

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended: **December 30, 2023**

OR

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

Commission File Number: **001-14041**

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts

(State or other jurisdiction of
incorporation or organization)

04-2882273

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

125 Summer Street

Boston, Massachusetts

(Address of principal executive offices)

02110

(Zip Code)

(781) 848-7100

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, \$.01 par value per share	HAE	New York Stock Exchange

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

The number of shares of \$0.01 par value common stock outstanding as of February 6, 2024: 50,786,117

HAEMONETICS CORPORATION
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ITEM 1. FINANCIAL STATEMENTS

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Net revenues	\$ 336,250	\$ 305,301	\$ 965,765	\$ 864,244
Cost of goods sold	158,383	146,594	450,123	405,396
Gross profit	177,867	158,707	515,642	458,848
Operating expenses:				
Research and development	13,265	12,689	38,578	34,487
Selling, general and administrative	111,713	94,661	310,099	278,917
Amortization of acquired intangible assets	6,911	8,078	21,606	24,666
Impairment of intangible assets	—	—	10,419	—
Total operating expenses	131,889	115,428	380,702	338,070
Operating income	45,978	43,279	134,940	120,778
Interest and other expense, net	(1,949)	(1,055)	(6,489)	(12,001)
Income before provision for income taxes	44,029	42,224	128,451	108,777
Provision for income taxes	12,788	9,280	31,260	22,759
Net income	\$ 31,241	\$ 32,944	\$ 97,191	\$ 86,018
Net income per share - basic	\$ 0.62	\$ 0.65	\$ 1.92	\$ 1.69
Net income per share - diluted	\$ 0.61	\$ 0.64	\$ 1.89	\$ 1.67
Weighted average shares outstanding				
Basic	50,768	50,509	50,679	50,896
Diluted	51,445	51,219	51,394	51,487
Comprehensive income	\$ 39,564	\$ 37,400	\$ 103,190	\$ 76,173

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited in thousands, except share data)

	December 30, 2023	April 1, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 193,978	\$ 284,466
Accounts receivable, less allowance for credit losses of \$5,725 at December 30, 2023 and \$4,932 at April 1, 2023	211,611	179,142
Inventories, net	304,024	259,379
Prepaid expenses and other current assets	55,369	46,735
Total current assets	764,982	769,722
Property, plant and equipment, net	318,665	310,885
Intangible assets, less accumulated amortization of \$442,810 at December 30, 2023 and \$417,422 at April 1, 2023	429,270	275,771
Goodwill	554,999	466,231
Deferred tax asset	5,070	5,241
Other long-term assets	127,442	106,975
Total assets	\$ 2,200,428	\$ 1,934,825
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$ 13,736	\$ 11,784
Accounts payable	56,845	63,929
Accrued payroll and related costs	58,762	64,475
Other current liabilities	132,412	111,628
Total current liabilities	261,755	251,816
Long-term debt	856,849	754,102
Deferred tax liability	62,246	36,195
Other long-term liabilities	76,259	74,715
Stockholders' equity:		
Common stock, \$0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 50,785,040 shares at December 30, 2023 and 50,448,519 shares at April 1, 2023	508	504
Additional paid-in capital	627,094	594,706
Retained earnings	340,099	253,168
Accumulated other comprehensive loss	(24,382)	(30,381)
Total stockholders' equity	943,319	817,997
Total liabilities and stockholders' equity	\$ 2,200,428	\$ 1,934,825

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Total Stockholders' Equity
	Shares	Par Value				
Balance, April 1, 2023	50,449	\$ 504	\$ 594,706	\$ 253,168	\$ (30,381)	\$ 817,997
Employee stock purchase plan	40	—	2,871	—	—	2,871
Exercise of stock options	145	2	5,858	(5,233)	—	627
Issuance of restricted stock, net of cancellations	140	2	(2)	—	—	—
Tax withholding on employee equity awards	(68)	(1)	(812)	(4,960)	—	(5,773)
Share-based compensation expense	—	—	6,989	—	—	6,989
Net income	—	—	—	41,042	—	41,042
Other comprehensive income	—	—	—	—	863	863
Balance, July 1, 2023	50,706	\$ 507	\$ 609,610	\$ 284,017	\$ (29,518)	\$ 864,616
Exercise of stock options	12	—	655	37	—	692
Issuance of restricted stock, net of cancellations	22	—	—	—	—	—
Tax withholding on employee equity awards	—	—	(11)	(64)	—	(75)
Share-based compensation expense	—	—	6,706	—	—	6,706
Net income	—	—	—	24,908	—	24,908
Other comprehensive loss	—	—	—	—	(3,187)	(3,187)
Balance, September 30, 2023	50,740	\$ 507	\$ 616,960	\$ 308,898	\$ (32,705)	\$ 893,660
Employee stock purchase plan	39	—	2,732	—	—	2,732
Exercise of stock options	4	1	189	(4)	—	186
Issuance of restricted stock, net of cancellations	3	—	—	—	—	—
Tax withholding on employee equity awards	(1)	—	(4)	(36)	—	(40)
Share-based compensation expense	—	—	7,217	—	—	7,217
Net income	—	—	—	31,241	—	31,241
Other comprehensive income	—	—	—	—	8,323	8,323
Balance, December 30, 2023	50,785	\$ 508	\$ 627,094	\$ 340,099	\$ (24,382)	\$ 943,319

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Total Stockholders' Equity
	Shares	Par Value				
Balance, April 2, 2022	51,124	\$ 511	\$ 572,476	\$ 202,391	\$ (25,954)	\$ 749,424
Employee stock purchase plan	57	—	2,459	—	—	2,459
Exercise of stock options	3	1	126	—	—	127
Issuance of restricted stock, net of cancellations	131	1	(1)	—	—	—
Share-based compensation expense	—	—	5,299	—	—	5,299
Net income	—	—	—	19,877	—	19,877
Other comprehensive loss	—	—	—	—	(6,763)	(6,763)
Balance, July 2, 2022	51,315	\$ 513	\$ 580,359	\$ 222,268	\$ (32,717)	\$ 770,423
Exercise of stock options	50	1	2,191	—	—	2,192
Shares repurchased	(786)	(8)	(23,891)	(51,101)	—	(75,000)
Issuance of restricted stock, net of cancellations	26	—	—	—	—	—
Share-based compensation expense	—	—	5,735	—	—	5,735
Net income	—	—	—	33,197	—	33,197
Other comprehensive loss	—	—	—	—	(7,538)	(7,538)
Balance, October 1, 2022	50,605	\$ 506	\$ 564,394	\$ 204,364	\$ (40,255)	\$ 729,009
Employee stock purchase plan	45	—	1,919	—	—	1,919
Shares repurchased	(211)	(2)	13,525	(13,523)	—	—
Exercise of stock options	3	—	160	—	—	160
Issuance of restricted stock, net of cancellations	2	—	—	—	—	—
Share-based compensation expense	—	—	7,491	—	—	7,491
Net income	—	—	—	32,944	—	32,944
Other comprehensive income	—	—	—	—	4,456	4,456
Balance, December 31, 2022	50,444	\$ 504	\$ 587,489	\$ 223,785	\$ (35,799)	\$ 775,979

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited in thousands)

	Nine Months Ended	
	December 30, 2023	December 31, 2022
Cash Flows from Operating Activities:		
Net income	\$ 97,191	\$ 86,018
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	69,576	69,453
Share-based compensation expense	20,912	18,525
Impairment of assets	10,419	94
Amortization of deferred financing costs	2,393	1,098
Inventory reserve adjustment	6,904	483
Other non-cash operating activities	(2,430)	160
Change in operating assets and liabilities:		
Change in accounts receivable	(27,743)	(24,370)
Change in inventories	(40,721)	34,506
Change in prepaid income taxes	1,730	1,970
Change in other assets and other liabilities	(15,619)	(10,664)
Change in accounts payable and accrued expenses	(4,942)	16,174
Net cash provided by operating activities	117,670	193,447
Cash Flows from Investing Activities:		
Capital expenditures	(56,611)	(98,272)
Acquisitions	(243,852)	(2,850)
Proceeds from divestiture	—	850
Proceeds from sale of property, plant and equipment	1,259	7,695
Other investments	(10,129)	(33,205)
Net cash used in investing activities	(309,333)	(125,782)
Cash Flows from Financing Activities:		
Term loan borrowings	—	280,000
Term loan redemption	—	(280,000)
Proceeds from revolving facility	110,000	50,000
Payments on revolving facility	—	(50,000)
Repayment of term loan borrowings	(8,750)	(7,875)
Debt issuance costs	—	(1,118)
Share repurchases	—	(75,000)
Contingent consideration payments	(849)	(21,593)
Proceeds from employee stock purchase plan	5,603	4,378
Proceeds from exercise of stock options	1,505	2,479
Cash used to net share settle employee equity awards	(5,885)	—
Other financing activities	35	(32)
Net cash provided by (used in) financing activities	101,659	(98,761)
Effect of exchange rates on cash and cash equivalents	(484)	(4,398)
Net Change in Cash and Cash Equivalents	(90,488)	(35,494)
Cash and Cash Equivalents at Beginning of Period	284,466	259,496
Cash and Cash Equivalents at End of Period	\$ 193,978	\$ 224,002
Supplemental Disclosures of Cash Flow Information:		
Non-Cash Investing and Financing Activities:		
Transfers from inventory to fixed assets for placement of Haemonetics equipment	\$ 25,171	\$ 77,946

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Haemonetics Corporation (“Haemonetics” or the “Company”) presented herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of the Company’s management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. All intercompany transactions have been eliminated. Operating results for the nine months ended December 30, 2023 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 30, 2024 or any other interim period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes included in the Annual Report on Form 10-K for the fiscal year ended April 1, 2023.

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated as required. There were no material recognized or unrecognized subsequent events as of or for the nine months ended December 30, 2023.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Standards to be Implemented

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) Update No. 2023-07, Segment Reporting (Topic 280). The new guidance requires public entities to provide expanded disclosures over significant segment expenses and additional disclosures related to the chief operating decision maker. ASC Update No. 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The new guidance is applicable to Haemonetics beginning with the fiscal 2025 Annual Report on Form 10-K. The Company is currently evaluating the impact to its interim and annual report disclosures.

In December 2023, the FASB issued ASC Update No. 2023-09, Income Taxes (Topic 740). ASC Update No. 2023-09 requires public entities to provide detailed income tax disclosures, including rate reconciliations and disaggregated income tax payment information, on an annual basis. The updated guidance is effective for fiscal years beginning after December 15, 2024 and early adoption is permitted. ASC Update No. 2023-09 is applicable to Haemonetics beginning with the fiscal 2026 Annual Report on Form 10-K and the Company is currently evaluating the impact to its annual report disclosures.

3. ACQUISITIONS AND STRATEGIC INVESTMENTS

Strategic Investments

As part of the Company’s business development activities, it holds strategic investments in certain entities. During fiscal 2024, the Company has made strategic investments totaling \$7.6 million. During fiscal year 2023, the Company made investments in Vivasure Medical LTD (“Vivasure”), totaling €30 million. The investments in Vivasure include both preferred stock and a special share that allows the Company to acquire Vivasure in accordance with an agreement between the parties. The Company’s strategic investments are classified as other long-term assets on the Company’s Condensed Consolidated Balance Sheets and the Company has not recorded any adjustments to the carrying value of the strategic investments during three and nine months ended December 30, 2023.

Acquisition of OpSens, Inc.

On October 10, 2023, the Company announced it had entered into an Arrangement Agreement with OpSens, Inc. (“OpSens”), a medical device cardiology-focused company delivering solutions based on its proprietary optical technology, pursuant to which, among other things, the Company agreed to acquire all of the issued and outstanding common shares of OpSens. On December 12, 2023, the Company completed its acquisition of OpSens for total consideration of approximately \$254.5 million, or \$243.9 million, net of cash acquired. The Company financed the acquisition through a combination of cash on hand and borrowings under its revolving credit facility.

OpSens offers commercially and clinically validated optical technology for use primarily in interventional cardiology. OpSens’ core products include the SavvyWire[®], a sensor-guided 3-in-1 guidewire for TAVR procedures, advancing the workflow of the procedure and enabling potentially shorter hospital stays for patients; and the OptoWire[®], a pressure guidewire that aims to improve clinical outcomes by accurately and consistently measuring Fractional Flow Reserve (FFR) and diastolic pressure ratio (dPR) to aid clinicians in the diagnosis and treatment of patients with coronary artery disease. OpSens also manufactures a range of fiber optic sensor solutions used in medical devices and other critical industrial applications. The addition of OpSens expands the Hospital business unit portfolio in the interventional cardiology market and will be included in the Hospital reportable segment.

Purchase Price Allocation

The Company accounted for the acquisition as a business combination, and in accordance with FASB ASC Topic 805, Business Combinations (Topic 805), recorded the assets acquired and liabilities assumed at their fair values as of the acquisition date. The fair value of assets acquired and liabilities assumed have been recognized based on management’s estimates and assumptions using the information regarding facts and circumstances that existed at the closing date. The assessment of fair value is preliminary and is based on information that was available at the time the consolidated financial statements were prepared. The most significant open items include the valuation of certain intangible assets and the accounting for income taxes as the Company is awaiting additional information to complete its assessment of these matters. Measurement period adjustments will be recorded in the period in which they are determined, as if they had been completed at the acquisition date. The finalization of the Company’s purchase accounting assessment could result in changes in the valuation of assets acquired and liabilities assumed, which could be material. The final determination of the fair value of certain assets and liabilities will be completed within the measurement period as required by Topic 805. As of December 30, 2023, the valuation studies necessary to determine the fair market value of the assets acquired and liabilities assumed are preliminary, including the projection of the underlying cash flows used to determine the fair value of the identified tangible, intangible and financial assets and liabilities.

The purchase price of \$243.9 million, net of \$10.6 million of cash acquired consists of the amounts presented below, which represent the preliminary determination of the fair value of the identifiable assets acquired and liabilities assumed:

<i>(In thousands)</i>	December 12, 2023
Accounts receivable	\$ 5,960
Inventories	11,255
Prepaid expenses and other current assets	2,062
Property, plant and equipment	3,028
Intangible assets	180,500
Goodwill	87,079
Other long-term assets	4,705
Total assets acquired	\$ 294,589
Accounts payable	5,626
Accrued payroll and related costs	1,723
Other liabilities	7,277
Deferred tax liability	30,258
Other long-term liabilities	5,853
Total liabilities assumed	\$ 50,737
Net assets acquired	\$ 243,852

The Company determined the identifiable intangible assets were developed technology, customer contracts and related relationships and trade names. The fair values of intangible assets were based on valuation techniques with estimates and assumptions developed by the Company. Developed technology and customer contracts and related relationships were valued using the excess earnings method. Trademarks were valued using the relief from royalty method. The cash flows used in the valuation of the intangible assets were based on estimates used to price the transaction. In developing the discount rates applied to the cash flow projections, the discount rates were benchmarked with reference to the implied rate of return from the transaction model and the weighted average cost of capital and then adjusted to reflect the relative risk of the asset. As of December 30, 2023, the valuation of the intangible assets is preliminary as the Company is still gathering information related to the assets' cash flow projections.

