Days after the same becomes due and payable;

(d) [reserved];

(e) Any Restricted Person fails to duly observe, perform or comply with any covenant, agreement or provision of Article VII;

(f) Any Restricted Person fails (other than as referred to in subsections (a), (b), (c), (d) or (e) above) to duly observe, perform or comply with any covenant, agreement, condition or provision of any Loan Document, and such failure remains unremedied for a period of thirty (30) days after notice of such failure is given by Agent to Borrower;

(g) Any representation or warranty previously, presently or hereafter made in writing by or on behalf of any Restricted Person in connection with any Loan Document shall prove to have been false or incorrect in any material respect on any date on or as of which made, or any Loan Document at any time ceases to be valid, binding and enforceable as warranted in Section 5.5 for any reason other than its release or subordination by Agent or otherwise in accordance with the express terms hereof or thereof;

(h) Any Restricted Person (i) fails to pay any portion, when such portion is due, of any of its Indebtedness in excess of $30,000,000, or (ii) breaches or defaults in the performance of any agreement or instrument by which any such Indebtedness is issued, evidenced, governed, or secured, and any such failure, breach or default continues beyond any applicable period of grace provided therefor, in each case the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice, if required, any such Indebtedness to become due, prior to its stated maturity (any applicable grace period having expired);

(i) Any of (i) any ERISA Affiliate fails to satisfy the "minimum funding standard" (as defined in Section 412(a) of the Internal Revenue Code), without taking into account any waiver by the Secretary of the Treasury or his or her delegate, with respect to any ERISA Plan, and the aggregate amount necessary to cure all such failures exceeds $30,000,000, (ii) the occurrence of a Termination Event with respect to any ERISA Plan, that, when taken together with all other Termination Events that have occurred and are continuing, could reasonably be expected to subject any Restricted Person to liability individually or in the aggregate in excess of $30,000,000 or (iii) the payment by a Restricted Person of the sum of the contributions to each ERISA Plan that would be necessary for the "adjusted funding target attainment percentage" (within the meaning of Section 436 of the Internal Revenue Code) of each such ERISA Plan to equal 100 percent could reasonably be expected to cause a Material Adverse Change;

(j) Any Restricted Person:

(i) suffers the entry against it of a judgment, decree or order for relief by a Tribunal of competent jurisdiction in an involuntary proceeding commenced under any applicable bankruptcy, insolvency or other similar Law of any jurisdiction now or hereafter in effect, including the federal Bankruptcy Code, as from time to time amended, or has any such proceeding commenced against it, in each case which remains undismissed or unstayed for a period of sixty (60) days; or

(ii) commences a voluntary case under any applicable bankruptcy, insolvency or similar Law now or hereafter in effect, including the federal Bankruptcy Code, as from time to time amended; or applies for or consents to the entry of an order for relief in an involuntary case under any such Law; or makes a general assignment for the benefit of creditors; or admits in writing its inability to pay its debts as such debts become due; or takes corporate or other action to authorize any of the foregoing; or

(iii) suffers the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of all or a substantial part of its assets in a proceeding brought against or initiated by it, and such appointment or taking possession is neither made ineffective nor discharged nor stayed within sixty (60) days after the making thereof, or such appointment or taking possession is at any time consented to, requested by, or acquiesced to by it; or

(iv) suffers the entry against it of a final judgment for the payment of money in excess of $30,000,000 (not covered by insurance satisfactory to Agent in its reasonable discretion), unless the same is discharged, vacated, or stayed within forty-five (45) days after the date of entry thereof or an appeal or appropriate proceeding for review thereof is taken within such period and a stay of execution pending such appeal is obtained; or

(v) suffers a writ or warrant of attachment or any similar process to be issued by any Tribunal against all or any substantial part of its assets, and such writ or warrant of attachment or any similar process is not stayed or released within forty-five (45) days after the entry or levy thereof or after any stay is vacated or set aside;

(k) Any Change of Control occurs;

(l) The occurrence of an event of default under any document to which any Restricted Person and any surety are both parties that, with the passage of time, would permit foreclosure by such surety on a material portion of the Collateral.

Section 8.2. Remedies.

(a) Upon the occurrence of an Event of Default described in Section 8.1(j)(i), (j)(ii), or (j)(iii) of this Section with respect to Borrower, all of the Obligations shall thereupon be immediately due and payable, without demand, presentment, notice of demand or of dishonor and nonpayment, protest, notice of protest, notice of intention to accelerate, declaration or notice of acceleration, or any other notice or declaration of any kind, all of which are hereby expressly waived by Borrower and each Restricted Person who at any time ratifies or approves this Agreement. Upon any such acceleration, any obligation of any Lender and any obligation of LC Issuer to issue Letters of Credit hereunder to make any further Loans shall be permanently terminated. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at

the time of an acceleration pursuant to the preceding paragraph, the Administrative Agent may, and upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, demand that the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to 103% of the aggregate then undrawn and unexpired amount of such Letter of Credit plus any accrued and unpaid fees thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall be immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default specified in Section 8.1(j)(i), (j)(ii), or (j)(iii) of this Section. During the continuance of any other Event of Default, Agent at any time and from time to time may, with the consent of the Required Lenders, (and upon written instructions from Required Lenders, Agent shall) by notice to Borrower, do either or both of the following: (1) terminate any obligation of Lenders to make Loans hereunder, and any obligation of LC Issuer to issue Letters of Credit hereunder, and (2) declare any or all of the Obligations immediately due and payable, and all such Obligations shall thereupon be immediately due and payable, without demand, presentment, notice of demand or of dishonor and nonpayment, protest, notice of protest, notice of intention to accelerate, declaration or notice of acceleration, or any other notice or declaration of any kind, all of which are hereby expressly waived by Borrower and each Restricted Person who at any time ratifies or approves this Agreement.

(b) In addition to the remedies set forth in clause (a) above, if any Event of Default shall occur and be continuing, Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, exercise on behalf of the Lender Parties all of its other rights and remedies under this Agreement, the other Loan Documents, and applicable Law, in order to satisfy all of the Obligations.

(c) All rights, remedies and powers conferred upon Lender Parties under the Loan Documents shall be deemed cumulative and not exclusive of any other rights, remedies or powers available under the Loan Documents or at Law or in equity. Notwithstanding the foregoing, the right to credit bid the Obligations in connection with any foreclosure sale or sale in a bankruptcy proceeding may only be exercised by Agent acting at the direction of the Required Lenders.

(d) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Restricted Persons or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with this Section 8.2 for the benefit of all the Lender Parties; provided that the foregoing shall not prohibit (i) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (ii) any LC Issuer or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as an LC Issuer or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (iii) any Lender from exercising setoff rights in accordance with Section 9.6, or (iv) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Restricted Person under any debtor relief Law; and provided, further, that if at any time

there is no Person acting as Agent hereunder and under the other Loan Documents, then (A) the Required Lenders shall have the rights otherwise ascribed to Agent pursuant to this Section 8.2 and (B) in addition to the matters set forth in clauses (ii), (iii) and (iv) of the preceding proviso and subject to the sharing of payments pursuant to Section 9.6, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it that are authorized by the Required Lenders.

Section 8.3. Application of Proceeds after Acceleration. Except as otherwise provided in the Security Documents with respect to application of proceeds to any reimbursements due Agent thereunder, if Agent collects or receives money on account of the Secured Obligations after the acceleration of the Secured Obligations as provided in Section 8.2, Agent shall distribute all money so collected or received:

(a) First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to Agent in its capacity as such;

(b) Second, to payment of that portion of the Secured Obligations constituting fees (other than Commitment Fees and Letter of Credit fees payable to the Lenders), indemnities and other amounts (other than principal and interest) payable to the Lenders, the LC Issuer and the Swingline Lender under the Loan Documents, including attorney fees, ratably among the Lenders, the LC Issuer and the Swingline Lender in proportion to the respective amounts described in this clause Second payable to them;

(c) Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid Commitment Fees, Letter of Credit fees payable to the Lenders and interest on the Loans and Matured LC Obligations, ratably among the Lenders, the LC Issuer and the Swingline Lender in proportion to the respective amounts described in this clause Third payable to them;

(d) Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, Matured LC Obligations and payment obligations then owing under Lender Hedging Obligations, ratably among the Lenders, the LC Issuer and the Secured Parties to whom such Lender Hedging Obligations are owed in proportion to the respective amounts described in this clause Fourth payable to them; provided that Agent shall have no independent responsibility to determine the existence or amount of Lender Hedging Obligations and may reserve from the application of amounts under this Section amounts distributable in respect of Lender Hedging Obligations until it has received evidence satisfactory to it of the existence and amount of such Lender Hedging Obligations; provided further, however, that Agent may rely on statements of the Secured Parties as to the existence and amounts of Lender Hedging Obligations owing to them;

(e) Fifth, to the payment of that portion of the Secured Obligations constituting Lender Bank Services Obligations, ratably among the Secured Parties to whom such Secured Obligations are owed; provided that Agent shall have no independent responsibility to determine the existence or amount of Lender Bank Services Obligations and may reserve from the application of amounts under this Section amounts distributable

in respect of Lender Bank Services Obligations until it has received evidence satisfactory to it of the existence and amount of such Lender Bank Services Obligations; provided, further, however, that Agent may rely on statements of the Secured Parties as to the existence and amounts of Lender Bank Services Obligations owing to them;

(f) Sixth, to Agent for the account of the LC Issuer to cash collateralize any LC Obligations then outstanding; and

(g) Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by Law.

