RIVERON
PREPARE FOR CHANGE

CONWAYMACKENZIE
PART OF RIVERON

MAIN STREET LENDING PROGRAM

FOR-PROFIT FACILITIES

Key Terms and Borrower Considerations

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GENERAL PROGRAM TERMS

	New Loan Facility (NLF)	Priority Loan Facility (PLF)	Expanded Loan Facility (ELF)
Type	**New term loan**	**New term loan**	**Upsized term loan tranche on existing term loan or revolving credit facility**- must have remaining term of at least 18 months and the pre-existing loan must be held, at least in part, by the Eligible Lender originating the upsized ELF tranche
Term	**5 years**		
Minimum Loan Size	**$250k**		**$10M**
Maximum Loan Size	**Lesser of:** ▶ **$35 million** (less any amount extended to an affiliate under NLF); ▶ **4x adjusted 2019 EBITDA less existing outstanding and undrawn available debt**	**Lesser of:** ▶ **$50 million** (less any amount extended to an affiliate under PLF); ▶ **6x adjusted 2019 EBITDA less existing outstanding and undrawn available debt**	**Lesser of:** ▶ **$300 million** (less any amount extended to an affiliate under ELF); ▶ **6x adjusted 2019 EBITDA less existing outstanding and undrawn available debt**
	▶ EBITDA adjustments must be consistent with those permitted by the Eligible Lender in prior loans to the Borrower, or if a new lender to the Borrower, in loans to similarly situated borrowers.		
Priority	▶ **Must not be contractually subordinated in terms of payment priority** to any of the Borrower's other debt	▶ **Must be senior to, or pari passu with, in terms of priority and security,** the Borrower's other debt (excludes mortgage debt)	
Repayment	▶ **Loans are not forgivable** ▶ **Principal deferred for two years and interest deferred for one year**. Deferred and unpaid interest will be capitalized. ▶ **Principal payments of 15%, 15%, and 70% at end of years three, four, and five**, respectively. ▶ No penalty for accelerated repayment; prepayment of principal will reduce future payments in the manner specified in underlying loan documents.		
Rate	**LIBOR + 3%**		
Fees	▶ **1.00% transaction fee** paid by originating lender (fee may be passed on to Borrower) ▶ **Up to 1.00% origination fee paid by Borrower** ▶ 0.25% servicing fee paid by federal government to lender		▶ **0.75% transaction fee** paid by originating lender (fee may be passed on to Borrower) ▶ **Up to 0.75% origination fee paid by Borrower** ▶ 0.25% servicing fee paid by federal government to lender
Program Parameters	▶ Fed lends to a special purpose vehicle (SPV) and the SPV purchases a 95% participation in each eligible MSLP loan, up to $600 billion. The Eligible Lender to a MSLP Borrower retains a 5% participation in the MSLP loan. The SPV will cease purchasing participations in Eligible Loans on **December 31, 2020**, unless the Fed and Treasury extend the program. ▶ Two additional loan facilities, the Nonprofit New Loan Facility (NNLF) and Nonprofit Expanded Loan Facility (NELF), were introduced on July 17 to facilitate lending to nonprofit organizations. This document focuses on considerations associated with loan options available to for-profit entities only.		