The excess of the purchase price over the tangible assets, identifiable intangible assets and assumed liabilities was recorded as goodwill. As a result of the acquisition of OpSens, the Company recognized goodwill of \$87.1 million based on expected synergies from integration into our Hospital business. The goodwill is not deductible for tax purposes and relates entirely to the Hospital reportable segment.

Intangible assets acquired consist of the following:

<i>(In thousands)</i>	Amount	Weighted-Average Amortization Period	Risk-Adjusted Discount Rates used in Purchase Price Allocation
Developed technology	\$ 121,600	15 years	20.0 %
Customer contracts and related relationships	53,900	15 years	18.4 %
Trade names	5,000	15 years	20.0 %
Total	\$ 180,500		

The Company recorded a long-term net deferred tax liability of \$30.3 million primarily related to definite-lived intangible assets which cannot be deducted for tax purposes, partially offset by deferred tax assets primarily related to net operating losses acquired.

Acquisition-Related Costs

The Company incurred \$6.6 million of acquisition-related costs for the nine months ended December 30, 2023 in connection with the acquisition. These costs related to legal and other professional fees, which were recognized in selling, general and administrative on the Condensed Consolidated Statements of Income.

The Company's condensed consolidated financial statements include the results of OpSens from the date the acquisition was completed. Pro forma financial information has not been presented as the acquisition is not material to the Company's overall financial results.

4. REVENUE

The Company's revenue recognition policy is to recognize revenues from product sales, software and services in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; this occurs with the transfer of control of the Company's goods or services. The Company considers revenue to be earned when all of the following criteria are met: it has a contract with a customer that creates enforceable rights and obligations; promised products or services are identified; the transaction price, or the consideration it expects to receive for transferring goods or providing services, is determinable and it has transferred control of the promised items to the customer. A promise in a contract to transfer a distinct good or service to the customer is identified as a performance obligation. A contract's transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Some of the Company's contracts have multiple performance obligations. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the estimated standalone selling prices of the good or service in the contract. For goods or services for which observable standalone selling prices are not available, the Company uses an expected cost plus a margin approach to estimate the standalone selling price of each performance obligation.

As of December 30, 2023, the Company had \$23.5 million of transaction price allocated to remaining performance obligations related to executed contracts with an original duration of one year or more. The Company expects to recognize approximately 86% of this amount as revenue within the next twelve months and the remaining balance thereafter.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables and contract assets, as well as customer advances, customer deposits and deferred revenue (contract liabilities) on the Condensed Consolidated Balance Sheets. The difference in timing between billing and revenue recognition primarily occurs in software licensing arrangements, resulting in contract assets and contract liabilities.

As of December 30, 2023 and April 1, 2023, the Company had contract liabilities of \$31.1 million and \$30.2 million, respectively. During the three and nine months ended December 30, 2023, the Company recognized \$4.9 million and \$25.4 million of revenue, respectively, that was included in the above April 1, 2023 contract liability balance. Contract liabilities are classified as other current liabilities on the Condensed Consolidated Balance Sheet. As of December 30, 2023 and April 1, 2023, the Company's contract assets were immaterial.

5. RESTRUCTURING

On an ongoing basis, the Company reviews the global economy, the healthcare industry, and the markets in which it competes to identify opportunities for efficiencies, enhance commercial capabilities, align its resources and offer its customers better solutions. In order to realize these opportunities, the Company undertakes restructuring-type activities to transform its business.

Operating Excellence Program

In July 2019, the Board of Directors of the Company approved the Operational Excellence Program (the "2020 Program") and delegated authority to the Company's management to determine the detail of the initiatives that will comprise the program. During fiscal 2022, the Company revised the program to improve product and service quality, reduce cost principally in its manufacturing and supply chain operations and ensure sustainability while helping to offset impacts from a previously announced customer loss, rising inflationary pressures and effects of the COVID-19 pandemic. The Company expects to incur aggregate charges between \$95 million and \$105 million by the end of fiscal 2025 under the program. The majority of charges will result in cash outlays, including severance and other employee costs, and will be incurred as the specific actions required to execute these initiatives are identified and approved. During the three and nine months ended December 30, 2023, the Company incurred \$2.6 million and \$6.8 million, respectively, of restructuring and restructuring related costs under this program. During the three and nine months ended December 31, 2022, the Company incurred \$4.1 million and \$10.7 million, respectively, of restructuring and restructuring related costs under this program. Total cumulative charges under this program are \$74.0 million.

Portfolio Rationalization Initiatives

In November 2023, the Company announced its plans to end of life the ClotPro analyzer system within the Hospital business unit and whole blood inline collection products within the Blood Center business unit, including the associated manufacturing operations and closure of certain other facilities.

The following table summarizes the activity for restructuring reserves related to portfolio rationalization initiatives, the 2020 Program and prior programs for the nine months ended December 30, 2023, substantially all of which relates to employee severance and other employee costs:

<i>(In thousands)</i>	Portfolio Rationalization	2020 Program	Prior Programs	Total
Balance at April 1, 2023	\$ —	\$ 1,810	\$ 340	\$ 2,150
Costs incurred, net of reversals	7,656	356	31	8,043
Payments	(126)	(1,006)	(58)	(1,190)
Balance at December 30, 2023	<u>\$ 7,530</u>	<u>\$ 1,160</u>	<u>\$ 313</u>	<u>\$ 9,003</u>

The following presents the restructuring costs by line item within our accompanying unaudited Condensed Consolidated Statements of Income and Comprehensive Income:

<i>(In thousands)</i>	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Cost of goods sold	\$ 7,065	\$ (49)	\$ 7,329	\$ (226)
Research and development	343	—	343	—
Selling, general and administrative expenses	560	93	371	391
Total	\$ 7,968	\$ 44	\$ 8,043	\$ 165

As of December 30, 2023, the Company had a restructuring liability of \$9.0 million, of which approximately \$8.7 million is payable within the next twelve months.

In addition to the restructuring expenses included in the table above, the Company also incurred costs that do not constitute restructuring costs under ASC 420, *Exit and Disposal Cost Obligations*, and which the Company instead refers to as restructuring related costs. These costs consist primarily of expenditures directly related to the restructuring actions.

The tables below present restructuring and restructuring related costs by reportable segment:

Restructuring costs <i>(In thousands)</i>	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Plasma	\$ 33	\$ (50)	\$ (164)	\$ (261)
Blood Center	4,546	—	4,546	—
Hospital	2,503	—	2,745	—
Corporate	886	94	916	426
Total	\$ 7,968	\$ 44	\$ 8,043	\$ 165

Restructuring related costs <i>(In thousands)</i>	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Plasma	\$ 72	\$ 241	\$ 315	\$ 989
Blood Center	93	21	166	39
Hospital	251	224	398	424
Corporate	1,987	3,595	5,675	9,180
Total	\$ 2,403	\$ 4,081	\$ 6,554	\$ 10,632
Total restructuring and restructuring related costs	\$ 10,371	\$ 4,125	\$ 14,597	\$ 10,797

6. INCOME TAXES

The Company conducts business globally and reports its results of operations in a number of foreign jurisdictions in addition to the United States. The Company's reported tax rate differs from the statutory tax rate due to the jurisdictional mix of earnings in any given period as the foreign jurisdictions in which it operates have tax rates that differ from the U.S. statutory tax rate. The Company's effective tax rate is adversely impacted by non-deductible expenses including executive compensation and transaction costs.

For the three and nine months ended December 30, 2023, the Company reported income tax expense of \$12.8 million and \$31.3 million, respectively, representing effective tax rates of 29.0% and 24.3%, respectively. The effective tax rate for the nine months ended December 30, 2023 includes \$1.1 million of discrete tax benefit, of which \$2.6 million relates to stock compensation windfalls, partially offset by other discrete items.

For the three and nine months ended December 31, 2022, the Company reported income tax expense of \$9.3 million and \$22.8 million, respectively, representing effective tax rates of 22.0% and 20.9%, respectively. The effective tax rate for the three months ended December 31, 2022 includes \$0.1 million of discrete tax expense relating to stock compensation shortfalls. The effective tax rate for the nine months ended December 31, 2022 includes a discrete tax benefit of \$0.5 million related to tax rate changes enacted in the period and \$0.4 million of discrete tax expense relating to stock compensation shortfalls.

The increase in the reported tax rates for the three and nine months ended December 30, 2023, compared to the same periods in fiscal 2023, relates primarily to unfavorable changes in the jurisdictional mix of earnings, research tax credits generated and non-deductible acquisition-related expenses, partially offset by discrete tax benefits from stock compensation windfall deductions.

7. EARNINGS PER SHARE

The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations.

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
<i>(In thousands, except per share amounts)</i>				
Basic EPS				
Net income	\$ 31,241	\$ 32,944	\$ 97,191	\$ 86,018
Weighted average shares	50,768	50,509	50,679	50,896
Basic income per share	<u>\$ 0.62</u>	<u>\$ 0.65</u>	<u>\$ 1.92</u>	<u>\$ 1.69</u>
Diluted EPS				
Net income	\$ 31,241	\$ 32,944	\$ 97,191	\$ 86,018
Basic weighted average shares	50,768	50,509	50,679	50,896
Net effect of common stock equivalents	677	710	715	591
Diluted weighted average shares	<u>51,445</u>	<u>51,219</u>	<u>51,394</u>	<u>51,487</u>
Diluted income per share	<u>\$ 0.61</u>	<u>\$ 0.64</u>	<u>\$ 1.89</u>	<u>\$ 1.67</u>

Basic earnings per share is calculated using the Company's weighted-average outstanding common shares. Diluted earnings per share is calculated using its weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method and the convertible senior notes as determined under the net share settlement method. From the time of the issuance of the convertible senior notes, the average market price of the Company's common shares has been less than the initial conversion price, and consequently no shares have been included in diluted earnings per share for the conversion value of the convertible senior notes. For the three and nine months ended December 30, 2023, weighted average shares outstanding, assuming dilution, excludes the impact of 0.6 million anti-dilutive shares for both periods. For the three and nine months ended December 31, 2022, weighted average shares outstanding, assuming dilution, excludes the impact and 0.4 million and 0.7 million anti-dilutive shares, respectively.

Share Repurchase Program

In August 2022, the Company announced that its Board of Directors had approved a three-year share repurchase program authorizing the repurchase of up to \$300.0 million of Haemonetics common stock, based on market conditions, through August

2025. Under the share repurchase program, the Company is authorized to repurchase, from time to time, outstanding shares of common stock in accordance with applicable laws on the open market, including under trading plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, and in privately negotiated transactions. The actual timing, number and value of shares repurchased will be determined by the Company at its discretion and will depend on a number of factors, including market conditions, applicable legal requirements and compliance with the terms of loan covenants. The share repurchase program may be suspended, modified or discontinued at any time, and the Company has no obligation to repurchase any amount of its common stock under the program.

In fiscal 2023, the Company completed a \$75.0 million repurchase of its common stock pursuant to an accelerated share repurchase agreement entered into with Citibank N.A. in August 2022. As of December 30, 2023, the total remaining authorization for repurchases of the Company's common stock under the share repurchase program was \$225.0 million.

8. INVENTORIES

Inventories are stated at the lower of cost or net realizable value and include the cost of material, labor and manufacturing overhead. Cost is determined with the first-in, first-out method.

<i>(In thousands)</i>	December 30, 2023	April 1, 2023
Raw materials	\$ 135,057	\$ 115,016
Work-in-process	18,374	12,572
Finished goods	150,593	131,791
Total inventories	\$ 304,024	\$ 259,379

In August 2023, the Company issued a voluntary recall of certain products within the Whole Blood portion of our Blood Center business unit sold to customers in the U.S. and certain foreign jurisdictions. As of December 30, 2023, the Company has recorded charges of \$4.3 million related to inventory.

9. PROPERTY, PLANT AND EQUIPMENT

<i>(In thousands)</i>	December 30, 2023	April 1, 2023
Land	\$ 5,573	\$ 5,358
Building and building improvements	119,024	127,634
Plant equipment and machinery	200,154	194,539
Office equipment and information technology	129,488	123,611
Haemonetics equipment	480,083	463,706
Construction in progress	44,969	29,367
Total	979,291	944,215
Less: accumulated depreciation	(660,626)	(633,330)
Property, plant and equipment, net	\$ 318,665	\$ 310,885

During the three and nine months ended December 30, 2023, depreciation expense was \$14.2 million and \$41.1 million, respectively. During the three and nine months ended December 31, 2022, depreciation expense was \$13.1 million and \$37.7 million, respectively.

Beginning in the second quarter of fiscal 2024, \$4.3 million of the Company's property, plant and equipment met held for sale accounting criteria and was reclassified to Prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets.

10. LEASES

Lessor Activity

Assets on the Company's balance sheet classified as Haemonetics equipment primarily consist of medical devices installed at customer sites but owned by Haemonetics. These devices are leased to customers under contractual arrangements that typically include an operating or sales-type lease as well as the purchase and consumption of a certain level of disposable products. Sales-type leases are not significant. Contract terms vary by customer and may include options to terminate the contract or options to extend the contract. Where devices are provided under operating lease arrangements, a substantial majority of the entire lease revenue is variable and subject to subsequent non-lease component (disposable products) sales. The allocation of revenue between the lease and non-lease components is based on stand-alone selling prices. Operating lease revenue represents approximately 3 percent of the Company's total net sales.

11. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill by operating segment for fiscal 2024 are as follows:

<i>(In thousands)</i>	<u>Plasma</u>	<u>Blood Center</u>	<u>Hospital</u>	<u>Total</u>
Carrying amount as of April 1, 2023	\$ 29,043	\$ 33,855	\$ 403,333	\$ 466,231
Acquisitions	—	—	87,079	87,079
Currency translation	—	(140)	1,829	1,689
Carrying amount as of December 30, 2023	\$ 29,043	\$ 33,715	\$ 492,241	\$ 554,999

The gross carrying amount of intangible assets and the related accumulated amortization as of December 30, 2023 and April 1, 2023 is as follows:

<i>(In thousands)</i>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>
As of December 30, 2023			
Amortizable:			
Patents	\$ 18,504	\$ 11,562	\$ 6,942
Capitalized software	84,443	67,169	17,274
Other developed technology	474,406	169,844	304,562
Customer contracts and related relationships	258,720	188,977	69,743
Trade names	14,662	5,258	9,404
Total	\$ 850,735	\$ 442,810	\$ 407,925
Non-amortizable:			
In-process software development	\$ 3,877		
In-process research and development	13,667		
In-process patents	3,801		
Total	\$ 21,345		

<i>(In thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Net
As of April 1, 2023			
Amortizable:			
Patents	\$ 18,504	\$ 10,831	\$ 7,673
Capitalized software	78,962	60,776	18,186
Other developed technology	362,506	153,099	209,407
Customer contracts and related relationships	203,240	187,774	15,466
Trade names	9,508	4,942	4,566
Total	\$ 672,720	\$ 417,422	\$ 255,298
Non-amortizable:			
In-process software development	\$ 3,841		
In-process research and development	13,667		
In-process patents	2,965		
Total	\$ 20,473		

During the third quarter of fiscal 2024, the Company acquired OpSens and recorded \$121.6 million of developed technology, \$53.9 million of customer contracts and related relationships and \$5.0 million of trade names based on our preliminary purchase accounting valuation. Refer to Note 3, *Acquisitions and Strategic Investments*, for additional information regarding the acquisition.