Notwithstanding the above, Excluded Swap Obligations with respect to any Guarantor that is not an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Restricted Persons to preserve the allocation to Lender Hedging Obligations otherwise set forth above in this Section.

ARTICLE IX.

AGENT

Section 9.1. Appointment and Authority. Each Lender Party hereby irrevocably authorizes Agent, and Agent hereby undertakes, to receive payments of principal, interest and other amounts due hereunder as specified herein and to take all other actions and to exercise such powers under the Loan Documents as are specifically delegated to Agent by the terms hereof or thereof, together with all other powers reasonably incidental thereto. The relationship of Agent to the other Lender Parties is only that of one commercial lender acting as Agent for others, and nothing in the Loan Documents shall be construed to constitute Agent a trustee or other fiduciary for any Lender Party or any holder of any participation in a Note nor to impose on Agent duties and obligations other than those expressly provided for in the Loan Documents. With respect to any matters not expressly provided for in the Loan Documents and any matters which the Loan Documents place within the discretion of Agent, Agent shall not be required to exercise any discretion or take any action, and it may request instructions from Lenders with respect to any such matter, in which case it shall be required to act or to refrain from acting (and shall be fully protected and free from liability to all Lender Parties in so acting or refraining from acting) upon the instructions of Required Lenders (including itself), provided, however, that Agent shall not be required to take any action which exposes it to a risk of personal liability that it considers unreasonable or which is contrary to the Loan Documents or to applicable Law.

Section 9.2. Exculpation, Agent's Reliance, Etc. Neither Agent nor any of its directors, officers, Agents, attorneys, or employees shall be liable for any action taken or omitted to be taken by any of them under or in connection with the Loan Documents, including their negligence of any kind, except that each shall be liable for its own gross negligence or willful misconduct. Without limiting the generality of the foregoing, Agent (a) shall treat the Person whose name is set forth on the Register as the holder of any Obligation as the holder thereof until Agent receives written notice of the assignment or transfer thereof in accordance with this Agreement, signed by such Person and in the form required under Section 10.5(e) and in form satisfactory to Agent; (b)

may consult with legal counsel (including counsel for Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any other Lender and shall not be responsible to any other Lender Party for any statements, warranties or representations made in or in connection with the Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of the Loan Documents on the part of any Restricted Person or to inspect the property (including the books and records) of any Restricted Person; (e) shall not be responsible to any other Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any instrument or document furnished in connection therewith; (f) may rely upon the representations and warranties of each Restricted Person or Lender Party in exercising its powers hereunder; and (g) shall incur no liability under or in respect of the Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (including any facsimile, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper Person or Persons.

Section 9.3. Credit Decisions. Each Lender Party acknowledges that it has, independently and without reliance upon any other Lender Party, made its own analysis of Borrower and the transactions contemplated hereby and its own independent decision to enter into this Agreement and the other Loan Documents. Each Lender Party also acknowledges that it will, independently and without reliance upon any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents.

Section 9.4. Indemnification. Each Lender agrees to indemnify Agent (to the extent not reimbursed by Borrower within ten (10) days after demand) from and against such Lender's Percentage Share of any and all liabilities, obligations, claims, losses, damages, penalties, fines, actions, judgments, suits, settlements, costs, expenses or disbursements (including reasonable fees of attorneys, accountants, experts and advisors) of any kind or nature whatsoever (in this Section collectively called "liabilities and costs") which to any extent (in whole or in part) may be imposed on, incurred by, or asserted against Agent growing out of, resulting from or in any other way associated with any of the Collateral, the Loan Documents and the transactions and events (including the enforcement thereof) at any time associated therewith or contemplated therein (whether arising in contract or in tort and otherwise and including any violation or noncompliance with any Environmental Laws by any Person or any liabilities or duties of any Person with respect to Hazardous Materials found in or released into the environment).

THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH LIABILITIES AND COSTS ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY AGENT,

provided only that no Lender shall be obligated under this Section to indemnify Agent for that portion, if any, of any liabilities and costs which is proximately caused by Agent's own individual gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final and nonappealable judgment. Cumulative of the foregoing, each Lender agrees to reimburse

Agent promptly upon demand for such Lender's Percentage Share of any costs and expenses to be paid to Agent by Borrower under Section 10.4(a) to the extent that Agent is not timely reimbursed for such expenses by Borrower as provided in such Section. As used in this Section the term "Agent" shall refer not only to the Person designated as such in Section 1.1 but also to each director, officer, Agent, attorney, employee, representative and Affiliate of such Person.

Section 9.5. Rights as Lender. In its capacity as a Lender, Agent shall have the same rights and obligations as any Lender and may exercise such rights as though it were not Agent. Agent may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with any Restricted Person or their Affiliates, all as if it were not Agent hereunder and without any duty to account therefor to any other Lender.

Section 9.6. Sharing of Set-Offs and Other Payments. Each Lender Party agrees that if it shall, whether through the exercise of rights under Security Documents or rights of banker's lien, set off, or counterclaim against Borrower or otherwise, obtain payment of a portion of the aggregate Obligations owed to it which, taking into account all distributions made by Agent under Section 3.1, causes such Lender Party to have received more than it would have received had such payment been received by Agent and distributed pursuant to Section 3.1, then (a) it shall be deemed to have simultaneously purchased and shall be obligated to purchase interests in the Obligations as necessary to cause all Lender Parties to share all payments as provided for in Section 3.1, and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that Agent and all Lender Parties share all payments of Obligations as provided in Section 3.1; provided, however, that nothing herein contained shall in any way affect the right of any Lender Party to obtain payment (whether by exercise of rights of banker's lien, set-off or counterclaim or otherwise) of indebtedness other than the Obligations. Borrower expressly consents to the foregoing arrangements and agrees that any holder of any such interest or other participation in the Obligations, whether or not acquired pursuant to the foregoing arrangements, may to the fullest extent permitted by Law exercise any and all rights of banker's lien, set-off, or counterclaim as fully as if such holder were a holder of the Obligations in the amount of such interest or other participation. If all or any part of any funds transferred pursuant to this Section is thereafter recovered from the seller under this Section which received the same, the purchase provided for in this Section shall be deemed to have been rescinded to the extent of such recovery, together with interest, if any, if interest is required pursuant to the order of a Tribunal order to be paid on account of the possession of such funds prior to such recovery.

Section 9.7. Investments.Whenever Agent in good faith determines that it is uncertain about how to distribute to Lender Parties any funds which it has received, or whenever Agent in good faith determines that there is any dispute among Lender Parties about how such funds should be distributed, Agent may choose to defer distribution of the funds which are the subject of such uncertainty or dispute. If Agent in good faith believes that the uncertainty or dispute will not be promptly resolved, or if Agent is otherwise required to invest funds pending distribution to Lender Parties, Agent shall invest such funds pending distribution; all interest on any such Investment shall be distributed upon the distribution of such Investment and in the same proportion and to the same Persons as such Investment. All monies received by Agent for distribution to Lender Parties (other than to the Person who is Agent in its separate capacity as a Lender Party) shall be held by Agent pending such distribution solely as Agent for such Lender Parties, and Agent shall have no equitable title to any portion thereof.

Section 9.8. Benefit of Article IX. The provisions of this Article (other than the following Section 9.9) are intended solely for the benefit of Lender Parties, and no Restricted Person shall be entitled to rely on any such provision or assert any such provision in a claim or defense against any Lender. Lender Parties may waive or amend such provisions as they desire without any notice to or consent of Borrower or any Restricted Person.