ELIGIBILITY, CERTIFICATIONS AND COVENANTS

<table>
<tr><th></th><th>New Loan Facility (NLF)</th><th>Priority Loan Facility (PLF)</th><th>Expanded Loan Facility (ELF)</th></tr>
<tr><td>Facility Eligibility</td><td colspan="3">
▶ Borrower is a Business (e.g.., organized for profit as a partnership, LLC, corporation, association, trust, JV, and more) and not an excluded entity (e.g., a PE firm)
▶ Must have been established before March 13, 2020
▶ May have no more than:
▪ 15,000 employees; includes full-, part-time, seasonal, or otherwise employed persons excluding volunteers and independent contractors; or
▪ $5 billion in 2019 annual revenues
▶ SBA Affiliation Rules apply. In determining size eligibility and compliance with certain other requirements, the Borrower must apply the SBA affiliation rules. These rules will generally require the Borrower to aggregate its employees and revenues with those of its “affiliates”, as defined under the SBA rules (which also apply to PPP loans); as a result, portfolio companies of many PE funds may be ineligible.
▶ Has not participated in, and will not seek to participate in, one of the other Main Street loan facilities or the Primary Market Corporate Credit Facility
▪ Borrowers that have received PPP or EIDL funding under the CARES Act are permitted to borrow under the MSLP if otherwise eligible.
▪ Affiliated groups of companies may only participate in one of the following loan programs: NLF, PLF, ELF or the Primary Market Corporate Credit Facility. However, affiliated groups of companies may receive more than one loan under a single Main Street facility as long as the loans taken together do not exceed the maximum loan size that the affiliated group is eligible to receive when considered on a consolidated basis.
▶ The fact that a Borrower meets the eligibility and other requirements of the MSLP does not guarantee that it will qualify for a loan. The program requirements represent minimum requirements. Eligible Lenders are expected to apply their own credit underwriting standards in determining whether to extend a loan under the program.
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<tr><td>CARES Act Eligibility</td><td colspan="3">
▶ Has not received specific support pursuant to section 4003(b)(1)-(3) of the CARES Act.
▶ Business is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States, consistent with section 4003(c)(3)(C) of the CARES Act.
▶ Business is eligible under the conflicts of interest prohibition per Section 4019(c) of the CARES Act.
▶ Must certify that it is unable to secure “adequate credit accommodations” because the amount, price, or terms of credit available from other sources are inadequate to meet needs.
Direct Loan Restrictions:
▶ Compensation limits – Until 12 months after loan (or upsized tranche in the case of the ELF) has been repaid:
▪ Employees with compensation exceeding $425,000 in 2019 may not:
○ Receive compensation in excess of 2019 total compensation for consecutive 12-month period.
○ Receive severance pay (or other benefits) upon termination of employment in excess of 2x 2019 total compensation.
▪ Employees with total compensation exceeding $3M in 2019 may not receive total compensation during consecutive 12-month period in excess of $3M + 50% of total compensation in 2019 in excess of $3M.
▪ Total compensation includes salary, bonuses, awards of stock and other financial benefits provided by the Borrower to the officer or employee.
▪ Restrictions do not apply to employees whose compensation is determined through an existing collective bargaining agreement entered into prior to March 1, 2020.
▶ Limits on repurchase of equity securities – Until 12 months after loan (or upsized tranche in the case of the ELF) has been repaid:
▪ Entity may not repurchase its own equity securities listed on a national exchange, except for contractual obligations in existence as of March 27, 2020.
▶ Limits on distributions – Until 12 months after loan (or upsized tranche in the case of the ELF) has been repaid:
▪ Entity may not pay dividends or make capital contributions related to common stock equivalents of a business, except for obligations in existence as of March 27, 2020 (certain exceptions apply for S Corp and other tax pass-through entities).
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<tr><td>Financial Records</td><td colspan="3">Borrower must certify that:
It has provided financial records to the lender and a calculation of adjusted 2019 EBITDA, reflecting the adjusted EBITDA methodology previously used by the lender when extending credit to the Borrower or similarly situated borrowers, and
Such financial records fairly present, in all material respects, the financial condition of such entities for the period covered thereby in accordance with U.S. GAAP (if applicable), consistently applied, and that such adjusted EBITDA calculations are true and correct in all material respects.
Borrowers that are subject to U.S. GAAP reporting requirements or that already prepare their financials in accordance with U.S. GAAP must submit U.S. GAAP-compliant financial records. Borrowers that do not have to comply with U.S. GAAP and do not typically prepare their financials in accordance with U.S. GAAP are not required to submit U.S. GAAP-compliant financials.
Borrowers that typically prepare audited financial statements must submit audited financial statements. Otherwise, Borrowers should submit reviewed financial statements or financial statements prepared for the purpose of filing taxes with the IRS.
Borrowers that typically prepare financial statements that consolidate with its subsidiaries (but not its parent companies or sister affiliates) must submit such consolidated financial statements. Borrower does not typically prepare consolidated financial statements, it is not required to do so, unless so required by the lender.</td></tr>
<tr><td rowspan="4">Eligible Loans</td><td rowspan="2">Secured or unsecured</td><td colspan="2">Unsecured – Pari Passu
If PLF or ELF Loan is unsecured, Borrower must certify that the Borrower's other loans or debt instruments (excluding mortgage debt) at the time of the MSLP loan (including the underlying credit facility in the case of the ELF) are unsecured as well
Mortgage debt includes debt secured by real property as well as limited resource equipment financings.</td></tr>
<tr><td>Secured loans – Valuations & Calculations
If Loan is secured, Borrower must provide (based on good faith at the time of origination of the Loan):
Valuations of any collateral security for the Loan