Intangible assets include the value assigned to license rights and other developed technology, patents, customer contracts and relationships and trade names. The estimated useful lives for all of these intangible assets are approximately 5 to 15 years.

In the second quarter of fiscal 2024, the Company recorded an intangible asset impairment charge of \$10.4 million related to the intangibles acquired as part of the enicor GmbH acquisition completed in fiscal 2021 within the Hospital business unit.

During the three and nine months ended December 30, 2023, amortization expense was \$9.3 million and \$28.5 million, respectively. During the three and nine months ended December 31, 2022, amortization expense was \$10.4 million and \$31.7 million, respectively.

Future annual amortization expense on intangible assets for the next five years is estimated to be as follows:

<i>(In thousands)</i>	
Remainder of Fiscal 2024	\$ 12,211
Fiscal 2025	\$ 42,010
Fiscal 2026	\$ 36,583
Fiscal 2027	\$ 34,610
Fiscal 2028	\$ 32,839

12. NOTES PAYABLE AND LONG-TERM DEBT

Convertible Senior Notes

The Company has \$500.0 million aggregate principal amount of 0% convertible senior notes due 2026 (the “2026 Notes”). The 2026 Notes are governed by the terms of the Indenture between the Company and U.S. Bank National Association, as trustee. The total net proceeds from the sale of the 2026 Notes, after deducting the initial purchasers’ discounts and debt issuance costs, were approximately \$486.7 million. The 2026 Notes will mature on March 1, 2026, unless earlier converted, redeemed or repurchased.

During third quarter of fiscal 2024, the conditions allowing holders of the 2026 Notes to convert have not been met. The 2026 Notes were therefore not convertible as of December 30, 2023 and were classified as long-term debt on the Company’s Condensed Consolidated Balance Sheets.

As of December 30, 2023, the \$500.0 million principal balance was netted down by the \$5.9 million of remaining debt issuance costs, resulting in a net convertible note payable of \$494.1 million. Interest expense related to the 2026 Notes was \$0.7 million and \$2.0 million for the three and nine months ended December 30, 2023, respectively, which is entirely attributable to the amortization of the debt issuance costs. The debt issuance costs are amortized at an effective interest rate of 0.5%.

Credit Facilities

On June 15, 2018, the Company entered into a credit agreement with certain lenders that provided for a \$350.0 million term loan and a \$350.0 million revolving credit facility (together with the term loan, as amended from time to time, the “2018 Credit Facilities”) that were each scheduled to mature on June 15, 2023.

On July 26, 2022, the Company entered into an amended and restated credit agreement with certain lenders to refinance the 2018 Credit Facilities and extend their maturity date through June 2025. The amended and restated credit agreement provides for a \$280.0 million senior unsecured term loan, the proceeds of which have been used to settle the balance of the term loan under the 2018 Credit Facilities, and a \$420.0 million senior unsecured revolving credit facility (together, the “Revised Credit Facilities”). Loans under the Revised Credit Facilities bear interest at an annual rate equal to the Adjusted Term SOFR Rate (as specified in the amended and restated credit agreement), which is subject to a floor of 0%, plus an applicable rate ranging from 1.125% to 1.750% based on the Company’s consolidated net leverage ratio (as specified in the amended and restated credit agreement) at the applicable measurement date. Adjusted Term SOFR Rate loans are also subject to a credit spread adjustment of 0.10% per annum. The revolving credit facility carries an unused fee that ranges from 0.125% to 0.250% annually based on the Company’s consolidated net leverage ratio at the applicable measurement date. Under the Revised Credit Facilities, the Company is required to maintain certain leverage and interest coverage ratios specified in the amended and restated credit agreement as well as other customary non-financial affirmative and negative covenants. The Revised Credit Facilities mature on June 15, 2025. The principal amount of the term loan under the Revised Credit Facilities is repayable quarterly through the maturity date at a rate of 2.5% for the first year and 5% thereafter, with the unpaid balance due at maturity.

The Company applied modification accounting for the credit facility refinancing. For the term loan under the Revised Credit Facilities, for fiscal 2023, the Company recognized interest expense of \$0.5 million for third party fees incurred and capitalized \$0.2 million of lender fees related to the term loan. For fiscal 2023, the Company capitalized \$1.1 million of lender fees and third-party costs incurred in the refinancing related to the revolving credit facility under the Revised Credit Facilities.

At December 30, 2023, \$266.0 million was outstanding under the term loan with an effective interest rate of 6.8%. The Company has scheduled principal payments of \$14.0 million required during the 12 months following December 30, 2023. During the third quarter of fiscal 2024 in connection with the acquisition of OpSens, the Company borrowed \$110.0 million under the revolving credit facility, with an effective interest rate of 6.7%, which remains outstanding as of December 30, 2023. The Company also had \$20.1 million of uncommitted operating lines of credit to fund its global operations under which there were no outstanding borrowings as of December 30, 2023.

The Company was in compliance with the leverage and interest coverage ratios specified in the Revised Credit Facilities as well as all other bank covenants as of December 30, 2023.

13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The Company manufactures, markets and sells its products globally. During the three and nine months ended December 30, 2023, 25.4% and 25.0%, respectively, of the Company’s sales were generated outside the U.S. in local currencies. The Company also incurs certain manufacturing, marketing and selling costs in international markets in local currency.

Accordingly, earnings and cash flows are exposed to market risk from changes in foreign currency exchange rates relative to the U.S. Dollar, the Company’s reporting currency. The Company has a program in place that is designed to mitigate the exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize, for a period of time, the impact on its financial results from changes in foreign exchange rates. The Company utilizes foreign currency forward contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily Japanese Yen and Euro, and to a lesser extent, Swiss Franc and Mexican Peso. This does not eliminate the impact of the volatility of foreign exchange rates. However, because the Company generally enters into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation.

Designated Foreign Currency Hedge Contracts

All of the Company's designated foreign currency hedge contracts as of December 30, 2023 and April 1, 2023 were cash flow hedges under ASC 815, *Derivatives and Hedging* ("ASC 815"). The Company records the effective portion of any change in the fair value of designated foreign currency hedge contracts in other comprehensive income until the related third-party transaction occurs. Once the related third-party transaction occurs, the Company reclassifies the effective portion of any related gain or loss on the designated foreign currency hedge contracts to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, the Company will reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. The Company had designated foreign currency hedge contracts outstanding in the contract amount of \$20.5 million as of December 30, 2023 and \$51.8 million as of April 1, 2023. At December 30, 2023, a gain of \$2.0 million, net of tax, will be reclassified to earnings within the next twelve months. All currency cash flow hedges outstanding as of December 30, 2023 mature within twelve months.

Non-Designated Foreign Currency Contracts

The Company manages its exposure to changes in foreign currency on a consolidated basis to take advantage of offsetting transactions and balances. It uses foreign currency forward contracts as a part of its strategy to manage exposure related to foreign currency denominated monetary assets and liabilities. These foreign currency forward contracts are entered into for periods consistent with currency transaction exposures, generally one month. They are not designated as cash flow or fair value hedges under ASC 815. These forward contracts are marked-to-market with changes in fair value recorded to earnings. The Company had non-designated foreign currency hedge contracts under ASC 815 outstanding in the contract amount of \$38.1 million as of December 30, 2023 and \$44.7 million as of April 1, 2023.

Interest Rate Swaps

Part of the Company's interest rate risk management strategy includes the use of interest rate swaps to mitigate its exposure to changes in variable interest rates. The Company's objective in using interest rate swaps is to add stability to interest expense and to manage and reduce the risk inherent in interest rate fluctuations.

On June 15, 2018, the Company entered into the 2018 Credit Facilities, which provided for a \$350.0 million term loan and a \$350.0 million revolving credit facility. In August 2018, the Company entered into two interest rate swap agreements to pay an average fixed rate of 2.80% plus the applicable rate on a total notional value of \$241.9 million of debt, or 70% of the notional value of the unsecured term loan. As a result of the Company's refinancing of the 2018 Credit Facilities in July 2022, as discussed below, the 2018 interest rate swaps were amended in September 2022 to align with the Term Secured Overnight Financing Rate ("SOFR") rate rather than LIBOR (the "Amended Swaps"). In order to avoid dedesignation, the Company elected certain practical expedients under ASC 848. As a result, the Company's earnings and cash flows are exposed to interest rate risk from changes to SOFR. The Amended Swaps matured on June 15, 2023.

On July 26, 2022, the Company entered into an amended and restated credit agreement to refinance the 2018 Credit Facilities and extend their maturity date through June 2025. The Revised Credit Facilities include a \$280.0 million senior unsecured term loan and a \$420.0 million senior unsecured revolving credit facility. Loans under the Revised Credit Facilities bear interest at an annual rate equal to the 1-month USD Term SOFR plus 0.10% and an applicable rate ranging from 1.125% to 1.750% based on the Company's consolidated net leverage ratio. In September 2022, the Company entered into four additional interest rate swaps, which when combined with the Amended Swaps, resulted in an average blended fixed interest rate of 3.57% plus the applicable rate on 70% of the notional value of the unsecured term loan until mid-June 2023 and 4.12% plus the applicable rate thereafter on 80% of the notional value until the maturity date in June 2025. On June 15, 2023, two of the Company's interest rate swaps entered into during September 2022 matured concurrently with the Amended Swaps. The Company has concluded that the two remaining interest rate swaps entered into during September 2022, which cover 80% of the notional value of the unsecured term loan through maturity in June 2025, are effective and qualify for hedge accounting treatment.

The Company held the following interest rate swaps as of December 30, 2023:

Hedged Item	Original Notional Amount	Notional Amount as of December 30, 2023	Designation Date	Effective Date	Termination Date	Fixed Interest Rate	Estimated Fair Value Assets (Liabilities)
<i>(In thousands)</i>							
1-month USD Term SOFR	109,900	107,800	9/23/2022	6/15/2023	6/15/2025	4.08%	372
1-month USD Term SOFR	109,900	106,400	9/23/2022	6/15/2023	6/15/2025	4.15%	302
Total	\$ 219,800	\$ 214,200					\$ 674

For the nine months ended December 30, 2023, the Company recorded a gain of \$1.3 million, net of tax, in accumulated other comprehensive loss to recognize the effective portion of the fair value of the swaps that qualify as cash flow hedges.

Trade Receivables

In the ordinary course of business, the Company grants trade credit to its customers on normal credit terms. In an effort to reduce its credit risk, the Company (i) establishes credit limits for all customers, (ii) performs ongoing credit evaluations of customers' financial condition, (iii) monitors the payment history and aging of customers' receivables, and (iv) monitors open orders against an individual customer's outstanding receivable balance.

The Company's allowance for credit losses is maintained for trade accounts receivable based on the expected collectability, the historical collection experience, the length of time an account is outstanding, the financial position of the customer and information provided by credit rating services. To date, the Company has not experienced significant customer payment defaults, or identified other significant collectability concerns.

The following is a roll forward of the allowance for credit losses:

<i>(In thousands)</i>	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Beginning balance	\$ 5,044	\$ 2,495	\$ 4,932	\$ 2,475
Credit loss	653	224	833	429
Recoveries (Write-offs)	28	19	(40)	(166)
Ending balance	\$ 5,725	\$ 2,738	\$ 5,725	\$ 2,738

Other Fair Value Measurements

Fair value is defined as the exit price that would be received from the sale of an asset or paid to transfer a liability, using assumptions that market participants would use in pricing an asset or liability. The fair value guidance establishes the following three-level hierarchy used for measuring fair value:

- Level 1 — Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.
- Level 2 — Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 — Inputs to the valuation methodology are unobservable inputs based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

The Company's money market funds carried at fair value are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

Fair Value of Derivative Instruments

The following table presents the effect of the Company's derivative instruments designated as cash flow hedges and those not designated as hedging instruments under ASC 815 in its unaudited Condensed Consolidated Statements of Income and Comprehensive Income for the nine months ended December 30, 2023:

Derivative Instruments	Amount of Gain Recognized in Accumulated Other Comprehensive Loss	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Location in Condensed Consolidated Statements of Income and Comprehensive Income	Amount of Gain Excluded from Effectiveness Testing	Location in Condensed Consolidated Statements of Income and Comprehensive Income
<i>(In thousands)</i>					
Designated foreign currency hedge contracts, net of tax	\$ 1,992	\$ (2,745)	Net revenues, COGS and SG&A	\$ 1,222	Interest and other expense, net
Non-designated foreign currency hedge contracts	\$ —	\$ —		\$ 1,363	Interest and other expense, net
Designated interest rate swaps, net of tax	\$ 1,312	\$ 2	Interest and other expense, net	\$ —	

The Company did not have fair value hedges or net investment hedges outstanding as of December 30, 2023 or April 1, 2023. As of December 30, 2023, no material deferred taxes were recognized for designated foreign currency hedges.

ASC 815 requires all derivative instruments to be recognized at their fair values as either assets or liabilities on the balance sheet. The Company determines the fair value of its derivative instruments using the framework prescribed by ASC 820, *Fair Value Measurements and Disclosures*, by considering the estimated amount it would receive or pay to sell or transfer these instruments at the reporting date and by taking into account current interest rates, currency exchange rates, current interest rate curves, interest rate volatilities, the creditworthiness of the counterparty for assets, and its creditworthiness for liabilities. In certain instances, the Company may utilize financial models to measure fair value. Generally, the Company uses inputs that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other observable inputs for the asset or liability; and inputs derived principally from, or corroborated by, observable market data by correlation or other means. As of December 30, 2023, the Company has classified its derivative assets and liabilities within Level 2 of the fair value hierarchy prescribed by ASC 815, as discussed below, because these observable inputs are available for substantially the full term of its derivative instruments.

The following tables present the fair value of the Company's derivative instruments as they appear in its Condensed Consolidated Balance Sheets as of December 30, 2023 and April 1, 2023:

<i>(In thousands)</i>	Location in Condensed Consolidated Balance Sheets	As of December 30, 2023	As of April 1, 2023
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	\$ 668	\$ 1,401
Non-designated foreign currency hedge contracts	Other current assets	177	302
Designated interest rate swaps	Other current assets	1,146	1,110
		\$ 1,991	\$ 2,813
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	\$ 18	\$ 24
Non-designated foreign currency hedge contracts	Other current liabilities	179	58
Designated interest rate swaps	Other long-term liabilities	472	1,807
		\$ 669	\$ 1,889

Fair Value Measured on a Recurring Basis

Financial assets and financial liabilities measured at fair value on a recurring basis consist of the following as of December 30, 2023 and April 1, 2023.