Section 9.9. Resignation. Agent may resign at any time by giving written notice thereof to Lenders and Borrower. Each such notice shall set forth the date of such resignation. Upon any such resignation, Required Lenders shall have the right to appoint (with, unless an Event of Default shall have occurred and be continuing, the consent of Borrower, such consent not to be unreasonably withheld or delayed) a successor Agent. A successor must be appointed for any retiring Agent, and such Agent's resignation shall become effective when such successor accepts such appointment. If, within thirty days after the date of the retiring Agent's resignation, no successor Agent has been appointed and has accepted such appointment, then the retiring Agent may appoint (with, unless an Event of Default shall have occurred and be continuing, the consent of Borrower, such consent not to be unreasonably withheld or delayed) a successor Agent, which shall be a commercial bank organized or licensed to conduct a banking or trust business under the Laws of the United States of America or of any state thereof. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, the retiring Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. After any retiring Agent's resignation hereunder the provisions of this Article IX shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under the Loan Documents.

Section 9.10. Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to Agent for the account of Lenders, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Default and stating that such notice is a "notice of default." Agent will notify Lenders of its receipt of any such notice. Agent shall take such action with respect to such Default as may be directed by Required Lenders in accordance with Article VIII; provided, however, that unless and until Agent has received any such direction, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable or in the best interest of Lenders.

Section 9.11. Co-Agents. The Parties identified on the facing page of this Agreement as "Left Lead Arranger," "Arrangers", "Joint Lead Arranger" or "Documentation Agent" have no right, power, obligation, liability, responsibility, or duty under the Loan Documents in such capacity. Without limiting the foregoing, each Party so identified as "Left Lead Arranger," "Arrangers", "Joint Lead Arranger" or "Documentation Agent" shall not have and shall not be deemed to have any fiduciary relationship with any other Lender. Each Lender acknowledges that it has not relied, and will not rely, on taking or not taking action hereunder.

Section 9.12. Erroneous Payments.

(a) Each Lender, each LC Issuer, each other Secured Party and any other party hereto hereby severally agrees that if (i) Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or LC Issuer or any other Secured Party (or

the Affiliate of a Secured Party) or any other Person that has received funds from Agent or any of its Affiliates, either for its own account or on behalf of a Lender, LC Issuer or other Secured Party (each such recipient, a "Payment Recipient") that Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 9.12(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an "Erroneous Payment"), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any 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 Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of Agent, and upon demand from Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and 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 Payment Recipient to the date such amount is repaid to Agent at the greater of the Federal Funds Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by Agent for any reason, after demand therefor by Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an "Erroneous Payment

Return Deficiency"), then at the sole discretion of Agent and upon Agent's written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") to Agent or, at the option of Agent, Agent's applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 10.5 and (3) Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by Agent to such Payment Recipient from any source, against any amount due to Agent under this Section 9.12 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any Obligations owed by Borrower or any other Restricted Person, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by Agent from Borrower or any other Restricted Person for the purpose of making a payment on the Obligations and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party's obligations under this Section 9.12 shall survive the resignation or replacement of Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Revolving Loan Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

(g) Nothing in this Section 9.12 will constitute a waiver or release of any claim of Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE X.

MISCELLANEOUS

Section 10.1. Waivers and Amendments; Acknowledgments.

(a) Waivers and Amendments. No failure or delay (whether by course of conduct or otherwise) by any Lender in exercising any right, power or remedy which such Lender Party may have under any of the Loan Documents shall operate as a waiver thereof or of any other right, power or remedy, nor shall any single or partial exercise by any Lender Party of any such right, power or remedy preclude any other or further exercise thereof or of any other right, power or remedy. No waiver of any provision of any Loan Document and no consent to any departure therefrom shall ever be effective unless it is in writing and signed as provided below in this Section, and then such waiver or consent shall be effective only in the specific instances and for the purposes for which given and to the extent specified in such writing. No notice to or demand on any Restricted Person shall in any case of itself entitle any Restricted Person to any other or further notice or demand in similar or other circumstances. Except as set forth below or as specifically provided in any Loan Document (including Section 2.18(b) to the extent applicable and Section 3.7(c)(ii)), no waiver, consent, or amendment of this Agreement or the other Loan Documents shall be valid or effective unless the same is in writing and signed by Borrower and the Required Lenders; provided, that no such waiver, consent, or amendment shall (i) increase the maximum amount which any Lender is committed hereunder to lend without the written consent of such Lender, (ii) reduce any fees payable to any Lender hereunder, or the principal of, or interest on, such Lender's Notes without the written consent of such Lender; provided that only the consent of the Required Lenders shall be necessary to waive any obligation of Borrower to pay interest at the rate set forth in Section 2.5(b) during the continuance of an Event of Default, (iii) extend the Maturity Date, or postpone any date fixed for any payment of any such fees, principal or interest, without the written consent of each Lender affected thereby, (iv) amend the definition herein of "Required Lenders" or otherwise change the number or percentage of Lenders required for Agent, Lenders or any of them to take any particular action under the Loan Documents without the written consent of each Lender, (v) release all of the Guarantors or Guarantors comprising all or substantially all of the credit support for the Secured Obligations, in any case, from any Guaranty without the written consent of each Lender, (vi) (A) subordinate, or have the effect of subordinating, the Secured Obligations hereunder to any other Indebtedness, or (B) release or subordinate all or substantially all of the Collateral or release or subordinate any Security Document (or any Lien created thereby) which would have the effect of subordinating the Liens securing the Secured Obligations to Liens securing any other Indebtedness or releasing all or substantially all of the Collateral without the written consent of each Lender (it being understood that this clause (vi) shall not apply to the incurrence of any debtor-in-possession financing), or (vii) amend (A) Section 2.8(c), Section 3.1, Section 8.3, or Section 9.6 in a manner that would alter the pro rata sharing of payments or order of application required thereby, or (B) this Section 10.1(a), in each case, without the written consent of each Lender. Notwithstanding the foregoing or anything to the contrary herein (except Section 2.18(b), to the extent applicable), Agent shall not, without the prior consent of each individual Lender affected thereby (or, as

applicable, an Affiliate of such Lender), execute and deliver any waiver or amendment to any Loan Document which would (i) cause an obligation under any outstanding Hedging Contract owing to such Lender (or its Affiliate) that, prior to such waiver or amendment, constituted a "Lender Hedging Obligation" to cease to be a "Lender Hedging Obligation" or (ii) cause the priority of the Lien securing such obligation or the priority of payment with respect to such obligation in connection with the exercise of remedies under such Loan Document to be subordinate in any manner to the other Secured Obligations (other than expense reimbursements, expenses of enforcement, and other similar obligations owing under the Loan Documents). No such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of any LC Issuer, unless in writing executed by such LC Issuer.

(b) Acknowledgments and Admissions. Borrower hereby represents, warrants, acknowledges and admits that (i) it has been advised by counsel in the negotiation, execution and delivery of the Loan Documents to which it is a party, (ii) it has made an independent decision to enter into this Agreement and the other Loan Documents to which it is a party, without reliance on any representation, warranty, covenant or undertaking by Agent or any Lender, whether written, oral or implicit, other than as expressly set out in this Agreement or in another Loan Document delivered on or after the date hereof, (iii) there are no representations, warranties, covenants, undertakings or agreements by any Lender as to the Loan Documents except as expressly set out in this Agreement or in another Loan Document delivered on or after the date hereof, (iv) no Lender has any fiduciary obligation toward Borrower with respect to any Loan Document or the transactions contemplated thereby, (v) the relationship pursuant to the Loan Documents between Borrower and the other Restricted Persons, on one hand, and each Lender, on the other hand, is and shall be solely that of debtor and creditor, respectively; provided that, solely for purposes of Section 10.5(f), Agent shall act as agent of Borrower in maintaining the Register as set forth therein, (vi) no partnership or joint venture exists with respect to the Loan Documents between any Restricted Person and any Lender, (vii) Agent is not Borrower's agent, but Agent for Lenders, provided that, solely for purposes of Section 10.5(f), Agent shall act as agent of Borrower in maintaining the Register as set forth therein, (viii) without limiting any of the foregoing, Borrower is not relying upon any representation or covenant by any Lender, or any representative thereof, and no such representation or covenant has been made, that any Lender will, at the time of an Event of Default or Default, or at any other time, waive, negotiate, discuss, or take or refrain from taking any action permitted under the Loan Documents with respect to any such Event of Default or Default or any other provision of the Loan Documents, and (ix) all Lender Parties have relied upon the truthfulness of the acknowledgments in this Section in deciding to execute and deliver this Agreement and to become obligated hereunder.