Valuations of any collateral security for each of the Borrower's other loans or debt (other than mortgage)
Calculation of the outstanding aggregate principal amount of each of the Borrower's other loans or debt (other than mortgage), and
Confirmation as to whether any collateral security for the loan is shared collateral
Collateral Coverage Ratio (CCR) must be either at least 200% or not less than the aggregate CCR for all of the Borrower's other debt</td><td>Secured loans
Any collateral that secures the underlying loan must secure the upsized tranche on a pari passu basis
Existing tranche can be a secured or unsecured term loan or revolving credit facility originated on or before April 24, 2020, and has a remaining maturity of at least 18 months (taking into account any adjustments made to maturity after April 24, 2020, including at the time of upsizing)
If the underlying credit facility includes both term loan tranche(s) and revolver tranche(s), the upsized tranche needs to share collateral on a pari passu basis with the term loan tranche(s) only.
Upsize tranche must be a term loan</td></tr>
<tr><td></td><td colspan="2">Secured – Shared collateral
If the PLF or ELF loan is secured, Borrower must certify that the Borrower has no knowledge or reason to believe that the lien of the Main Street lender in any Shared Collateral is not senior to or pari passu with the lien on such Shared Collateral that secures any of the Borrower's other Debt (other than Mortgage)</td></tr>
<tr><td colspan="3">Any loans outstanding with the lender as of December 31, 2019 must have an internal risk rating of "pass" per the FFIEC.</td></tr>
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<tr><td>Eligible Lender</td><td colspan="3">U.S. federally insured depository institution (including a bank, savings association, or credit union), a U.S. branch or agency of a foreign bank, a U.S. bank holding company, a U.S. savings and loan holding company, a U.S. intermediate holding company of a foreign banking organization, or a U.S. subsidiary of any of the foregoing. A list of Eligible Lenders who have registered to participate in the program and who have elected to be listed publicly can be found on the Federal Reserve Bank of Boston website (https://www.bostonfed.org/supervision-and-regulation/supervision/special-facilities/main-street-lending-program/information-for-borrowers.aspx).</td></tr>
<tr><td rowspan="2">Debt Repayments</td><td colspan="3">Must commit to not repay the principal balance of, or any interest on, any debt, until the MSLP Loan is repaid in full (or upsized tranche on the Loan in the case of ELF) and/or no government agency holds an interest in the Loan or upsized tranche, unless the debt or interest payment is mandatory and due and other than debt permitted to be refinanced with the proceeds of a PLF Loan as noted below.
Must commit that it will not seek to cancel or reduce any of its committed lines of credit with the Lender or any other lender until the Loan is paid in full and/or no government agency holds an interest in the Loan.
Borrower may nevertheless:
Repay a line of credit (including credit cards) in the normal course of business.
Incur inventory and equipment financing in the normal course (so long as it is secured only by the newly acquired property and is otherwise of lower priority).
Refinance debt that is maturing no later than 90 days from the date of such refinancing.</td></tr>
<tr><td></td><td>At the time of origination of the loan, Borrower may use Loan proceeds to refinance existing debt owed to a lender that is not, nor is an affiliate of, the Eligible Lender.</td><td></td></tr>
<tr><td>Additional Certifications & Covenants</td><td colspan="3">The Borrower must certify that (i) it is not insolvent and (ii) it has a reasonable basis to believe that, as of the date of origination of the new loan (or the date of the upsizing in the case of a ELF loan), it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.
If the Borrower is a subsidiary of a foreign company, Borrower must commit that it will use loan proceeds only for the benefit of the Borrower, its consolidated U.S. subsidiaries, and other affiliates of the Borrower that are U.S. businesses. The proceeds of the Eligible Loan may not be used for the benefit of the Borrower's foreign parents, affiliates, or subsidiaries.
Borrower must certify that it has informed the Lender if it has previously received, or has a pending application to receive, funds in connection with any Main Street Facility, as well as the value of such funding. The Borrower is subject to the maximum loan size limitations of the Facility on an entity-basis, rather than a loan basis (i.e., if the Borrower receives more than one loan under a Facility, the sum of those loans cannot exceed the facility's maximum loan size).
Borrower must certify that, to its knowledge after reasonable diligence, none of its affiliates has accessed one of the other Main Street loan facilities or the Primary Market Corporate Credit Facility.
Must also certify that it has informed the Lender if, after reasonable diligence, it has determined that any of its affiliates has previously received, or has a pending application to receive, funds in connection with any Main Street Facility, as well as the value of such funding.
An affiliated group of companies can participate in only one Main Street Facility and may not participate in both a Main Street Facility and the Primary Market Corporate Credit Facility. In no case can an affiliated group's total participation in the Facility exceed the maximum loan size that the affiliated group is eligible to receive on a consolidated basis. As result, the Borrower's maximum loan size is limited by its own leverage level, the leverage level of the affiliated group on a consolidated basis, and the size of any loan extended to other affiliates in the group.
If the Borrower is a holding company, then the Borrower must certify that the loan is fully guaranteed on a joint and several basis by its Selected Subsidiaries.
Borrower must make "commercially reasonable efforts" to maintain its payroll and retain its employees during the term of the loan.
Because EBITDA is the key underwriting metric for the Main Street Lending Program, the Federal Reserve is considering whether to establish alternative loan metrics for asset-based borrowers as credit risk for such borrowers is generally not evaluated on the basis of EBITDA.</td></tr>
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