(In thousands)	As of December 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	\$ 7,583	\$ —	\$ —	\$ 7,583
Designated foreign currency hedge contracts	—	668	—	668
Non-designated foreign currency hedge contracts	—	177	—	177
Designated interest rate swaps	—	1,146	—	1,146
	<u>\$ 7,583</u>	<u>\$ 1,991</u>	<u>\$ —</u>	<u>\$ 9,574</u>
Liabilities				
Designated foreign currency hedge contracts	\$ —	\$ 18	\$ —	\$ 18
Non-designated foreign currency hedge contracts	—	179	—	179
Designated interest rate swaps	—	472	—	472
	<u>\$ —</u>	<u>\$ 669</u>	<u>\$ —</u>	<u>\$ 669</u>
	As of April 1, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	\$ 132,341	\$ —	\$ —	\$ 132,341
Designated foreign currency hedge contracts	—	1,401	—	1,401
Non-designated foreign currency hedge contracts	—	302	—	302
Designated interest rate swaps	—	1,110	—	1,110
	<u>\$ 132,341</u>	<u>\$ 2,813</u>	<u>\$ —</u>	<u>\$ 135,154</u>
Liabilities				
Designated foreign currency hedge contracts	\$ —	\$ 24	\$ —	\$ 24
Non-designated foreign currency hedge contracts	—	58	—	58
Designated interest rate swaps	—	1,807	—	1,807
Contingent consideration	—	—	863	863
	<u>\$ —</u>	<u>\$ 1,889</u>	<u>\$ 863</u>	<u>\$ 2,752</u>

Foreign currency hedge contracts - The fair value of foreign currency hedge contracts was measured using significant other observable inputs and valued by reference to over-the-counter quoted market prices for similar instruments. The Company does not believe that the fair value of these derivative instruments differs significantly from the amount that could be realized upon settlement or maturity, or that the changes in fair value will have a significant effect on its results of operations, financial condition or cash flows.

Interest rate swaps - The fair values of interest rate swaps are measured using the present value of expected future cash flows using market-based observable inputs, including credit risk and interest rate yield curves. The Company does not believe that the fair values of these derivative instruments differ significantly from the amounts that could be realized upon settlement or maturity, or that the changes in fair value will have a significant effect on its results of operations, financial condition or cash flows.

Contingent consideration - The fair value of contingent consideration liabilities is based on significant unobservable inputs, including management estimates and assumptions, and is measured based on the probability-weighted present value of the payments expected to be made. Accordingly, the fair value of contingent consideration has been classified as level 3 within the fair value hierarchy.

Other Fair Value Disclosures

The Term Loan, which is carried at amortized cost, accounts receivable and accounts payable approximate fair value. The fair value of the 2026 Notes as of December 30, 2023 was \$445.2 million, which was determined by using the market price on the last trading day of the reporting period.

14. COMMITMENTS AND CONTINGENCIES

The Company is a party to various legal proceedings and claims arising out of the ordinary course of its business. The Company believes that, except for those matters described below, there are no other proceedings or claims pending against it the ultimate resolution of which could have a material adverse effect on its financial condition or results of operations. At each reporting period, management evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*, for all matters. Legal costs are expensed as incurred.

During the third quarter of fiscal 2021, the Company received a subpoena from the U.S. Attorney's Office for the District of Massachusetts. The subpoena requested certain documents regarding the Company's apheresis and autotransfusion devices and disposables, including documents relating to product complaints and adverse event reporting, regulatory clearances and product design changes, among other matters. The Company has fully cooperated with this inquiry. On August 16, 2022, the U.S. Department of Justice ("DOJ") filed a motion on behalf of the United States and 31 states reflecting their decision to not intervene in the underlying *qui tam* action captioned *United States ex rel. Berthelot et al. v. Haemonetics Corp.*, 1:20-cv-11062-ADB, pending in the U.S. District Court for the District of Massachusetts, indicating that the DOJ had completed its investigative activity based on then available information. The *qui tam* case was unsealed by order dated August 18, 2022. On January 12, 2024, the Company entered into an agreement with the individual plaintiffs in the *qui tam* case that provides for settlement of certain unrelated employment matters and releases those individuals' claims. The Company previously recorded a loss contingency for these matters and did not record any adjustments during the third quarter of fiscal 2024. On January 16, 2024, the relators in the *qui tam* case filed a stipulation of dismissal of their claims against the Company. The court dismissed the *qui tam* claims with prejudice as to the relators and without prejudice as to the government.

In the fourth quarter of fiscal 2021, a putative class action complaint was filed against the Company in the Circuit Court of Cook County, Illinois by Mary Crumpton, on behalf of herself and similarly situated individuals. The Company removed the case to the United States District Court for the Northern District Illinois. See *Mary Crumpton v. Haemonetics Corporation*, Case No. 1:21-cv-1402. In her complaint, the plaintiff asserts that between June 2017 and August 2018 she donated plasma at a center operated by one of the Company's customers, that the center required her to scan her fingerprint on a finger scanner that stored her fingerprint to identify her prior to plasma donation, and that the Company's eQue donor management software sent her biometric information to a Company-owned server to be collected and stored in a manner that violated her rights under the Illinois Biometric Information Privacy Act ("BIPA"). The plaintiff seeks statutory damages, attorneys' fees and injunctive and equitable relief. In March 2021, the Company moved to dismiss the complaint for lack of personal jurisdiction and concurrently filed a motion to dismiss for failure to state a claim and a motion to stay. In March 2022, the court denied the Company's motion to dismiss for lack of personal jurisdiction but did not address the merits of the Company's other positions. In March 2023, the Company filed a second motion to dismiss the complaint, which is pending before the court. During the second quarter of fiscal 2024, the Company entered into a Memorandum of Understanding providing terms that would resolve the litigation and recorded an additional loss contingency related to this matter. In the third quarter of fiscal 2024, the parties requested preliminary court approval of a final settlement agreement and the Company recorded an immaterial additional loss contingency related to settlement administration, resulting in a total accrual of \$8.8 million within Other current liabilities in its Condensed Consolidated Balance Sheets.

Product Recall

In August 2023, the Company issued a voluntary recall of certain products within the Whole Blood portion of our Blood Center business unit sold to customers in the U.S. and certain foreign jurisdictions. As of December 30, 2023, the Company has recorded cumulative charges of \$6.8 million related to inventory, returns and customer claims associated with this recall. The Company continues to evaluate the impact of this recall and may record additional incremental charges in future periods.

15. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of Accumulated Other Comprehensive Loss are as follows:

<i>(In thousands)</i>	Foreign Currency	Defined Benefit Plans	Net Unrealized Gain/(Loss) on Derivatives	Total
Balance as of April 1, 2023	\$ (33,935)	\$ 4,075	\$ (521)	\$ (30,381)
Other comprehensive income (loss) before reclassifications ⁽¹⁾	5,438	—	3,304	8,742
Amounts reclassified from accumulated other comprehensive income ⁽¹⁾	—	—	(2,743)	(2,743)
Net current period other comprehensive income (loss)	5,438	—	561	5,999
Balance as of December 30, 2023	\$ (28,497)	\$ 4,075	\$ 40	\$ (24,382)

⁽¹⁾ Presented net of income taxes, the amounts of which are insignificant.

16. SEGMENT AND ENTERPRISE-WIDE INFORMATION

The Company determines its reportable segments by first identifying its operating segments, and then by assessing whether any components of these segments constitute a business for which discrete financial information is available and where segment management regularly reviews the operating results of that component. The Company's reporting structure aligns with its operating structure of three global business units and the information that is regularly reviewed by the Company's chief operating decision maker.

The Company's reportable and operating segments are as follows:

- Plasma
- Blood Center
- Hospital

Management measures and evaluates the operating segments based on operating income. Management excludes certain corporate expenses from segment operating income. In addition, certain amounts that management considers to be non-recurring or non-operational are excluded from segment operating income because management evaluates the operating results of the segments excluding such items. These items include integration and transaction costs, amortization of acquired intangible assets, restructuring costs, restructuring related costs, digital transformation costs related to the upgrade of our enterprise resource planning system, impairments, accelerated device depreciation and related costs, costs related to compliance with the European Union Medical Device Regulation ("MDR") and In Vitro Diagnostic Regulation ("IVDR"), unusual or infrequent and material litigation-related charges and gains and losses on dispositions and sale of assets. Although these amounts are excluded from segment operating income, as applicable, they are included in the reconciliations that follow. Management measures and evaluates the Company's net revenues and operating income using internally derived standard currency exchange rates that remain constant from year to year; therefore, segment information is presented on this basis.

Selected information by reportable segment is presented below:

<i>(In thousands)</i>	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Net revenues				
Plasma	\$ 146,718	\$ 136,574	\$ 426,948	\$ 368,504
Blood Center	71,615	76,827	207,833	219,052
Hospital	113,794	93,889	316,688	275,635
Net revenues by business unit	332,127	307,290	951,469	863,191
Service ⁽¹⁾	5,586	5,372	16,395	15,918
Effect of exchange rates	(1,463)	(7,361)	(2,099)	(14,865)
Net revenues	\$ 336,250	\$ 305,301	\$ 965,765	\$ 864,244

⁽¹⁾ Reflects revenue for service, maintenance and parts

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
<i>(In thousands)</i>				
Segment operating income				
Plasma	\$ 80,450	\$ 76,365	\$ 234,190	\$ 203,098
Blood Center	27,654	35,005	81,244	102,710
Hospital	49,355	37,557	132,132	110,762
Segment operating income	157,459	148,927	447,566	416,570
Corporate expenses ⁽¹⁾	(83,694)	(93,501)	(234,753)	(261,854)
Effect of exchange rates	(401)	3,581	(879)	9,775
Amortization of acquired intangible assets	(6,911)	(8,078)	(21,606)	(24,666)
Integration and transaction costs	(4,869)	(287)	(7,768)	425
Restructuring costs	(7,968)	(44)	(8,043)	(165)
Restructuring related costs	(2,403)	(4,081)	(6,554)	(10,632)
Digital transformation costs	(3,415)	—	(10,712)	—
Impairment of assets and PCS2 related charges	(210)	2	(621)	269
MDR and IVDR costs	(1,433)	(2,483)	(4,587)	(8,175)
Litigation-related charges	(177)	(757)	(6,684)	(1,151)
Impairment of intangible assets	—	—	(10,419)	—
Gains on divestiture	—	—	—	382
Operating income	\$ 45,978	\$ 43,279	\$ 134,940	\$ 120,778

⁽¹⁾ Reflects shared service expenses including quality and regulatory, customer and field service, research and development, manufacturing and supply chain, as well as other corporate support functions.

Net revenues by business unit are as follows:

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
<i>(In thousands)</i>				
Plasma	\$ 146,805	\$ 135,461	\$ 427,315	\$ 365,735
Apheresis	50,666	52,398	151,380	152,287
Whole Blood	19,814	20,964	54,538	60,452
Blood Center	70,480	73,362	205,918	212,739
Interventional Technologies ⁽¹⁾	43,007	32,154	119,169	91,297
Hemostasis Management	41,423	34,921	116,241	102,737
Other ⁽²⁾	28,989	24,485	80,760	76,875
Hospital	113,419	91,560	316,170	270,909
Net business unit revenues	330,704	300,383	949,403	849,383
Service	5,546	4,918	16,362	14,861
Net revenues	\$ 336,250	\$ 305,301	\$ 965,765	\$ 864,244

⁽¹⁾ Interventional Cardiology includes Vascular Closure and Sensor Guided Technologies product lines of the Hospital business unit.

⁽²⁾ Other includes the Cell Salvage and Transfusion Management product lines of the Hospital business unit.

Net revenues generated in the Company's principle operating regions on a reported basis are as follows:

<i>(In thousands)</i>	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
United States	\$ 250,804	\$ 224,104	\$ 724,222	\$ 617,824
Japan	14,825	15,552	41,609	44,559
Europe	37,035	39,105	115,088	121,412
Rest of Asia	30,935	25,454	80,710	77,739
Other	2,651	1,086	4,136	2,710
Net revenues	\$ 336,250	\$ 305,301	\$ 965,765	\$ 864,244

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with both our interim condensed consolidated financial statements and notes thereto which appear elsewhere in this Quarterly Report on Form 10-Q and our annual consolidated financial statements, notes thereto and the MD&A contained in our Annual Report on Form 10-K for the fiscal year ended April 1, 2023. The following discussion may contain forward-looking statements and should be read in conjunction with the “Cautionary Statement Regarding Forward-Looking Information” in this discussion.

Introduction

Haemonetics Corporation is a global healthcare company dedicated to providing a suite of innovative medical products and solutions for customers to help them improve patient care and reduce the cost of healthcare. Our technology addresses important medical markets: blood and plasma component collection, the surgical suite and hospital transfusion services. When used in this report, the terms “we,” “us,” “our,” “Haemonetics” and the “Company” mean Haemonetics Corporation.

We view our operations and manage our business in three principal reporting segments: Plasma, Blood Center and Hospital. For that purpose, “Plasma” includes plasma collection devices and disposables, plasma donor management software and anticoagulant and saline sold to plasma customers. “Blood Center” includes blood collection and processing devices and disposables for red cells, platelets and whole blood. “Hospital”, which is comprised of Hemostasis Management, Interventional Technologies, Cell Salvage and Transfusion Management products, includes devices and methodologies for measuring coagulation characteristics of blood, vascular closure devices, sensor guided technologies, specialized blood cell processing systems and disposables, surgical blood salvage systems and blood transfusion management software.

We believe that Plasma and Hospital have growth potential, while Blood Center competes in challenging markets that require us to manage the business differently, including reducing costs, shrinking the scope of the current product line, and evaluating opportunities to exit unfavorable customer contracts.

Recent Developments

Acquisition of OpSens, Inc.

On October 10, 2023, the Company announced it had entered into an Arrangement Agreement with OpSens, Inc. (“OpSens”), a medical device cardiology-focused company delivering solutions based on its proprietary optical technology, pursuant to which, among other things, the Company agreed to acquire all of the issued and outstanding common shares of OpSens. On December 12, 2023, the Company completed its acquisition of OpSens for total consideration of approximately \$254.5 million, or \$243.9 million, net of cash acquired. The Company financed the acquisition through a combination of cash on hand and borrowings under the revolving credit facility.

OpSens offers commercially and clinically validated optical technology for use primarily in interventional cardiology. OpSens’ core products include the SavvyWire[®], a sensor-guided 3-in-1 guidewire for TAVR procedures, advancing the workflow of the procedure and enabling potentially shorter hospital stays for patients; and the OptoWire[®], a pressure guidewire that aims to improve clinical outcomes by accurately and consistently measuring Fractional Flow Reserve (FFR) and diastolic pressure ratio (dPR) to aid clinicians in the diagnosis and treatment of patients with coronary artery disease. OpSens also manufactures a range of fiber optic sensor solutions used in medical devices and other critical industrial applications. The addition of OpSens expands the Hospital business unit portfolio in the interventional cardiology market and will be included in the Hospital reportable segment.