(c) Joint Acknowledgment. This written agreement and the other Loan Documents represent the final agreement BETWEEN the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 10.2. Survival of Agreements; Cumulative Nature. Except for representations and warranties given as of a specified date, all of Restricted Persons' various representations, warranties, covenants and agreements in the Loan Documents shall survive the execution and delivery of this Agreement and the other Loan Documents and the performance hereof and thereof, including the making or granting of the Loans and the delivery of the Notes and the other Loan Documents, and shall further survive until all of the Obligations are paid in full to each Lender Party and all of Lender Parties' obligations to Borrower are terminated. All statements and agreements contained in any certificate or other instrument delivered by any Restricted Person to any Lender Party under any Loan Document shall be deemed representations and warranties by Borrower or agreements and covenants of Borrower under this Agreement. The representations, warranties, indemnities, and covenants made by Restricted Persons in the Loan Documents, and the rights, powers, and privileges granted to Lender Parties in the Loan Documents, are cumulative, and, except for expressly specified waivers and consents, no Loan Document shall be construed in the context of another to diminish, nullify, or otherwise reduce the benefit to any Lender Party of any such representation, warranty, indemnity, covenant, right, power or privilege. In particular and without limitation, no exception set out in this Agreement to any representation, warranty, indemnity, or covenant herein contained shall apply to any similar representation, warranty, indemnity, or covenant contained in any other Loan Document, unless the Loan Documents shall expressly provide that such exception shall apply to such similar representation, warranty, indemnity, or covenant.

Section 10.3. Notices. All notices, requests, consents, demands and other communications required or permitted under any Loan Document shall be in writing, unless otherwise specifically provided in such Loan Document (provided that Agent may give telephonic notices to the other Lender Parties), and shall be deemed sufficiently given or furnished if delivered by personal delivery, by email or other electronic transmission, by delivery service with proof of delivery, or by registered or certified United States mail, postage prepaid, to Borrower and Restricted Persons at the address of Borrower specified on the signature pages hereto and to each Lender Party at its address specified on the Lenders Schedule (unless changed by similar notice in writing given by the particular Person whose address is to be changed). Any such notice or communication shall be deemed to have been given (a) in the case of personal delivery or delivery service, as of the date of first attempted delivery during normal business hours at the address provided herein, (b) in the case of email or other electronic transmission, upon receipt, or (c) in the case of registered or certified United States mail, three days after deposit in the mail; provided, however, that no Borrowing Notice shall become effective until actually received by Agent.

Section 10.4. Payment of Expenses; Indemnity.

(a) Payment of Expenses. Whether or not the transactions contemplated by this Agreement are consummated, Borrower will promptly (and in any event, within thirty (30) days after any invoice or other statement or notice) pay: (i) all transfer, stamp, mortgage, documentary or other similar Taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the other Loan Documents or any other document or transaction referred to herein or therein, (ii) all reasonable and documented out-of-pocket costs and expenses incurred by or on behalf of Agent (including without limitation reasonable attorneys' fees, which shall, however, be limited to one primary firm of counsel for Agent and a single additional local counsel in each applicable

jurisdiction), but excluding consultants fees, in connection with (1) the negotiation, preparation, execution and delivery of the Loan Documents, and any and all consents, waivers or other documents or instruments relating thereto, (2) the filing, recording, refiling and re-recording of any Loan Documents and any other documents or instruments or further assurances required to be filed or recorded or refiled or re-recorded by the terms of any Loan Document, (3) the borrowings hereunder and other action reasonably required in the course of administration hereof, (4) monitoring or confirming (or preparation or negotiation of any document related to) any Restricted Person's compliance with any covenants or conditions contained in this Agreement or in any Loan Document, and (5) the continuing administration of the Loans and the Loan Documents, and (iii) all reasonable and documented out-of-pocket costs and expenses incurred by Agent and any Lender Party in connection with the enforcement of its rights (A) in connection with this Agreement (including its rights under this Section) or any of the Loan Documents, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable out-of-pocket expenses incurred during any workout or restructuring, or any negotiations in connection with any such workout or restructuring, in respect of such Loans or Letters of Credit.

(b) Indemnity. Borrower agrees to indemnify each Lender Party, upon demand, from and against any and all liabilities, obligations, broker's fees, claims, losses, damages, penalties, fines, actions, judgments, suits, settlements, costs, expenses or disbursements (including reasonable fees of attorneys, accountants, experts and advisors) of any kind or nature whatsoever (in this Section collectively called "liabilities and costs") which to any extent (in whole or in part) may be imposed on, incurred by, or asserted against such Lender Party growing out of, resulting from or in any other way associated with any of the Collateral, the Loan Documents and the transactions and events (including the enforcement or defense thereof) at any time associated therewith or contemplated therein (whether arising in contract or in tort or otherwise). Among other things, the foregoing indemnification covers all liabilities and costs incurred by any Lender Party related to any breach of a Loan Document by a Restricted Person, any bodily injury to any Person or damage to any Person's property, or any violation or noncompliance with any Environmental Laws by any Lender Party or any other Person or any liabilities or duties of any Lender Party or any other Person with respect to Hazardous Materials found in or released into the environment.

THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH LIABILITIES AND COSTS ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY OR CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY LENDER PARTY,

provided only that no Lender Party shall be entitled under this Section to receive indemnification for that portion, if any, of any liabilities and costs to the extent resulting from (i) its own individual gross negligence, willful misconduct, or material breach of its obligations under the Loan Documents, in each case as determined by a court of competent jurisdiction in a final and nonappealable judgment or (ii) any dispute solely among Lender Parties other than (A) any claims against a Lender Party acting solely in its capacity as, or in fulfilling its role as, Agent, Arranger,

Swingline Lender or LC Issuer under this Agreement or the other Loan Documents and (B) any claims arising out of any act or omission on the part of any Restricted Person or any of its Affiliates. As used in this Section the term "Lender Party" shall refer not only to each Person designated as such in Section 1.1 but also to each director, officer, Agent, trustee, attorney, employee, representative and Affiliate of or for such Person. Notwithstanding anything to the contrary in this Agreement, this Section 10.4 shall not apply with respect to any Taxes (other than any Taxes incurred or imposed in connection with the filing of any UCC-1 financing statement, or other Security Document) aside from those attributable to a non-Tax claim.

Section 10.5. Joint and Several Liability; Parties in Interest; Assignments.

(a) All Obligations which are incurred by two or more Restricted Persons shall be their joint and several obligations and liabilities. All grants, covenants and agreements contained in the Loan Documents shall bind and inure to the benefit of the parties thereto and their respective successors and assigns; provided, however, that no Restricted Person may assign or transfer any of its rights or delegate any of its duties or obligations under any Loan Document without the prior consent of each Lender Party. Neither Borrower nor any Affiliates of Borrower shall directly or indirectly purchase or otherwise retire any Obligations owed to any Lender nor will any Lender accept any offer to do so, unless each Lender with Loans of the same Class shall have received substantially the same offer with respect to the Obligations owed to it in respect of such Class. If Borrower or any Affiliate of Borrower at any time purchases some but less than all of the Obligations owed to all Lender Parties, such purchaser shall not be entitled to any rights of any Lender under the Loan Documents unless and until Borrower or its Affiliates have purchased all of the Obligations.

(b) No Lender shall sell any participation interest in its commitment hereunder or any of its rights under its Loans or under the Loan Documents to any Person unless the agreement between such Lender and such participant at all times provides: (i) that such participation exists only as a result of the agreement between such participant and such Lender and that such transfer does not give such participant any right to vote as a Lender or any other direct claims or rights against any Person other than such Lender, (ii) that such participant is entitled to the benefits of Sections 3.2 through 3.6 (subject to the requirements and limitations therein, including the requirements under Section 3.6(e) (it being understood that the documentation requirement under Section 3.6(e) shall be delivered by the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (c) of this Section; provided that such participant is not entitled to payment from any Restricted Person under Sections 3.2 through 3.8 of amounts in excess of those payable to such Lender under such Sections (determined without regard to the sale of such participation), and (iii) unless such participant is an Affiliate of such Lender, that such participant shall not be entitled to require such Lender to take any action under any Loan Document or to obtain the consent of such participant prior to taking any action under any Loan Document, except for actions which would require the consent of all Lenders under subsection (a) of Section 10.1. No Lender selling such a participation shall, as between the other parties hereto and such Lender, be relieved of any of its obligations hereunder as a result of the sale of such participation. Each Lender which sells any such participation to any Person (other than an Affiliate of such Lender)

shall give prompt notice thereof to Agent and Borrower. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts of (and stated interest on) each participant's interest in the Loan Documents or other obligations under the Loan 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 Loan 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. To the extent permitted by law, each participant shall be entitled to the benefits of Section 9.6 as though it were a Lender; provided that such participant agrees to be subject to Section 9.6 as if it were a Lender. Subject to the terms of this Section 10.5, any Lender may sell any participation interest in its commitment hereunder or any of its rights under its Loans or under the Loan Documents to any Person, other than to a Defaulting Lender, a natural Person, (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person), or the Borrower or any of the Borrower's Subsidiaries or Affiliates.

(c) Except for sales of participations under the immediately preceding subsection, no Lender shall make any assignment or transfer of any kind of its commitments or any of its rights under its Loans or under the Loan Documents, except for assignments to an Eligible Transferee, and then only if such assignment is made in accordance with the following requirements:

(i) (A) in the case of an assignment of the entire remaining amount of (1) the assigning Lender's Revolving Loan Commitment and/or Revolving Loans at the time owing to it, or (2) the assigning Lender's Incremental Term Loan Commitment and/or Term Loans at the time owing to it or, in each case, contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (c)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (c)(i)(A) of this Section, the aggregate amount of the Revolving Loan Commitment or Incremental Term Loan Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Revolving Loans or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment

and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than (1) $5,000,000, in the case of any assignment in respect of the Revolving Loan Commitment or Revolving Loans, or (2) $1,000,000, in the case of any assignment in respect of the Incremental Term Loan Commitment or Term Loans, in each case, unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that the Borrower shall be deemed to have given its consent ten (10) Business Days after the date written notice thereof has been delivered by the assigning Lender (through the Agent) unless such consent is expressly refused by the Borrower prior to such tenth (10th) Business Day;

(ii) Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Classes on a non-pro rata basis.

(iii) The parties to each such assignment shall execute and deliver to Agent, for its acceptance and recording in the "Register" (as defined below in subsection (f)), an Assignment and Acceptance in the form of Exhibit 10.5, appropriately completed, together with the Note subject to such assignment and a processing fee payable to Agent of $3,500. Upon such execution, delivery, and payment and upon the satisfaction of the conditions set out in such Assignment and Acceptance, then (1) Borrower shall issue new Notes to such assignor and assignee upon return of the old Notes to Borrower, and (2) as of the "Settlement Date" specified in such Assignment and Acceptance the assignee thereunder shall be a party hereto and a Lender hereunder and Agent shall thereupon deliver to Borrower and each Lender a schedule showing the revised Percentage Shares of such assignor Lender and such assignee Lender and the Percentage Shares of all other Lenders.

(iv) Each assignee Lender shall (to the extent it has not already done so) provide Agent and Borrower with an IRS Form W-9 or the applicable Prescribed Forms, as required by Section 3.6(f).

(v) Each such assignment shall require the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) Borrower; provided that Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to Agent within ten Business Days after having received written notice thereof; provided,

further, that no consent of Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or, if an Event of Default shall have occurred and be continuing, to any other assignee;

(B) Agent; provided that no consent of Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the LC Issuer and the Swingline Lender.

(d) Nothing contained in this Section shall prevent or prohibit any Lender from assigning or pledging all or any portion of its Loans and Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A of the FRB and any Operating Circular issued by the FRB; provided that no such assignment or pledge shall relieve such Lender from its obligations hereunder.

(e) By executing and delivering an Assignment and Acceptance, each assignee Lender thereunder will be confirming to and agreeing with Borrower, Agent and each other Lender Party that such assignee understands and agrees to the terms hereof, including Article IX hereof.

(f) Agent acting solely for this purpose as a non-fiduciary agent of Borrower, shall maintain a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of Lenders and the Percentage Shares of, and principal amount of (and stated interest on) the Loans owing to, each Lender from time to time (in this Section called the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and Borrower and each Lender Party shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes. The Register shall be available for inspection by Borrower or any Lender Party at any reasonable time and from time to time upon reasonable prior notice. Agent shall act as Agent of Borrower solely for purposes of maintaining the Register as set forth in this Section 10.5(f).

(g) Borrower shall not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender (and any attempted assignment or transfer by Borrower without such consent shall be null and void).

Section 10.6. Confidentiality. Each Lender Party agrees to keep confidential any information furnished or made available to it by any Restricted Person pursuant to this Agreement that is financial information, information in connection with a proposed transaction, or information marked confidential; provided that nothing herein shall prevent any Lender Party from disclosing such information (a) to any other Lender Party or any Affiliate of any Lender Party, or any officer, director, employee, agent, attorney, auditor, or advisor of any Lender Party or Affiliate of any Lender Party, (b) to any other Person if reasonably incidental to the administration of the credit facility provided herein, (c) as required by any Law, (d) upon the order of any court or

administrative agency, (e) upon the request or demand of any Tribunal, (f) that is or becomes available to the public or that is or becomes available to any Lender Party other than as a result of a disclosure by any Lender Party prohibited by this Agreement, (g) to the extent necessary in connection with the exercise of any right or remedy under this Agreement or any other Loan Document, (h) subject to provisions substantially similar to those contained in this Section, to any actual or proposed participant or assignee or any actual or proposed contractual counterparty (or its advisors) to any securitization, hedge, or other derivative transaction relating to the parties' obligations hereunder, or (i) if it is otherwise available in the public domain. Any Person required to maintain the confidentiality of information described in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord to its own confidential information.

Section 10.7. Governing Law; Submission to Process. Except to the extent that the Law of another jurisdiction is expressly elected in a Loan Document, the Loan Documents shall be deemed contracts and instruments made under the Laws of the State of Texas and shall be construed and enforced in accordance with and governed by the Laws of the State of Texas and the Laws of the United States of America, without regard to principles of conflicts of law. Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving tri-party accounts) does not apply to this Agreement or to the Notes. Borrower hereby irrevocably submits itself and each other Restricted Person to the exclusive jurisdiction of the state and federal courts sitting in the State of Texas and agrees and consents that service of process may be made upon it or any Restricted Person in any legal proceeding relating to the Loan Documents or the Obligations by any means allowed under Texas or federal law. Any legal proceeding arising out of or in any way related to any of the Loan Documents shall be brought and litigated exclusively in the United States District Court for the Southern District of Texas, Houston Division, to the extent it has subject matter jurisdiction, and otherwise in the Texas District Courts sitting in Harris County, Texas. The parties hereto hereby waive and agree not to assert, by way of motion, as a defense or otherwise, that any such proceeding is brought in an inconvenient forum or that the venue thereof is improper, and further agree to a transfer of any such proceeding to a federal court sitting in the State of Texas to the extent that it has subject matter jurisdiction, and otherwise to a state court in Houston, Texas. In furtherance thereof, Borrower and Lender Parties each hereby acknowledge and agree that it was not inconvenient for them to negotiate and receive funding of the transactions contemplated by this Agreement in such county and that it will be neither inconvenient nor unfair to litigate or otherwise resolve any disputes or claims in a court sitting in such county.