Portfolio Rationalization Initiatives

In November 2023, the Company announced its plans to end of life the ClotPro analyzer system within the Hospital business unit and whole blood inline collection products within the Blood Center business unit, including the associated manufacturing operations and closure of certain other facilities. These product rationalization initiatives have not materially impacted the third quarter of fiscal 2024 results and we do not expect a material impact for the remainder of fiscal 2024.

Financial Summary

	Three Months Ended			Nine Months Ended		
	December 30, 2023	December 31, 2022	% Increase/ (Decrease)	December 30, 2023	December 31, 2022	% Increase/ (Decrease)
<i>(In thousands, except per share data)</i>						
Net revenues	\$ 336,250	\$ 305,301	10.1 %	\$ 965,765	\$ 864,244	11.7 %
Gross profit	\$ 177,867	\$ 158,707	12.1 %	\$ 515,642	\$ 458,848	12.4 %
<i>% of net revenues</i>	52.9 %	52.0 %		53.4 %	53.1 %	
Operating expenses	\$ 131,889	\$ 115,428	14.3 %	\$ 380,702	\$ 338,070	12.6 %
Operating income	\$ 45,978	\$ 43,279	6.2 %	\$ 134,940	\$ 120,778	11.7 %
<i>% of net revenues</i>	13.7 %	14.2 %		14.0 %	14.0 %	
Interest and other expense, net	\$ (1,949)	\$ (1,055)	84.7 %	\$ (6,489)	\$ (12,001)	(45.9)%
Income before provision for income taxes	\$ 44,029	\$ 42,224	4.3 %	\$ 128,451	\$ 108,777	18.1 %
Provision for income taxes	\$ 12,788	\$ 9,280	37.8 %	\$ 31,260	\$ 22,759	37.4 %
<i>% of pre-tax income</i>	29.0 %	22.0 %		24.3 %	20.9 %	
Net income	\$ 31,241	\$ 32,944	(5.2)%	\$ 97,191	\$ 86,018	13.0 %
<i>% of net revenues</i>	9.3 %	10.8 %		10.1 %	10.0 %	
Net income per share - basic	\$ 0.62	\$ 0.65	(4.6)%	\$ 1.92	\$ 1.69	13.6 %
Net income per share - diluted	\$ 0.61	\$ 0.64	(4.7)%	\$ 1.89	\$ 1.67	13.2 %

Net revenues increased 10.1% and 11.7% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, net revenues increased 10.3% and 12.4% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Revenue increases in our Plasma and Hospital businesses, primarily related to volume and price benefits, drove the overall increase in revenue during the three and nine months ended December 30, 2023.

Operating income increased 6.2% and 11.7% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and nine months ended December 30, 2023 were primarily due to increased revenues in Plasma and Hospital as well as operating leverage, partially offset by continuous growth investments, portfolio rationalization initiatives, transaction costs in connection with the OpSens acquisition and digital transformation costs related to the upgrade of our enterprise resource planning system.

Management's Use of Non-GAAP Measures

Management uses non-GAAP financial measures, in addition to financial measures in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), to monitor the financial performance of the business, make informed business decisions, establish budgets and forecast future results. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with U.S. GAAP. Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency conversion rate. We have provided this non-GAAP financial measure because we believe it provides meaningful information regarding our results on a consistent and comparable basis for the periods presented.

RESULTS OF OPERATIONS

Net Revenues by Geography

<i>(In thousands)</i>	Three Months Ended				
	December 30, 2023	December 31, 2022	Reported growth	Currency impact	Constant currency growth ⁽¹⁾
United States	\$ 250,804	\$ 224,104	11.9 %	— %	11.9 %
International	85,446	81,197	5.2 %	(0.7)%	5.9 %
Net revenues	<u>\$ 336,250</u>	<u>\$ 305,301</u>	10.1 %	(0.2)%	10.3 %

<i>(In thousands)</i>	Nine Months Ended				
	December 30, 2023	December 31, 2022	Reported growth	Currency impact	Constant currency growth ⁽¹⁾
United States	\$ 724,222	\$ 617,824	17.2 %	— %	17.2 %
International	241,543	246,420	(2.0)%	(2.3)%	0.3 %
Net revenues	<u>\$ 965,765</u>	<u>\$ 864,244</u>	11.7 %	(0.7)%	12.4 %

⁽¹⁾ Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency. See “*Management’s Use of Non-GAAP Measures.*”

Our principal operations are in the United States, Europe, Japan and other parts of Asia. Our products are marketed in approximately 90 countries around the world through a combination of our direct sales force and independent distributors and agents. During the three and nine months ended December 30, 2023 our revenue generated outside the U.S. was 25.4% and 25.0% of total net revenues, respectively, as compared with 26.6% and 28.5%, respectively, during the three and nine months ended December 31, 2022. International sales are generally conducted in local currencies, primarily Japanese Yen, Euro and Chinese Yuan. Our results of operations are impacted by changes in foreign exchange rates, particularly in the value of the Yen and Euro relative to the U.S. Dollar. We have placed foreign currency hedges on certain foreign currencies to mitigate our exposure to foreign currency fluctuations.

Please see the section entitled “Foreign Exchange” in this discussion for a more complete explanation of how foreign currency affects our business and our strategy for managing this exposure.

Net Revenues by Business Unit

<i>(In thousands)</i>	Three Months Ended				
	December 30, 2023	December 31, 2022	Reported growth	Currency impact	Constant currency growth ⁽¹⁾
Plasma	\$ 146,805	\$ 135,461	8.4 %	0.3 %	8.1 %
Apheresis	50,666	52,398	(3.3) %	(1.9) %	(1.4) %
Whole Blood	19,814	20,964	(5.5) %	0.1 %	(5.6) %
Blood Center	70,480	73,362	(3.9)%	(1.3)%	(2.6)%
Interventional Technologies ⁽²⁾	43,007	32,154	33.8 %	(0.2) %	34.0 %
Hemostasis Management	41,423	34,921	18.6 %	0.1 %	18.5 %
Other ⁽³⁾	28,989	24,485	18.4 %	0.4 %	18.0 %
Hospital	113,419	91,560	23.9 %	0.1 %	23.8 %
Net business unit revenues	330,704	300,383	10.1 %	(0.2)%	10.3 %
Service	5,546	4,918	12.8 %	1.9 %	10.9 %
Net revenues	\$ 336,250	\$ 305,301	10.1 %	(0.2)%	10.3 %

<i>(In thousands)</i>	Nine Months Ended				
	December 30, 2023	December 31, 2022	Reported growth	Currency impact	Constant currency growth ⁽¹⁾
Plasma	\$ 427,315	\$ 365,735	16.8 %	0.1 %	16.7 %
Apheresis	151,380	152,287	(0.6) %	(3.0) %	2.4 %
Whole Blood	54,538	60,452	(9.8) %	(0.7) %	(9.1) %
Blood Center	205,918	212,739	(3.2)%	(2.3)%	(0.9)%
Interventional Technologies ⁽²⁾	119,169	91,297	30.5 %	(0.2) %	30.7 %
Hemostasis Management	116,241	102,737	13.1 %	(0.7) %	13.8 %
Other ⁽³⁾	80,760	76,875	5.1 %	(0.7) %	5.8 %
Hospital	316,170	270,909	16.7 %	(0.6)%	17.3 %
Net business unit revenues	949,403	849,383	11.8 %	(0.7)%	12.5 %
Service	16,362	14,861	10.1 %	0.7 %	9.4 %
Net revenues	\$ 965,765	\$ 864,244	11.7 %	(0.7)%	12.4 %

⁽¹⁾ Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency. See “Management’s Use of Non-GAAP Measures.”

⁽²⁾ Interventional Cardiology includes Vascular Closure and Sensor Guided Technologies product lines of the Hospital business unit.

⁽³⁾ Other includes the Cell Salvage and Transfusion Management product lines of the Hospital business unit.

Plasma

Plasma revenue increased 8.4% and 16.8% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, Plasma revenue increased 8.1% and 16.7% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and nine months ended December 30, 2023 were primarily driven by volume and price.

During the third quarter of fiscal 2023, we amended our supply agreement with CSL, which was scheduled to expire in December 2023, to extend the term through December 2025. CSL has a minimum purchase commitment under the non-exclusive supply agreement that slightly exceeds \$100.0 million in fiscal 2024, and we expect that CSL will continue to provide a meaningful contribution to our Plasma business revenue in fiscal 2025.

Blood Center

Blood Center revenue decreased 3.9% and 3.2% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, Blood Center revenue decreased 2.6% and 0.9% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The decreases during the three and nine months ended December 30, 2023 were primarily driven by declines in our Whole Blood business.

Hospital

Hospital revenue increased 23.9% and 16.7% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, Hospital revenue increased 23.8% and 17.3% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and nine months ended December 30, 2023 were primarily attributable to increased Interventional Technologies and Hemostasis Management revenue, as well as moderate increases in revenue in our Transfusion Management business.

Gross Profit

(In thousands)	Three Months Ended			Nine Months Ended		
	December 30, 2023	December 31, 2022	% Increase	December 30, 2023	December 31, 2022	% Increase
Gross profit	\$ 177,867	\$ 158,707	12.1 %	\$ 515,642	\$ 458,848	12.4 %
% of net revenues	52.9 %	52.0 %		53.4 %	53.1 %	

Gross profit increased 12.1% and 12.4% for the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, gross profit increased 15.3% and 14.8% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and nine months ended December 30, 2023 were primarily driven by volume, mix and price, partially offset by portfolio rationalization initiatives, continuous growth investments and higher depreciation expense.

Operating Expenses

(In thousands)	Three Months Ended			Nine Months Ended		
	December 30, 2023	December 31, 2022	% Increase/ (Decrease)	December 30, 2023	December 31, 2022	% Increase/ (Decrease)
Research and development	\$ 13,265	\$ 12,689	4.5 %	\$ 38,578	\$ 34,487	11.9 %
% of net revenues	3.9 %	4.2 %		4.0 %	4.0 %	
Selling, general and administrative	\$ 111,713	\$ 94,661	18.0 %	\$ 310,099	\$ 278,917	11.2 %
% of net revenues	33.2 %	31.0 %		32.1 %	32.3 %	
Amortization of acquired intangible assets	\$ 6,911	\$ 8,078	(14.4)%	\$ 21,606	\$ 24,666	(12.4)%
% of net revenues	2.1 %	2.6 %		2.2 %	2.9 %	
Impairment of intangible assets	\$ —	\$ —	n/m	\$ 10,419	\$ —	n/m
% of net revenues	— %	— %		1.1 %	— %	
Total operating expenses	\$ 131,889	\$ 115,428	14.3 %	\$ 380,702	\$ 338,070	12.6 %
% of net revenues	39.2 %	37.8 %		39.4 %	39.1 %	

Research and Development

Research and development expenses increased 4.5% and 11.9% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, research and development expenses increased 4.1% and 11.4% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and nine months ended December 30, 2023 were due to increased investments into product innovation across our product portfolio.

Selling, General and Administrative

Selling, general and administrative expenses increased 18.0% and 11.2% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, selling, general, and administrative expenses increased 17.6% and 11.1% during the three and nine months ended December 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and nine months ended December 30, 2023 were primarily driven by higher investments in sales and marketing, transaction costs and costs associated with the upgrade of our enterprise resource planning system, partially offset by operating leverage.

Amortization of Acquired Intangible Assets

We recognized amortization expense related to our acquired intangible assets of \$6.9 million and \$21.6 million during the three and nine months ended December 30, 2023, respectively, and \$8.1 million and \$24.7 million during the three and nine months ended December 31, 2022, respectively. The decreases were primarily the result of intangible assets that became fully amortized during fiscal 2023.

Impairment of Intangible Assets

We recognized a \$10.4 million impairment of intangible assets in the second quarter of fiscal 2024 related to the enicor GmbH acquisition completed in fiscal 2021 within our Hospital business unit.

Interest and Other Expense, Net

Interest and other expenses increased 84.7% during the three months ended December 30, 2023 and decreased 45.9% during the nine months ended December 30, 2023, as compared with the same periods of fiscal 2023. The increases during three months ended December 30, 2023 were driven by foreign currency impact due to market and rate volatility and higher interest incurred on our term loan, partially offset by interest income on investments due to higher interest rates. The decreases during the nine months ended December 30, 2023 were primarily driven by increased interest income on investments due to higher interest rates and foreign currency impact due to market and rate volatility, partially offset by higher interest incurred on our term loan.

Income Taxes

We conduct business globally and report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate differs from the statutory tax rate due to the jurisdictional mix of earnings in any given period as the foreign jurisdictions in which we operate have tax rates that differ from the U.S. statutory tax rate. Our effective tax rate is adversely impacted by non-deductible expenses including executive compensation and transaction costs.

For the three and nine months ended December 30, 2023, the Company reported income tax expense of \$12.8 million and \$31.3 million, respectively, representing effective tax rates of 29.0% and 24.3%, respectively. The effective tax rate for the nine months ended December 30, 2023 includes \$1.1 million of discrete tax benefit, of which \$2.6 million relates to stock compensation windfalls, partially offset by other discrete items.

For the three and nine months ended December 31, 2022, the Company reported income tax expense of \$9.3 million and \$22.8 million, respectively, representing effective tax rates of 22.0% and 20.9%, respectively. The effective tax rate for the three months ended December 31, 2022 includes \$0.1 million of discrete tax expense relating to stock compensation shortfalls. The effective tax rate for the nine months ended December 31, 2022 includes a discrete tax benefit of \$0.5 million related to tax rate changes enacted in the period and \$0.4 million of discrete tax expense relating to stock compensation shortfalls.

The increase in the reported tax rates for the three and nine months ended December 30, 2023, compared to the same periods in fiscal 2023, relates primarily to unfavorable changes in the jurisdictional mix of earnings, research tax credits generated and non-deductible acquisition-related expenses, partially offset by discrete tax benefits from stock compensation windfall deductions.

Liquidity and Capital Resources

The following table contains certain key performance indicators we believe depict our liquidity and cash flow position:

<i>(Dollars in thousands)</i>	December 30, 2023	April 1, 2023
Cash and cash equivalents	\$ 193,978	\$ 284,466
Working capital	\$ 503,227	\$ 517,906
Current ratio	2.9	3.1
Net debt position ⁽¹⁾	\$ (676,607)	\$ (481,420)
Days sales outstanding (DSO)	57	53
Inventory turnover	1.8	1.8

⁽¹⁾ Net debt position is the sum of cash and cash equivalents less total debt.

Our primary sources of liquidity are cash and cash equivalents, internally generated cash flow from operations and our revolving credit facility. We believe these sources are sufficient to fund our cash requirements over at least the next twelve months. Our expected cash outlays relate primarily to acquisitions, investments, capital expenditures, including enhancements to our North American manufacturing facilities, share repurchases, portfolio rationalization initiatives and cash principal and interest payments under our revised credit agreement.

The Company has \$500.0 million aggregate principal amount of 0% convertible senior notes due in 2026, or the 2026 Notes. The 2026 Notes are governed by the terms of the Indenture between the Company and U.S. Bank National Association, as trustee. The total net proceeds from the sale of the 2026 Notes, after deducting the initial purchasers' discounts and debt issuance costs, were approximately \$486.7 million. The 2026 Notes will mature on March 1, 2026, unless earlier converted, redeemed or repurchased. The 2026 Notes have an effective interest rate of 0.5% as of December 30, 2023.

As of December 30, 2023, we had \$194.0 million in cash and cash equivalents, the majority of which is held in the U.S. or in countries from which it can be repatriated to the U.S. On July 26, 2022, we entered into an amended and restated credit agreement with certain lenders to refinance our prior credit agreement entered into on June 15, 2018, which consisted of a \$350.0 million term loan and a \$350.0 million revolving credit facility (together, as amended from time to time, the "2018 Credit Facilities"), and extend the maturity date through June 2025. Our Revised Credit Facilities include a \$280.0 million senior unsecured term loan, the proceeds of which have been used to retire the balance of the term loan under the 2018 Credit Facilities, and a \$420.0 million senior unsecured revolving credit facility. Loans under the Revised Credit Facilities bear interest at an annual rate equal to the Adjusted Term SOFR Rate (as specified in the amended and restated credit agreement), which is subject to a floor of 0%, plus an applicable rate ranging from 1.125% to 1.750% based on the Company's consolidated net leverage ratio (as specified in the amended and restated credit agreement) at the applicable measurement date. Adjusted Term SOFR Rate loans are also subject to a credit spread adjustment of 0.10% per annum. The revolving credit facility carries an unused fee that ranges from 0.125% to 0.250% annually based on the Company's consolidated net leverage ratio at the applicable measurement date. Under the Revised Credit Facilities, the Company is required to maintain certain leverage and interest coverage ratios specified in the amended and restated credit agreement as well as other customary non-financial affirmative and negative covenants. The Revised Credit Facilities mature on June 15, 2025. The principal amount of the term loan under the Revised Credit Facilities is repayable quarterly through the maturity date at a rate of 2.5% for the first year and 5% thereafter, with the unpaid balance due at maturity.

As of December 30, 2023, \$266.0 million was outstanding under the term loan with an effective interest rate of 6.8%. During the third quarter of fiscal 2024 in connection with the acquisition of OpSens, the Company borrowed \$110.0 million under the revolving credit facility, with an effective interest rate of 6.7%, which remains outstanding as of December 30, 2023. We also had \$20.1 million of uncommitted operating lines of credit to fund our global operations under which there were no outstanding borrowings as of December 30, 2023. Additionally, the Company was in compliance with the leverage and interest coverage ratios specified in the credit agreement as well as all other bank covenants as of December 30, 2023.

The Company has scheduled principal payments of \$3.5 million required during the remainder of fiscal 2024.

During fiscal 2022, our Board of Directors approved a revised Operational Excellence Program. We estimate that we will incur aggregate charges between \$95 million and \$105 million in connection with the Operational Excellence Program. These charges, the majority of which will result in cash outlays, including severance and other employee costs, will be incurred as the specific actions required to execute these initiatives are identified and approved and are expected to be substantially completed by the end of fiscal 2025. During the three and nine months ended December 30, 2023, we incurred \$2.6 million and \$6.8 million, respectively, of restructuring and restructuring related costs under this program.

Cash Flows

<i>(In thousands)</i>	Nine Months Ended	
	December 30, 2023	December 31, 2022
Net cash provided by (used in):		
Operating activities	\$ 117,670	\$ 193,447
Investing activities	(309,333)	(125,782)
Financing activities	101,659	(98,761)
Effect of exchange rate changes on cash and cash equivalents ⁽¹⁾	(484)	(4,398)
Net change in cash and cash equivalents	<u>\$ (90,488)</u>	<u>\$ (35,494)</u>

⁽¹⁾ The balance sheet is affected by spot exchange rates used to translate local currency amounts into U.S. Dollars. In accordance with U.S. GAAP, we have eliminated the effect of foreign currency throughout our cash flow statement, except for its effect on our cash and cash equivalents.

Net cash provided by operating activities decreased by \$75.8 million during the nine months ended December 30, 2023, as compared with the nine months ended December 31, 2022. The decrease in cash provided by operating activities was primarily the result of an increase in inventory due to replenishment of NexSys devices and decreases in accounts payable and accrued expenses, partially offset by an increase in net income.

Net cash used in investing activities increased by \$183.6 million during the nine months ended December 30, 2023, as compared with the nine months ended December 31, 2022. The increase in cash used in investing activities was primarily the result of the acquisition of OpSens, partially offset by lower capital expenditures driven by NexSys PCS device placements that occurred during fiscal 2023 and decreased cash outflows for other investments compared to the nine months ended December 31, 2022.

Net cash provided by financing activities increased by \$200.4 million during the nine months ended December 30, 2023, as compared with the nine months ended December 31, 2022, primarily due to the borrowing under the revolving credit facility during the third quarter of fiscal 2024 in connection with the OpSens acquisition, as well as the share repurchases and higher contingent consideration payments in fiscal 2023.

Concentration of Credit Risk

Concentrations of credit risk with respect to trade accounts receivable are generally limited due to our large number of customers and their diversity across many geographic areas. Certain markets and industries, however, can expose us to concentrations of credit risk. For example, in the Plasma business unit, sales are concentrated with several large customers. As a result, accounts receivable extended to any one of these biopharmaceutical customers can be significant at any point in time. In addition, a portion of our trade accounts receivable outside the U.S. include sales to government-owned or supported healthcare systems in several countries, which are subject to payment delays and local economic conditions. Payment is dependent upon the financial stability and creditworthiness of those countries' national economies.

We have not incurred significant losses on trade accounts or other receivables. We continually evaluate all receivables for potential collection risks associated with the availability of government funding and reimbursement practices. If the financial condition of customers or the countries' healthcare systems deteriorate such that their ability to make payments is uncertain, allowances may be required in future periods.

Inflation

We continue to monitor inflationary pressures generally and raw materials indices that may affect our procurement and production costs. Increases in the price of petroleum derivatives could result in corresponding increases in our costs to procure plastic raw materials. Historically, we have been able to limit the impact of the effects of inflation by improving our manufacturing and purchasing efficiencies, by increasing employee productivity and by adjusting the selling prices of products, but we may not be able to fully mitigate these increases in our operational costs in the future.

Foreign Exchange

During the three and nine months ended December 30, 2023, 25.4% and 25.0%, respectively, of our sales were generated outside the U.S., generally in foreign currencies, yet our reporting currency is the U.S. Dollar. We also incur certain manufacturing, marketing and selling costs in international markets in local currency. Our primary foreign currency exposures relate to sales denominated in Japanese Yen, Euro and Chinese Yuan. We also have foreign currency exposure related to manufacturing and other operational costs denominated in Swiss Francs, Canadian Dollars, Mexican Pesos and Malaysian Ringgit. The Yen, Euro and Yuan sales exposure is partially mitigated by costs and expenses for foreign operations and sourcing products denominated in foreign currencies.

Since our foreign currency denominated Yen, Euro and Yuan sales exceed the foreign currency denominated costs, whenever the U.S. Dollar strengthens relative to the Yen, Euro or Yuan, there is an adverse effect on our results of operations and, conversely, whenever the U.S. Dollar weakens relative to the Yen, Euro or Yuan, there is a positive effect on our results of operations. For Swiss Francs, Canadian Dollars, Mexican Pesos and Malaysian Ringgit our primary cash flows relate to product costs or costs and expenses of local operations. Whenever the U.S. Dollar strengthens relative to these foreign currencies, there is a positive effect on our results of operations. Conversely, whenever the U.S. Dollar weakens relative to these currencies, there is an adverse effect on our results of operations.

We have a program in place that is designed to mitigate our exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize, for a period of time, the unforeseen impact on our financial results from changes in foreign exchange rates. We utilize forward foreign currency contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily Japanese Yen and Euro, and to a lesser extent Swiss Franc and Mexican Peso. This does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation. These contracts are designated as cash flow hedges. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

Recent Accounting Pronouncements

Standards to be Implemented

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) Update No. 2023-07, Segment Reporting (Topic 280). The new guidance requires public entities to provide expanded disclosures over significant segment expenses and additional disclosures related to the chief operating decision maker. ASC Update No. 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The new guidance is applicable to Haemonetics beginning with the fiscal 2025 Annual Report on Form 10-K. The Company is currently evaluating the impact to its interim and annual report disclosures.

In December 2023, the FASB issued ASC Update No. 2023-09, Income Taxes (Topic 740). ASC Update No. 2023-09 requires public entities to provide detailed income tax disclosures, including rate reconciliations and disaggregated income tax payment information, on an annual basis. The updated guidance is effective for fiscal years beginning after December 15, 2024 and early adoption is permitted. ASC Update No. 2023-09 is applicable to Haemonetics beginning with the fiscal 2026 Annual Report on Form 10-K and the Company is currently evaluating the impact to its annual report disclosures.

Cautionary Statement Regarding Forward-Looking Information

Certain statements that we make from time to time, including statements contained in this Quarterly Report on Form 10-Q and incorporated by reference into this report, constitute “forward looking-statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements do not relate strictly to historical or current facts and reflect management’s assumptions, views, plans, objectives and projections about the future. Forward-looking statements may be identified by the use of words such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “foresees,” “potential” and other words of similar meaning in conjunction with, among other things: discussions of future operations; expected operating results and financial performance; the Company’s strategy for growth; product development, commercialization and anticipated performance and benefits; regulatory approvals; impacts of acquisitions or dispositions; and market position and expenditures.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to uncertainties, risks and changes that are difficult to predict and many of which are outside of the Company’s

control. Investors should realize that if underlying assumptions prove inaccurate, or known or unknown risks or uncertainties materialize, the Company's actual results and financial condition could vary materially from expectations and projections expressed or implied in its forward-looking statements. Investors are therefore cautioned not to rely on these forward-looking statements.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of these and other factors, see Item 1A. Risk Factors in our most recent Annual Report on Form 10-K.

- Our ability to achieve our long-term strategic and financial-improvement goals;
- Demand for and market acceptance risks for new and existing products, including material reductions in purchasing from or loss of a significant customer;
- Our ability to develop, manufacture and market new products and technologies successfully and in a timely manner and the ability of our competitors and other third parties to develop products or technologies that render our products or technologies noncompetitive or obsolete;
- Product quality or safety concerns, leading to product recalls, withdrawals, regulatory action by the FDA (or similar non-U.S. regulatory agencies), reputational damage, declining sales or litigation;
- Security breaches of our information technology systems or our products, which could impair our ability to conduct business or compromise sensitive information of the Company or its customers, suppliers and other business partners, or of customers' patients;
- Pricing pressures resulting from trends toward healthcare cost containment, including the continued consolidation among healthcare providers and other market participants;
- Disruptions to the continuity, availability and pricing of plastic and other raw materials, finished goods and components used in the manufacturing of our products (including those purchased from sole-source suppliers) and the related continuity of our manufacturing, sterilization, supply chain and distribution operations, including disruptions caused by natural disasters, extreme weather and other conditions caused by or related to climate change, labor strikes, terrorism acts, cyber incidents or other adverse events;
- Our ability to obtain the anticipated benefits of restructuring programs that we have or may undertake, including the Operational Excellence Program;
- The potential that the expected strategic benefits and opportunities from the Company's acquisition of OpSens and any other planned or completed acquisitions, divestitures or other strategic investments by the Company may not be realized or may take longer to realize than expected;
- The impact of enhanced requirements to obtain regulatory approval in the U.S. and around the world and the associated timing and cost of product approval;
- Our ability to comply with established and developing U.S. and foreign legal and regulatory requirements, including the U.S. Foreign Corrupt Practices Act, European Union Medical Device Regulation and In Vitro Diagnostic Regulation and similar laws in other jurisdictions, as well as U.S. and foreign export and import restrictions and tariffs;
- Our ability to meet our debt obligations and raise additional capital when desired on terms reasonably acceptable to us;
- The potential impact of our convertible senior notes and related capped call transactions;
- Geopolitical and economic conditions in China, Russia and other foreign jurisdictions where we do business;
- Our ability to execute and realize anticipated benefits from our investments in emerging economies;
- The potential effect of foreign currency fluctuations and interest rate fluctuations on our net sales, expenses and resulting margins;

- The impact of changes in U.S. and international tax laws;
- Our ability to protect intellectual property and the outcome of patent litigation;
- Costs and risks associated with product liability and other litigation claims we may be subject to now or in the future;
- The impact of actual or threatened public health emergencies;
- Our ability to retain and attract key personnel;
- Market conditions impacting our stock price and/or our share repurchase program, and the possibility that such share repurchase program may be delayed, suspended or discontinued; and
- Our ability to achieve against our corporate responsibility initiatives and meet evolving stakeholder expectations concerning corporate responsibility matters.

Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above and in Item 1A. Risk Factors in our Annual Report on Form 10-K to be a complete statement of all potential risks and uncertainties. The Company does not undertake to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information or future events or developments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposures relative to market risk are due to foreign exchange risk and interest rate risk.

Foreign Exchange Risk

See the section above entitled Foreign Exchange for a discussion of how foreign currency affects our business. It is our policy to minimize, for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge anticipated cash flows from forecasted foreign currency denominated sales and costs. We do not use the financial instruments for speculative or trading activities.

We estimate the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. Dollar relative to all other major currencies. As of December 30, 2023, in the event of a 10% strengthening of the U.S. Dollar, the change in fair value of all forward contracts would result in a \$2.2 million increase in the fair value of the forward contracts, whereas a 10% weakening of the U.S. Dollar would result in a \$2.7 million decrease in the fair value of the forward contracts.

Interest Rate Risk

Our exposure to changes in interest rates is associated with borrowings under our credit facilities, all of which is variable rate debt. Total outstanding debt under our term loan as of December 30, 2023 was \$266.0 million with an effective interest rate of 6.8% based on prevailing Term SOFR rates. An increase of 100 basis points in Term SOFR rates would result in additional annual interest expense of \$0.5 million. In addition, as of December 30, 2023, there was \$110.0 million outstanding on our revolving credit facility with an effective interest rate of 6.7%, also based on prevailing Term SOFR Rates. As of December 30, 2023, the notional amount on our two active interest rate swap agreements to effectively convert borrowings under our Credit Facilities from a variable rate to a fixed rate were \$214.2 million. These interest rate swaps are intended to mitigate the exposure to fluctuations in interest rates and qualify for hedge accounting treatment as cash flow hedges.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, as of December 30, 2023, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 under the Securities Exchange Act of 1934. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 30, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended December 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the second quarter of fiscal 2024, we implemented the first phase of a new global enterprise resource planning (“ERP”) system, which will continue to be implemented in phases through fiscal 2025. The ERP will replace existing financial systems we have historically relied on. As each phase of the implementation occurs, we will reassess our processes and procedures, which may result in changes to our internal control over financial reporting.