Section 10.8. Limitation on Interest. Lender Parties, Restricted Persons and any other parties to the Loan Documents intend to contract in strict compliance with applicable usury Law from time to time in effect. In furtherance thereof such Persons stipulate and agree that none of the terms and provisions contained in the Loan Documents shall ever be construed to create a contract to pay, for the use, forbearance or detention of money, interest in excess of the maximum amount of interest permitted to be charged by applicable Law from time to time in effect. Neither any Restricted Person nor any present or future guarantors, endorsers, or other Persons hereafter becoming liable for payment of any Obligation shall ever be liable for unearned interest thereon or shall ever be required to pay interest thereon in excess of the maximum amount that may be lawfully contracted for, charged, or received under applicable Law from time to time in effect, and

the provisions of this Section shall control over all other provisions of the Loan Documents which may be in conflict or apparent conflict herewith. Lender Parties expressly disavow any intention to contract for, charge, or collect excessive unearned interest or finance charges in the event the maturity of any Obligation is accelerated. If (a) the maturity of any Obligation is accelerated for any reason, (b) any Obligation is prepaid and as a result any amounts held to constitute interest are determined to be in excess of the legal maximum, or (c) any Lender or any other holder of any or all of the Obligations shall otherwise collect moneys which are determined to constitute interest which would otherwise increase the interest on any or all of the Obligations to an amount in excess of that permitted to be charged by applicable Law then in effect, then all sums determined to constitute interest in excess of such legal limit shall, without penalty, be promptly applied to reduce the then outstanding principal of the related Obligations or, at such Lender's or holder's option, promptly returned to Borrower or the other payor thereof upon such determination. In determining whether or not the interest paid or payable, under any specific circumstance, exceeds the maximum amount permitted under applicable Law, Lender Parties and Restricted Persons (and any other payors thereof) shall to the greatest extent permitted under applicable Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate, and spread the total amount of interest throughout the entire contemplated term of the instruments evidencing the Obligations in accordance with the amounts outstanding from time to time thereunder and the maximum legal rate of interest from time to time in effect under applicable Law in order to lawfully contract for, charge, or receive the maximum amount of interest permitted under applicable Law. In the event applicable Law provides for an interest ceiling under Chapter 303 of the Texas Finance Code (the "Texas Finance Code") as amended, for that day, the ceiling shall be the "weekly ceiling" as defined in the Texas Finance Code, provided that if any applicable Law permits greater interest, the Law permitting the greatest interest shall apply. As used in this Section the term "applicable Law" means the Laws of the State of Texas or the Laws of the United States of America, whichever Laws allow the greater interest, as such Laws now exist or may be changed or amended or come into effect in the future.

Section 10.9. Term of Agreement; Survival; Releases of Liens and Guaranties.

(a) This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations (other than (1) indemnity obligations and similar obligations that survive the termination of this Agreement for which no notice of a claim has been received by Borrower and (2) unmatured LC Obligations in respect of Letters of Credit that have been cash collateralized in an amount reasonably satisfactory to the LC Issuer or otherwise satisfied in a manner acceptable to the LC Issuer) arising hereunder or under any Loan Document shall have been paid and satisfied in cash and the Revolving Loan Commitments have been terminated (said date, the "Termination Date"). No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survive such termination. Notwithstanding the foregoing or anything herein to the contrary, any Obligations under Sections 3.2 through 3.6, and any obligations which any Person may have to indemnify or reimburse any Lender Party shall survive any termination of this Agreement or any other Loan Document.

(b) Each of the Lenders (including in its or any of its Affiliate's capacities as a holder of Lender Hedging Obligations and Lender Bank Services Obligations) irrevocably authorizes Agent, at its option and in its discretion:

(i) to release any Lien on any Collateral granted to or held by Agent, for the benefit of the Secured Parties, under any Loan Document (A) upon the Termination Date, (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition to a Person other than a Restricted Person permitted under the Loan Documents, (C) that constitutes the property of or Equity in any Subsidiary designated as an Unrestricted Subsidiary (in the case of such Equity, to the extent constituting Excluded Assets) in compliance with this Agreement, or (D) if approved, authorized or ratified in writing by the Required Lenders in accordance with Section 10.1; provided that any release of all or substantially of the Collateral (other than upon the Termination Date) shall be subject to Section 10.1(a)(vi);

(ii) to subordinate any Lien on any Collateral granted to or held by Agent under any Loan Document to the holder of any Permitted Lien of the type described in clause (k) of the definition thereof; provided that the subordination of all or substantially all of the Collateral shall be subject to Section 10.1(a)(vi); and

(iii) to release any Guarantor from its obligations under any Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents or is designated as an Unrestricted Subsidiary in compliance with this Agreement; provided that the release of all or substantially all of the Guarantors or Guarantors comprising all or substantially all of the credit support for the Secured Obligations (in either case, other than upon the Termination Date) shall be subject to Section 10.1(a)(v).

Upon request by Agent at any time, the Required Lenders will confirm in writing Agent's authority to release its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 10.9. In each case as specified in this Section 10.9, Agent will, at Borrower's request and expense, execute and deliver such documents as Borrower may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 10.9 as certified by Borrower to the extent requested by Agent.

Section 10.10. Severability. If any term or provision of any Loan Document shall be determined to be illegal or unenforceable all other terms and provisions of the Loan Documents shall nevertheless remain effective and shall be enforced to the fullest extent permitted by applicable Law.

Section 10.11. Counterparts; Integration, Effectiveness, Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to Agent, any LC Issuer, the Swingline Lender and/or the Arrangers, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by Agent and when Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution. The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by Agent pursuant to procedures approved by it; provided that, without limiting the foregoing, (i) to the extent Agent has agreed to accept such Electronic Signature from any party hereto, Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among Agent, the Lenders and any of the Restricted Persons, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages

thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

Section 10.12. [Reserved].

Section 10.13. Waiver of Jury Trial, Punitive Damages, etc. Each of Borrower and each Lender Party hereby knowingly, voluntarily, intentionally, and irrevocably (a) waives, to the maximum extent not prohibited by Law, any right it may have to a trial by jury in respect of any litigation based hereon, or directly or indirectly at any time arising out of, under or in connection with the Loan Documents or any transaction contemplated thereby or associated therewith, before or after maturity; (b) waives, to the maximum extent not prohibited by Law, any right they may have to claim or recover in any such litigation any "Special Damages", as defined below, (c) certifies that no party hereto nor any representative or Agent or counsel for any party hereto has represented, expressly or otherwise, or implied that such party would not, in the event of litigation, seek to enforce the foregoing waivers, and (d) acknowledges that it has been induced to enter into this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby by, among other things, the mutual waivers and certifications contained in this Section. As used in this Section, "Special Damages" includes all special, consequential, exemplary, or punitive damages (regardless of how named), but does not include any payments or funds which any party hereto has expressly promised to pay or deliver to any other party hereto.

Section 10.14. USA PATRIOT Act. Agent hereby notifies Borrower that pursuant to the requirements of the PATRIOT Act, and Agent's policies and practices, each Lender is required to obtain, verify and record certain information and documentation that identifies each Restricted Person, which information includes the name and address of each Restricted Person and such other information that will allow each Lender to identify each Restricted Person in accordance with the PATRIOT Act.

Section 10.15. Renewal and Extension. The Indebtedness arising under this Agreement is a renewal, extension and restatement on revised terms of (but not an extinguishment or novation of) the Existing Credit Agreement and, from and after the date hereof, the terms and provisions of the Existing Credit Agreement shall be superseded by the terms and provisions of this Agreement. Borrower hereby agrees that (a) the Indebtedness evidenced by the Existing Credit Agreement, all accrued and unpaid interest thereon, and all accrued and unpaid fees under the Existing Credit Agreement shall be deemed to be Indebtedness of Borrower outstanding under and governed by this Agreement and (b) all Liens securing the Indebtedness evidenced by the Existing Credit Agreement shall continue in full force and effect to secure the Secured Obligations.

Section 10.16. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 10.17. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Borrower or any other Restricted Person, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) of one or more Benefit Plans (as defined below) with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Loan Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable so as to exempt from the prohibitions of Section 406 of ERISA and Section 4975 of the Code such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Loan Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Revolving Loan Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Loan Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Loan Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between Agent, in its sole discretion, and such Lender.

As used in this Section 10.17, the term "Benefit Plans" means any of (A) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (B) a "plan" as defined in and subject to Section 4975 of the Internal Revenue Code or (C) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such "employee benefit plan" or "plan".