PART II — OTHER INFORMATION**Item 1. Legal Proceedings**

Information with respect to this Item may be found in Note 14, *Commitments and Contingencies* to the Unaudited Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

There are no material changes from the Risk Factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended April 1, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended December 30, 2023, certain of our directors and officers (as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934) adopted or terminated trading arrangements for the sale of shares of our common stock as follows:

Name and Title	Action	Date ⁽¹⁾	Trading Arrangement		Number of Shares to be Sold ⁽²⁾	Expiration Date ⁽³⁾
			Rule 10b5-1*	Non-Rule 10b5-1**		
Michelle L. Basil, EVP, General Counsel	Adoption	12/14/2023	X		17,567 ⁽⁴⁾	8/15/2024

* Intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934.

** Not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934.

⁽¹⁾ Reflects the fully-executed date of each trading arrangement, which may differ from the date of first execution by an officer or director.

⁽²⁾ The number of shares of common stock sold under each trading arrangement, if any, will be net of shares withheld for applicable tax obligations upon the vesting and/or exercise of covered securities as well as for payment of the exercise price upon the exercise of stock options, which amounts are not yet determinable.

⁽³⁾ Except as otherwise indicated by footnote, each trading arrangement expires upon the earlier of (a) completion of all authorized transactions thereunder and (b) the expiration date listed above.

⁽⁴⁾ Includes 12,374 shares subject to a performance share unit (“PSU”) award previously granted to Ms. Basil on May 18, 2021. The actual number of shares to be earned under the PSU award, and subject to sale under this trading arrangement, may range from 0% to a maximum of 200% of the target award depending upon the Company’s total shareholder return relative to the components of the S&P MidCap 400 index during a three-year performance period from May 18, 2021 to May 17, 2024.

Item 6. Exhibits

- [3.1](#) Restated Articles of Organization of the Company, reflecting Articles of Amendment dated August 23, 1993, August 21, 2006, July 26, 2018 and July 25, 2019 (filed as Exhibit 3.1 to the Company's Form 8-K dated July 29, 2019 and incorporated herein by reference).
- [3.2](#) By-Laws of the Company, as amended through June 29, 2020 (filed as Exhibit 3.1 to the Company's Form 8-K dated June 30, 2020 and incorporated herein by reference).
- [10.1](#) Arrangement Agreement, dated as of October 10, 2023, by and among the Company, OpSens Inc. and 9500-7704 Quebec Inc. (filed as Exhibit 2.1 to the Company's Form 8-K/A dated October 12, 2023 and incorporated herein by reference) (1).
- [10.2](#) Form of Voting and Support Agreement (filed as Exhibit 10.1 to the Company's Form 8-K/A dated October 12, 2023 and incorporated herein by reference) (1).
- [10.3*](#) Sixth Amendment to Lease dated February 21, 2000, made as of December 13, 2023, by and between Santa Maria Industrial Partners, L.P. (as successor to the lease), Haemonetics Mexico Manufacturing, S. de R.L. de C.V. and the Company, in its capacity as guarantor, for property located in Tijuana, Mexico (1).
- [10.4*](#) Office Lease Agreement, dated as of December 18, 2018, by and between OPG 125 Summer Owner (DE) LLC and the Company (1).
- [31.1*](#) Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002, of Christopher A. Simon, President and Chief Executive Officer of the Company.
- [31.2*](#) Certification pursuant to Section 302 of Sarbanes-Oxley of 2002, of James C. D'Arecca, Executive Vice President, Chief Financial Officer of the Company.
- [32.1**](#) Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Christopher A. Simon, President and Chief Executive Officer of the Company.
- [32.2**](#) Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of James C. D'Arecca, Executive Vice President, Chief Financial Officer of the Company.
- 101* The following materials from Haemonetics Corporation on Form 10-Q for the quarter ended July 2, 2022 formatted in inline Extensible Business Reporting Language (XBRL) includes: (i) Condensed Consolidated Statements of Income and Comprehensive Income, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statement of Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
- 104* Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).
- * Document filed with this report.
- ** Document furnished with this report.
- (1) Certain portions of this exhibit are considered confidential and have been omitted as permitted under SEC rules and regulations. The Company agrees to furnish supplementally a copy of any omitted portions to the U.S. Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements 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.

HAEMONETICS CORPORATION

February 8, 2024

By: /s/ Christopher A. Simon
Christopher A. Simon,
President and Chief Executive Officer
(Principal Executive Officer)

February 8, 2024

By: /s/ James C. D'Arecca
James C. D'Arecca, Executive Vice President, Chief Financial
Officer
(Principal Financial Officer)

SIXTH AMENDMENT TO LEASE AGREEMENT

THIS SIXTH AMENDMENT TO LEASE AGREEMENT (the "Amendment Agreement") is made as of this 13 day of December, 2023, by and between **SANTA MARIA INDUSTRIAL PARTNERS, L.P.** ("Landlord"), represented herein by Marcelo Durán Roux, as its legal representative, **HAEMONETICS MÉXICO MANUFACTURING, S. DE R.L. C.V.** ("Tenant"), represented herein by James D'Arecca & Josep Llorens, as its legal representatives, and **HAEMONETICS CORPORATION** ("Guarantor"), represented herein by James D'Arecca, as its legal representative. Landlord and Tenant hereinafter referred to collectively as the "Parties".

RECITALS

A. On February 21, 2000, Banco Bilbao Vizcaya-México, S.A., Institución de Banca Múltiple, Gupo Financiero BBV-Probursa, as trustee of *Fideicomiso Submetrópoli de Tijuana* and Ensatec, S.A. de C.V. entered into a certain lease agreement, as amended by that certain first amendment dated as of October 18, 2004, by that certain second amendment dated as of February 14, 2006, by that certain third amendment dated as of July 25, 2008, by that certain fourth amendment dated as of August 14, 2008, and by that certain fifth amendment dated as of January 19, 2018 (jointly, the "Lease"), with respect to an industrial building located at Calle Colinas No. 11730, Parque Industrial El Florido, Sección Colinas, Tijuana, Baja California, México (the "Property").

B. On November 16, 2000, Banco Bilbao Vizcaya-México, S.A., Institución de Banca Múltiple, Gupo Financiero BBV-Probursa changed its name to BBVA Bancomer Servicios, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.

C. On December 10, 2010, Promotora California de Desarrollos, S.A.P.I. de C.V. acquired all the rights and obligations of the owner (as landlord) under the Lease.

D. On February 10, 2011, Procadef 1, S.A.P.I. de C.V. acquired all the rights and obligations of the owner (as landlord) under the Lease.

SEXTO CONVENIO MODIFICATORIO AL CONTRATO DE ARRENDAMIENTO

EL PRESENTE SEXTO CONVENIO MODIFICATORIO AL CONTRATO DE ARRENDAMIENTO (el "Convenio Modificadorio") celebrado el día 13 de Diciembre de 2023, entre **SANTA MARIA INDUSTRIAL PARTNERS, L.P.** (la "Arrendadora"), en este acto representado por Marcelo Durán Roux, en su carácter de representante legal, **HAEMONETICS MÉXICO MANUFACTURING, S. DE R.L. C.V.** (la "Arrendataria"), en este acto representado por James D'Arecca y Josep Llorens, en su carácter de representantes legales, así como también por **HAEMONETICS CORPORATION** (el "Garante"), en este acto representado por James D'Arecca, en su carácter de representante legal. La Arrendadora y la Arrendataria en lo sucesivo en conjunto las "Partes".

DECLARACIONES

A. Con fecha 21 de febrero de 2000, Banco Bilbao Vizcaya-México, S.A., Institución de Banca Múltiple, Gupo Financiero BBV-Probursa, como fiduciario del Fideicomiso Submetrópoli de Tijuana, y Ensatec, S.A. de C.V., celebraron cierto contrato de arrendamiento, modificado mediante cierto primer convenio modificadorio de fecha 18 de octubre de 2004, cierto segundo convenio modificadorio de fecha 14 de febrero de 2006, cierto tercer convenio modificadorio de fecha 25 de julio de 2008, cierto cuarto convenio modificadorio de fecha 14 de agosto de 2011 y cierto quinto convenio modificadorio de fecha 19 de enero de 2018 (conjuntamente el "Arrendamiento"), respecto del edificio industrial ubicado en Calle Colinas No. 11730, Parque Industrial El Florido, Sección Colinas, Tijuana, Baja California, México (el "Inmueble").

B. Con fecha 16 de noviembre de 2000, Banco Bilbao Vizcaya-México, S.A., Institución de Banca Múltiple, Gupo Financiero BBV-Probursa cambió su denominación a BBVA Bancomer Servicios, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.

C. Con fecha 10 de diciembre de 2010, Promotora California de Desarrollos, S.A.P.I. de C.V. adquirió todos los derechos y obligaciones del arrendador bajo el Arrendamiento.

D. Con fecha 10 de febrero de 2011, Procadef 1, S.A.P.I. de C.V. adquirió todos los derechos y obligaciones del arrendador bajo el Arrendamiento.

E. On February 23, 2012, Ensatec, S.A. de C.V. assigned all the rights and obligations of tenant under the Lease to Pall Mexico Manufacturing, S. de R.L. de C.V.

F. On January 29, 2013, Pall Mexico Manufacturing, S. de R.L. de C.V. changed its name to Haemonetics México Manufacturing, S. de R.L. de C.V.

G. On December 10, 2013, Mega2013, S.A.P.I. de C.V. acquired all the rights and obligations of the owner (as landlord) under the Lease.

H. On September 10, 2018, El Florido, California, S.A. de C.V. acquired all the rights and obligations of the owner (as landlord) under the Lease.

I. On December 30, 2020, ownership over the Property was transferred for the entire benefit of Landlord through an irrevocable trust agreement, acquiring all rights and obligations as landlord under the Lease.

J. The Parties desire to enter into this Amendment Agreement in order to modify certain terms of the Lease Agreement.

NOW, THEREFORE, in consideration of the above, the Parties hereby covenant and agree as follows:

1. **Definitions.** All capitalized terms used herein which are not otherwise defined shall have the respective meanings set forth in the Lease.

2. **Term.** The parties hereby agree to extend the term of the Lease for an additional period of five (5) years (the "**Extension Term**"), as of the date of this Amendment Agreement, therefore, the term of the Lease expires on **August 16, 2028** (the "**Expiration Date**").

The Parties recognize that the extension of the term established herein is the exercise by Tenant of its extension right contained at the Lease, and the parties hereby agree to delete Clauses First and Second of the Fifth Amendment Agreement, dated as of January 1, 2018 (the "**Fifth Amendment**") in their entirety and to revoke any reference within the Lease to the option of Tenant to extend or renew the Term and to the option to remain in the Premises for an additional period, except for the provision contained in Clause 4 of this Amendment Agreement.

E. Con fecha 23 de febrero de 2012, Ensatec, S.A. de C.V. cedió todos los derechos y obligaciones de arrendatario bajo el Arrendamiento a Pall Mexico Manufacturing, S. de R.L. de C.V.

F. Con fecha 29 de enero de 2013, Pall Mexico Manufacturing, S. de R.L. de C.V. cambió su denominación a Haemonetics México Manufacturing, S. de R.L. de C.V.

G. Con fecha 10 de diciembre de 2013, Mega2013, S.A.P.I. de C.V. adquirió todos los derechos y obligaciones del arrendador bajo el Arrendamiento.

H. Con fecha 10 de septiembre de 2018, El Florido, California, S.A. de C.V. adquirió todos los derechos y obligaciones del arrendador bajo el Arrendamiento.

I. Con fecha 30 de diciembre de 2020, el Inmueble fue enajenado mediante fideicomiso irrevocable traslativo de dominio en el que la Arrendadora es la única fideicomisaria, adquiriendo todos los derechos y obligaciones como arrendador bajo el Arrendamiento.

J. Es la intención de las Partes celebrar el presente Convenio Modificadorio a efecto de modificar ciertos términos del Contrato de Arrendamiento.

POR LO TANTO, en virtud de lo anterior, en este acto las Partes convienen lo siguiente:

1. **Definiciones.** Todos los términos utilizados con mayúsculas en el presente Convenio modificadorio y que no se definan, tendrán el mismo significado que se les asigna en el Arrendamiento.

2. **Vigencia.** Las partes en este acto acuerdan prorrogar la vigencia del Arrendamiento por un plazo adicional de 5 (cinco) años (el "**Periodo de Prórroga**") a partir de la fecha del presente Convenio Modificadorio, por lo que el plazo del Arrendamiento vence el **16 de agosto de 2028** (la "**Fecha de Terminación**").

Las Partes reconocen que la extensión de la vigencia aquí establecida es el ejercicio de la Arrendataria a su derecho de prórroga contenido en el Arrendamiento, por lo cual acuerdan eliminar en su totalidad y dejar sin efectos la totalidad de la Cláusula Primera y Segunda del Quinto Convenio Modificadorio de fecha 1ro de Enero del 2018 (el Quinto Convenio Modificadorio) y revocar cualquier referencia que exista en el Arrendamiento a la opción de la Arrendataria de prorrogar o extender el Plazo y la opción de permanecer en el Inmueble por un periodo adicional, salvo por lo previsto en el presente Convenio Modificadorio en la siguiente clausula 4.

3. Monthly Rent. The Parties hereby agree that as of August 17, 2023, the monthly rent to be paid by the Tenant to the Landlord shall be **USDS[***]** ([***] United States legal currency) plus the Value Added Tax (“VAT”). Subsequently and as of September 1, 2024, in subsequent years and on each September 1 during the Extension Term, the total monthly rent payable shall be subject to annual increases of [***] percent ([***]%), without the need for any other notification or communication between the Parties.

In the event that rent is paid in Mexican Pesos, currency of legal tender in the United Mexican States, such will be paid at the rate of exchange in effect for selling Mexican Pesos to purchase United States Dollars, according to the rate published in the Official Journal of the Federation (Diario Oficial de la Federación) on the date Tenant pays Landlord such rent. If Tenant elects to pay rent in Mexican Pesos, Tenant will be obligated to pay, in addition thereto and as an administrative fee, an amount equal to ten percent (10%) of any such rent payment, plus applicable value added tax.

4. Additional Extension Term. Provided that (i) the Lease shall be in full force and effect in accordance with the terms of the Lease and this Amendment Agreement, and (ii) no event of default shall be continuing thereunder, and (iii) Tenant and Guarantor shall be at least as creditworthy as on the date hereof Tenant shall have the right to extend the term of the Lease for one (1) period of five (5) years (“Additional Extension Term”). Tenant shall exercise its option hereunder by giving Landlord written notice of such election (along with reasonable evidence that it and Guarantor remain at least as creditworthy as on the date hereof) no later than 8 (eight) months prior to the Expiration Date. Once the Landlord has been notified, the Parties will, within the 30 (thirty) calendar days following the delivery of said notice and evidence, Landlord and Tenant shall , execute an amendment agreement to the Lease to state that this Lease and the Term have been extended accordingly.