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Borrower or any other Restricted Person, that none of Agent, the Arrangers and their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Loan Commitments and this Agreement (including in connection with the reservation or exercise of any rights by Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 10.18. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Contracts or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and, each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the FDIC under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.18, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[SIGNATURE PAGES FOLLOW]

PRICING SCHEDULE

The applicable SOFR Margin, Base Rate Margin, Commitment Fee Rate and LC Rate shall be determined by Agent in accordance with the following tables:

APPLICABLE MARGIN FOR REVOLVING LOAN ADVANCES	LEVEL I STATUS	LEVEL II STATUS	LEVEL III STATUS	LEVEL IV STATUS	LEVEL V STATUS
SOFR Margin	1.00%	1.25%	1.50%	1.75%	2.00%
Base Rate Margin	0.00%	0.25%	0.50%	0.75%	1.00%

APPLICABLE COMMITMENT FEE RATE	LEVEL I STATUS	LEVEL II STATUS	LEVEL III STATUS	LEVEL IV STATUS	LEVEL V STATUS
Commitment Fee Rate	0.15%	0.175%	0.20%	0.225%	0.25%

LETTER OF CREDIT FEE RATE	LEVEL I STATUS	LEVEL II STATUS	LEVEL III STATUS	LEVEL IV STATUS	LEVEL V STATUS
LC Rate	1.00%	1.25%	1.50%	1.75%	2.00%

For the period beginning on the Closing Date and continuing until the date on which the financial statements and certificates are delivered by Borrower for the fiscal quarter ending December 31, 2025 pursuant to Section 6.2(a), Section 6.2(b), and Section 6.2(c), as applicable, Level II Status shall apply. Notwithstanding the foregoing, if Borrower has failed to deliver the financial statements and certificates required by Section 6.2(a), Section 6.2(b), and Section 6.2(c), then Level V Status will be deemed to exist after two Business Days' notice from Agent to Borrower.

For the purposes of this Pricing Schedule, the following terms have the following meanings, subject to the final paragraph of this Pricing Schedule:

"Level I Status" exists for any day that the Net Leverage Ratio, as of the last day of the most recent Fiscal Quarter for which a compliance certificate has been delivered in accordance with Section 6.2(c), is less than 1.00 to 1.00.

"Level II Status" exists for any day that the Net Leverage Ratio, as of the last day of the most recent Fiscal Quarter for which a compliance certificate has been delivered in accordance with Section 6.2(c), is greater than or equal to 1.00 to 1.00 but is less than 1.75 to 1.00.

"Level III Status" exists for any day that the Net Leverage Ratio, as of the last day of the most recent Fiscal Quarter for which a compliance certificate has been delivered in accordance with Section 6.2(c), is greater than or equal to 1.75 to 1.00 but is less than 2.50 to 1.00.

"Level IV Status" exists for any day that the Net Leverage Ratio, as of the last day of the most recent Fiscal Quarter for which a compliance certificate has been delivered in accordance with Section 6.2(c), is greater than or equal to 2.50 to 1.00 but is less than 3.00 to 1.00.

"Level V Status" exists for any day that the Net Leverage Ratio, as of the last day of the most recent Fiscal Quarter for which a compliance certificate has been delivered in accordance with Section 6.2(c), is greater than or equal to 3.00 to 1.00.

"Status" means either Level I Status, Level II Status, Level III Status, Level IV or Level V Status.

In the event that any financial statement delivered pursuant to this Agreement is shown to be inaccurate (regardless of whether this Agreement or the Revolving Loan Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher SOFR Margin, Base Rate Margin, Commitment Fee Rate or Letter of Credit Fee Rate, as applicable, for any period (an "Applicable Period") than the SOFR Margin, Base Rate Margin, Commitment Fee Rate or Letter of Credit Fee Rate, as applicable, applied for such Applicable Period, and only in such case, then Borrower shall immediately (i) deliver to Agent a corrected financial statement for such Applicable Period, (ii) determine the SOFR Margin, Base Rate Margin, Commitment Fee Rate or Letter of Credit Fee Rate, as applicable, for such Applicable Period based upon the corrected financial statement, and (iii) immediately pay to Agent the accrued additional interest owing as a result of such increased SOFR Margin, Base Rate Margin, Commitment Fee Rate or Letter of Credit Fee Rate, as applicable for such Applicable Period, which payment shall be promptly applied by Agent in accordance with the terms of this

Agreement. This provision is in addition to rights of Agent and Lenders with respect to Sections 2.5, 2.11, and 8.2 and other of their respective rights under this Agreement.

COMFORT SYSTEMS USA, INC.

INSIDER TRADING WINDOW POLICY
(FOR DIRECTORS, OFFICERS, AND KEY EMPLOYEES)

Guidelines and Prohibitions Regarding Transactions in Company Stock

Under federal securities laws, until material information has been given to and digested by the public, insiders must refrain from buying or selling and from advising others to buy or sell. It is the policy of the Company to comply with all applicable securities laws when transacting in its own securities. The Company will not engage in transactions in respect of its securities when it is in possession of material nonpublic information relating to the Company, other than in compliance with applicable law. The Company believes that persons in certain positions with the Company can be expected to routinely possess material information, in particular relating to the financial results of the Company. The Company's Board of Directors has adopted a standard of conduct and associated policies with respect to material nonpublic information as part of its "Corporate Compliance Policy: Standards and Procedures Regarding Business Practices." In addition to this policy and in order to protect the Company and its affiliates and insiders from liability for inappropriate insider trading, the Company has adopted this specific policy.

Persons subject to the Trading Window Policy

Certain persons can reasonably be expected to routinely possess material nonpublic information. This Trading Window Policy applies to: Directors; Chief Executive Officer; President; Chief Financial Officer; Chief Operating Officer; General Counsel; each Associate or Assistant General Counsel; Controller; Treasurer; any Senior Vice President of the Company and such other persons as the Company may designate from time to time. This is not a list of affiliates or executive officers, but rather of persons whom the Company believes might be expected to either routinely or occasionally possess material nonpublic information. The Office of the General Counsel will routinely review and update the list of corporate insiders for purposes of this Insider Trading Window Policy.

Pre-clearance Procedures

Each person who is subject to this policy is required to discuss any trade or other transaction, including, without limitation, gifts and execution of 10b5-1 trading plans, in advance, even during a trading window, with the General Counsel, or the Chief Financial Officer. Transactions, including dispositions by gift, by any individual subject to Section 16 must be reported to the SEC within two business days, so it is imperative that the Office of the General Counsel be made aware of any trades as soon as possible.

Prohibition on Certain Trades

Persons, as well as their spouse, minor children and any entity upon which they exercise control, may not purchase, sell or engage in any transaction with respect to Company stock or other Company securities, or advise others with respect to such transactions, except during a trading window. **Trading windows shall commence following one full trading day after the public announcement of quarterly or annual earnings, and shall terminate at the close of business on the seventh business day of the third month of each quarter.**

Regardless of whether a trading window is in effect, and as set forth in the Corporate Compliance Policy and under federal law, persons possessing material information that investors would consider relevant in making investment decisions are never permitted to trade Company stock.

The Company may on occasion issue potentially material information by means of a press release, SEC filing on form 8-K, or other means designed to achieve widespread dissemination of the information. You should anticipate that transactions are unlikely to be cleared while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

From time to time, an event may occur that is material to the Company and is known by only a few directors, officers or key employees. So long as the event remains material and nonpublic, directors, officers or key employees may not trade in the Company's securities. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a director, officer or key employee seeks clearance to trade in the Company's securities during an event-specific blackout, the Office of the General Counsel shall inform that director, officer or key employee of the existence of a blackout period, and the director, officer and key employee should not disclose the existence of the blackout period to any other person.

Stock Option Exercise – This Insider Trading Window Policy does not apply to the exercise of any stock options. The Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, any other market sale for the purposes of generating the cash needed to pay the exercise price of an option and any market sale of stock following exercise of an option.

Special and Prohibited Transactions

Hedging Transactions – Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a director, officer or employee to continue to own Company Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as the Company's other shareholders. Therefore, directors, executive officers and employees are prohibited from engaging in any such transactions.

Margin Accounts and Pledged Securities – Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, directors, executive officers and other employees are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan.

Policy Violations

In the event of a policy violation (intentional or unintentional) the minimum consequence will include: (1) disgorgement of any gains realized when comparing the actual transaction price or other reasonably identifiable monetary benefit and the opening price, or comparable monetary benefit derived from such opening price, when the next available trading window commences, and (2) for Company employees, a letter to the HR file reflecting the violation. Absent extraordinary circumstances, disgorgement will not be required in the event that no financial gains have been realized as a result of the policy violation. Additional disciplinary action, up to and including termination from employment or removal from the Board, is a potential consequence depending on the circumstances.

Pre-arranged Trading Plans

Under Rule 10b5-1, if you enter into a binding contract, an instruction or a written plan that specifies the amount, price and date on which securities are to be purchased or sold, and these arrangements are established at a time when you do not possess material non-public information, then you may claim a defense to insider trading liability if the transactions under the trading plan occur at a time when you have subsequently learned material non-public information. Arrangements under the rule may specify amount, price and date through a formula or may specify trading parameters that another person has discretion to administer, but you must not be permitted to exercise any subsequent discretion affecting the transactions, and if your broker or any other person exercises discretion in implementing the trades, you must not be able to influence his or her actions and he or she must not possess any material non-public information at the time of the trades. Trading plans can be established for a single trade or a series of trades. It is important that you properly document the details of a trading plan. Please note that, in addition to the requirements of a trading plan described above, there are a number of additional procedural conditions set forth in Rule 10b5-1(c) that must be satisfied before you can rely on a trading plan. You may only enter into, amend, or terminate a trading plan during an open trading window period. Additionally, each person subject to this policy must submit the plan or request for termination or amendment to the Office of the General Counsel for approval.

Last Updated March 2023

EXHIBIT 21.1

SUBSIDIARIES OF COMFORT SYSTEMS USA, INC.
as of December 31, 2025

ENTITY NAME	DOMESTIC JURISDICTION	FORMATION DATE
ACI Mechanical, Inc.	Delaware	06/26/1998
Air Systems Engineering, Inc.	Washington	05/18/1973
AirTemp, Inc.	Maine	10/15/1998
Altrax Tool and Equipment Co LLC	Tennessee	12/03/2018
Amteck Holdco LLC	Delaware	11/07/2018
Amteck Sprinkler LLC	Delaware	01/25/2018
Amteck, LLC	Kentucky	06/15/1999
Armani East LLC	New York	12/03/2018
Associated Boiler Systems, Inc.	Indiana	12/17/2013
Atlantic Electric, LLC	South Carolina	12/20/2002
BCH Holdings, Inc.	Florida	12/28/2004
BCH Leasing, LLC	Florida	10/25/1990
BCH Mechanical, L.L.C.	Florida	10/19/1976
BCM Controls Corporation	Massachusetts	10/03/1984
Billone West LLC	New York	12/03/2018
Brick & Mortar Ventures II, L.P.	Delaware	01/12/2021
Brick & Mortar Ventures III, L.P.	Delaware	01/22/2025
Bright's Systems Incorporated	New York	10/22/1993
Century Contractors, LLC	North Carolina	12/15/1975
ColonialWebb Contractors Company	Virginia	03/30/1972
Comfort Systems USA (Arkansas), Inc.	Arkansas	03/17/1998
Comfort Systems USA (Central Texas), Inc.	Texas	05/24/2007
Comfort Systems USA (Intermountain), Inc.	Utah	05/06/1969
Comfort Systems USA (Kentucky), Inc.	Kentucky	02/10/1981
Comfort Systems USA (Mid South), Inc.	Alabama	08/08/1998
Comfort Systems USA (MidAtlantic), LLC	Virginia	01/01/2010
Comfort Systems USA (Northwest), Inc.	Washington	02/14/1984
Comfort Systems USA (Ohio), Inc.	Ohio	10/10/1979
Comfort Systems USA (South Central), Inc.	Texas	05/24/2007
Comfort Systems USA (Southeast), Inc.	Delaware	03/24/1998
Comfort Systems USA (Southwest), Inc.	Arizona	12/23/1977
Comfort Systems USA (Syracuse), Inc.	New York	03/08/1965
Comfort Systems USA (Texas), L.P.	Texas	08/14/1998
Comfort Systems USA G.P., Inc.	Delaware	08/12/1998
Comfort Systems USA Shoffner, Inc.	Tennessee	08/18/2005
Comfort Systems USA Strategic Accounts, LLC	Indiana	07/28/1998
ConServ Building Services of Alabama, LLC	Alabama	12/28/2012
ConServ Building Services of Georgia, LLC	Georgia	11/04/2008
ConServ Building Services of North Carolina, LLC	North Carolina	03/22/2010
ConServ Building Services of Tennessee, LLC	Tennessee	01/07/2010
ConServ Building Services, LLC	Florida	01/05/2005
Control Concepts Mechanical Services, LLC	Georgia	01/17/2008
Control Concepts, LLC	Georgia	12/16/1996
DECCO, Inc.	Massachusetts	05/01/1999
Design Mechanical Incorporated	Colorado	11/25/2003
Dilling Group, Inc.	Indiana	12/14/1984
Dilling, LLC	Indiana	12/29/1998
Dyna Ten Corporation	Texas	06/26/1980

ENTITY NAME	DOMESTIC JURISDICTION	FORMATION DATE
Dilling Group, Inc.	Indiana	12/14/1984
E Solutions LLC	Indiana	06/17/2009
Eastern Heating & Cooling, Inc.	New York	12/19/1988
Edwards Electrical & Mechanical, Inc.	Indiana	02/28/1968
Eldeco, Inc.	South Carolina	09/05/1972
Environmental Air Systems, LLC	North Carolina	10/07/2011
Envirotrol, LLC	North Carolina	10/28/2011
Feyen-Zylstra, LLC	Michigan	12/08/2003
Feyen-Zylstra Holdings, LLC	Michigan	09/14/2021
F. W. Dilling, LLC	Indiana	12/06/1999
Granite State Plumbing & Heating, LLC	New Hampshire	07/31/2001
Hayes & Lunsford Electric, LLC	South Carolina	06/01/2018
Hess Mechanical, LLC	Maryland	12/31/2015
HVACRedu.net LLC	Idaho	01/01/2007
Ivey Mechanical Company, LLC	Mississippi	12/02/2002
J & S Mechanical Contractors, Inc.	Utah	05/07/1976
Kodiak Labor Solutions, LLC	Delaware	12/04/2017
Meisner Electric, Inc.	Florida	07/01/1983
MEP Holding Co., Inc.	Indiana	09/01/2006
MJ Mechanical Services, Inc.	Virginia	12/12/1997
N471VY Trust	Utah	12/01/2021
North American Mechanical, Inc.	Delaware	03/17/1998
OFF, LLC	Indiana	11/22/2002
Post Oak Insurance Co. Ltd.	Cayman Islands	10/04/2019
Precision Plumbing and Service, LLC	Delaware	10/06/2020
Premier Prefabrication Solutions, LLC	Texas	01/16/2018
Quality Air Heating & Cooling, Inc.	Michigan	09/10/1980
Riddleberger Brothers, Inc.	Virginia	12/22/1958
Right Way Plumbing & Mechanical LLC	Florida	06/12/1931
Royalaire Holdings, LLC	Florida	03/22/2006
Royalaire Mechanical Services, LLC	Florida	09/12/2006
S.I. Goldman Company, Inc.	Florida	10/04/1976
S.M. Lawrence Company, Inc.	Tennessee	03/08/1973
Seasonair, LLC	Maryland	10/28/1966
Smith Farm Properties, LLC	North Carolina	03/22/2022
Starr Electric Company, Incorporated	North Carolina	07/27/1942
Summit Industrial Construction, LLC	Delaware	07/25/2011
TAS Energy Inc.	Delaware	04/30/2010
TAS Modular Data Limited	Ireland	11/20/2019
Temp Right Service, Inc.	Delaware	09/25/1997
Tennessee Electric Company, Inc.	Tennessee	06/02/1961
TES Controls, LLC	Kentucky	12/10/2015
Thermal Service, LLC	Kentucky	05/16/2008
Trinity Contractors, LLC	Alabama	05/15/2017
Trumbo Electric, Incorporated	Virginia	06/02/1966
Walker Electrical Contractors, LLC	Texas	03/23/2010
Walker Engineering, Inc.	Texas	01/29/2002
Walker Industrial, LLC	Texas	12/12/2014
Western States Mechanical, Inc.	Utah	03/05/1990

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement Nos. 333-38011, 333-44354, 333-138377, 333-188302 and 333-221142, all on Form S-8 of our reports dated February 19, 2026, relating to the financial statements of Comfort Systems USA, Inc. and the effectiveness of Comfort Systems USA, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Houston, Texas

February 19, 2026

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian E. Lane, certify that:

1. I have reviewed this annual report on Form 10-K of Comfort Systems USA, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: February 19, 2026

/s/ BRIAN E. LANE
Brian E. Lane
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William George, certify that:

1. I have reviewed this annual report on Form 10-K of Comfort Systems USA, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: February 19, 2026

/s/ WILLIAM GEORGE
William George
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002*

In connection with the Annual Report of Comfort Systems USA, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian E. Lane, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2026

/s/ BRIAN E. LANE
Brian E. Lane
Chief Executive Officer

* A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002*

In connection with the Annual Report of Comfort Systems USA, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William George, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2026

/s/ WILLIAM GEORGE
William George
Executive Vice President and Chief Financial Officer

* A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.