3. Renta Mensual. Las Partes acuerdan que, a partir del 17 de agosto de 2023, la renta mensual a ser pagada por la Arrendataria a la Arrendadora será por la cantidad de **EUAS[***]** ([***] moneda de curso legal en los Estados Unidos de América) más el Impuesto al Valor Agregado (“IVA”). Posteriormente y a partir del 1 de septiembre de 2024, y en años subsecuentes, cada 1 de septiembre durante el Periodo de Prórroga, la renta mensual pagadera estará sujeta a incrementos anuales de [***] por ciento ([***]%), sin necesidad de ninguna otra notificación o comunicación entre las Partes.

En caso de que la renta sea pagada en Pesos mexicanos, moneda del curso legal en los Estados Unidos Mexicanos, esta será pagada de acuerdo con el tipo de cambio publicado en el Diario Oficial de la Federación en la fecha en que la Arrendataria realice el pago a la Arrendadora en cuyo caso, la Arrendataria estará obligada a pagar adicionalmente, por concepto de honorarios administrativos, un importe igual al 10% (diez por ciento) de la renta, más el impuesto al valor agregado.

4. Periodo de Prórroga Adicional. Siempre que: (i) el Arrendamiento esté vigente y con plenos efectos de conformidad con lo establecido en el Arrendamiento y con el presente Convenio Modificatorio; y (ii) no haya ocurrido y continúe un incumplimiento conforme al mismo; y (iii) la Arrendataria y el Garante cuenten con una capacidad crediticia cuando menos como la que tienen a la fecha del presente , la Arrendataria tendrá derecho a prorrogar la vigencia del Arrendamiento por 1 (un) periodo de 5 (cinco) años (el “Periodo de Prórroga Adicional”). La Arrendataria ejercerá su opción aquí mencionada notificando por escrito a la Arrendadora de dicha elección (junto con evidencia razonable de que tanto ella como el Garante siguen contando cuando menos con la capacidad crediticia que tenían a la fecha del presente), a más tardar 8 (ocho) meses antes de la Fecha de Terminación. Una vez notificada la Arrendadora, las Partes dentro de los 30 (treinta) días naturales siguientes a la entrega de dicho aviso y evidencia, la Arrendadora y la Arrendataria , se reunirán para suscribir un nuevo convenio modificatorio al Arrendamiento para dejar constancia de que este Arrendamiento y la Vigencia han sido prorrogados en consecuencia.

All of the terms, covenants and conditions of this Lease and the Amendment Agreement shall continue in full force and effect during the Additional Extension Term, except that (i) annual increases during the Additional Extension Term shall be as set forth in Subsection (B) of this clause, and (ii) monthly base rent for the first year of each Additional Extension Term shall be the greater of (a) the base rent plus annual increases escalated as contemplated at this Lease for such first year, and (b) the then annual market rental rate per square meter for recent lease renewals comparable industrial buildings located in the Tijuana, Baja California, multiplied by the Leaseable Square Meters (as defined below) of the Building. The Leaseable Square Meters of the Building shall include all of the warehouse, production, support, utility, office, cafeteria, locker room, and other closed building areas then present within the Premises at the time of the renewal notice, but shall not include any parking, maneuvering or guard house areas. Such annual market rental rate shall be determined as follows. Within 30 days after Tenant's exercise of its option to extend, Landlord will propose to Tenant the market rental rate. Within 30 days thereafter, Tenant will either accept such determination (with no response on Tenant's part during such period being deemed acceptance) or, if Tenant disagrees with such determination, Tenant will provide in writing to Landlord Tenant's determination of the market rental rate. If, within 30 days thereafter, the parties are not able to agree on the market rental rate, within twenty (20) days after such failure to agree, Landlord and Tenant shall together appoint a MAI (or Mexican equivalent) appraiser having at least five (5) years' experience in industrial and warehouse leasing in the vicinity of Tijuana, Baja California. If the Parties are not able to agree upon the designation of the appraiser, then the appraiser will be appointed by the American Arbitration Association (or its successor) from its qualified panel of arbitrators, which appraiser shall, to the extent practicable, have the qualifications set forth above. Within forty-five (45) days after his appointment, the appraiser will determine the fair market rental value of the Premises applicable to the Additional Extension Term and shall choose whichever of the fair market rental values set forth in Landlord's initial proposal or Tenant's response is closer to such determination, which shall, for all purposes hereunder, be deemed the fair market rental rate. The determination of the appraiser shall be binding, final and conclusive on the parties. The fees and expenses of the appraiser and all costs incurred in connection with the appointment of the appraiser will be shared equally by Landlord and Tenant (in the amount of 50% each).

Todos los términos, acuerdos y condiciones del Arrendamiento y de este Convenio Modificatorio continuarán vigentes y surtiendo plenos efectos durante el Periodo de Prórroga Adicional, excepto que (i) los incrementos anuales de la Renta Base durante la el Periodo de Prórroga Adicional será conforme a lo pactado en el inciso (B) de la presente Clausula, y (ii) la renta mensual pagadera más el incremento anual correspondiente por el primer año del Periodo de Prórroga Adicional será lo que resulte mayor de (a) la Renta Base más el incremento anual como se contempla en el Arrendamiento por dicho primer año, y (b) el entonces valor de renta de mercado anual por metro cuadrado para renovaciones de arrendamientos de edificios industriales comparables ubicados en Tijuana, Baja California, multiplicado por los Metros Cuadrados Alquilables (como se define en el siguiente enunciado) del Inmueble. Los Metros Cuadrados Alquilables del Edificio incluirán todas las áreas de almacén, producción, soporte, servicios públicos, oficinas, cafetería, vestuarios y otras áreas cerradas del edificio que se encuentren dentro del Inmueble al momento del aviso de renovación, pero no incluirán ninguna de las áreas de estacionamiento, patio de maniobras o caseta de vigilancia. Dicho valor de renta anual de mercado será determinado como se describe a continuación. Dentro de los 30 días siguientes a que la Arrendataria ejerza su opción de prorrogar la Vigencia, la Arrendadora propondrá a la Arrendataria el valor de renta del mercado; dentro de los 30 días a partir de entonces, la Arrendataria podrá aceptar dicha determinación (la falta de respuesta será considerada como aceptación durante dicho período) o, si la Arrendataria no está de acuerdo con dicha determinación, la Arrendataria manifestará por escrito a la Arrendadora, la determinación de la Arrendataria del valor de renta del mercado. Si, luego de los 30 días siguientes, las partes no se ponen de acuerdo sobre el mercado, alquiler, valor, dentro de veinte (20) días después de dicho fracaso para ponerse de acuerdo, las Partes deberán juntos señalar un valuador MAI (o el equivalente mexicano) que cuente con al menos cinco (5) años de experiencia en arrendamientos industriales y de almacenes en los alrededores de Tijuana, Baja California. Si la Arrendadora y la Arrendataria no logran ponerse de acuerdo en designar un valuador, entonces el valuador será nombrado por un panel de árbitros de la Asociación Americana de Arbitraje (o su sucesor) para definir que valuador reúne, en la medida de lo posible, los requisitos establecidos anteriormente. Dentro de un término de cuarenta y cinco (45) días siguientes a su consulta, el valuador determinará el valor justo de renta del Inmueble que sea aplicable a la Periodo de Prórroga Adicional y seleccionará cualesquier de los valores del mercado de rentas establecidos en la propuesta inicial de la Arrendadora o la respuesta de la Arrendataria que se acerque más a dicha determinación, la cual deberá, para todos los efectos señalados en el presente Arrendamiento, ser considerada, como el valor de renta justa del mercado. La determinación del valuador será vinculativa, final y determinante para las Partes. Los honorarios y gastos del valuador y todos los costos incurridos en relación con el nombramiento del valuador serán compartidos en un porcentaje del 50% y 50% entre la Arrendadora y la Arrendataria.

(B) The monthly base rent payable during the Additional Extension Term shall be subject to escalation as follows:

For purposes of this Amendment Agreement and the Lease, the following terms shall have the following meanings.

“Base Index” shall mean the CPI Index for the second month previous to the month in which the Additional Extension Term begins.

“CPI Charges” shall mean the annual rental adjustment calculated and payable in accordance with this provision.

“CPI Index” shall mean the Consumer Price Index presently designated as the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers, U.S. City Average, “All Items” (1982-1984 equals 100). In the event that the statistics are not available or in the event that publication of the Consumer Price Index is modified or discontinued in its entirety, the adjustment provided for herein shall be made on the basis of an index chosen by Landlord as a comparable and recognized index of purchasing power of the United States consumer dollar published by the U.S. Department of Labor or other governmental agency. In the event that the CPI Index is not published for the months required for the calculation set forth herein, the parties shall utilize the Consumer Price Index of the previous month preceding the month required for such calculation.

“Additional Extension Year” shall mean each twelve (12) month period during the Additional Extension Term from the day of the beginning thereof (or the date in which the succeeding Additional Extension Years begin) and ending on the date which shall be one day prior to the beginning of the thirteenth month from the commencement of the Additional Extension Term (or the date corresponding to the commencement of the Additional Extension Years succeeding the first of them) except that the last Additional Extension Year shall end on the Expiration Date.

(B) La renta mensual base pagadera durante el Periodo de Prórroga Adicional estará sujeta a escalonamiento como a continuación se indica:

Para los fines de este Convenio Modificatorio y el Arrendamiento, los siguientes términos tendrán los siguientes significados.

“Índice Base” significa el Índice IPC para el segundo mes previo al mes en que inicie el Periodo de Prórroga Adicional.

“Cargos IPC” significa el ajuste anual de la renta calculado y pagadero en los términos de la presente cláusula.

“Índice IPC” significa el Índice de Precios al Consumidor designado actualmente por el Departamento de Trabajo de los Estados Unidos, Departamento de Estadísticas Laborales e Índice de Precios al Consumidor para todos los Consumidores Urbanos, Promedio de Ciudades Estadounidenses, “Todos los Artículos” (1982-1984 igual a 100). En caso de que las estadísticas no estén disponibles o en caso de que la publicación del Índice de Precios al Consumidor sea modificada o interrumpida en su totalidad, el ajuste aquí señalado se llevará a cabo con base en el índice que elija la Arrendadora como un índice comparable y reconocido del poder adquisitivo en dólares de los consumidores en los Estados Unidos, publicado por el Departamento de Trabajo de los Estados Unidos o por otra autoridad. En caso de que el Índice IPC no sea publicado para los meses requeridos para realizar el cálculo aquí señalado, las partes utilizarán el Índice de Precios al Consumidor del mes previo al mes en el que deba hacerse el cálculo.

“Año de Prórroga Adicional” significa cada período de 12 (doce) meses durante el Periodo de Prórroga Adicional, que iniciará el día en que éste comience (o en la fecha que inicien los subsecuentes Años de Prórroga Adicional) y que finaliza en la fecha que será un día antes del inicio del décimo tercer mes a partir del inicio del Periodo de Prórroga Adicional (o de la fecha que corresponda a la fecha de inicio de los Años de Prórroga Adicional siguientes al primero de ellos), con excepción del último Año de Prórroga Adicional, el cual finalizará en la Fecha de Terminación.

In addition to the payment of monthly rent payable, from and after the commencement of the second Additional Extension Year, Tenant shall pay CPI Charges, along with applicable value added tax, in monthly installments in the same manner and at the same time as payment of monthly rent. As soon as practicable after the end of the first Additional Extension Year and each succeeding Additional Extension Year during the term of the Lease, Landlord shall notify Tenant in writing of the amount of monthly CPI Charges payable by Tenant to Landlord each month in addition to monthly rent payable for each month of the then current Additional Extension Year. CPI Charges for any Additional Extension Year shall be calculated by multiplying the monthly rent payable by a fraction, the numerator of which shall be the CPI Index for the second month previous to the first month of such Additional Extension Year less the Base Index, and the denominator of which shall be the Base Index. Notwithstanding anything contained in this Amendment Agreement or in the Lease to the contrary, in no event shall the sum of the monthly rent payable and CPI Charges payable in any Additional Extension Year increase at a rate less than three and one-half (3.5%) percent over the sum of the monthly rent payable and CPI Charges payable in the previous Additional Extension Year. Tenant shall continue making such monthly payments, in addition to monthly rent payable, until receipt of notice from Landlord of the actual CPI Charges due from Tenant for such Additional Extension Year. Tenant shall pay Landlord on the first day of each succeeding month of such Additional Extension Year the adjusted amount due for such month until the commencement of the succeeding Additional Extension Year. The failure or delay by Landlord to deliver a notice with respect to CPI Charges for any Additional Extension Year shall not be deemed a waiver of Landlord's right to deliver such notice or to collect CPI Charges.

5. Insurance. Notwithstanding Tenants obligation to contract all of the Insurances contained in clause Twelve of the Lease, Parties hereby agree that Landlord additionally will maintain during the Term of the Lease an all risk insurance to cover the Buildings replacement value and that Tenant shall reimburse Landlord in a yearly manner the premium of such insurance up to a maximum amount of USD\$[***] ([***]) (the Reimbursement CAP) for the first year of this Extension Term. Such Reimbursement CAP shall increase at a rate of [***]% annually during the Term of the Lease.

Además del pago de la renta mensual pagadera, a partir del inicio del segundo Año de Prórroga Adicional, la Arrendataria deberá pagar los Cargos IPC así como el impuesto al valor agregado aplicable, en mensualidades de la misma forma y al mismo tiempo en que pague la renta mensual. Tan pronto como sea posible después del término del primer Año de Prórroga Adicional y cada Año de Prórroga Adicional siguiente durante la vigencia del Arrendamiento, la Arrendadora notificará a la Arrendataria por escrito el importe mensual de los Cargos IPC que deberá pagar la Arrendataria a la Arrendadora cada mes, además de la renta mensual pagadera para cada mes del Año de Prórroga Adicional vigente en ese momento. Los Cargos IPC para cualquier Año de Prórroga Adicional serán calculados multiplicando la renta mensual pagadera por una fracción, cuyo numerador será el Índice IPC del segundo mes previo al primer mes de dicho Año de Prórroga Adicional, menos el Índice Base, y cuyo denominador será el Índice Base. No obstante cualquier disposición en contrario contenida en este Convenio Modificatorio o en el Arrendamiento, en ningún caso la suma de la renta mensual pagadera y los Cargos IPC que deban pagarse en cualquier Año de Prórroga Adicional, aumentarán en un porcentaje de menos del [***]% ([***]) de la suma de la renta mensual pagadera y los Cargos IPC pagaderos durante el Año de Prórroga Adicional previo. La Arrendataria seguirá pagando las mensualidades mencionadas, además de la renta mensual pagadera, hasta que reciba aviso de la Arrendadora sobre los Cargos IPC reales que adeude la Arrendataria para dicho Año de Prórroga Adicional. La Arrendataria pagará a la Arrendadora el primer día de cada mes siguiente al Año de Prórroga Adicional el importe ajustado insoluto para dicho mes, hasta el inicio del Año de Prórroga Adicional siguiente. El incumplimiento o mora por parte de la Arrendadora en entregar el aviso respecto de los Cargos IPC para cualquier Año de Prórroga Adicional, no será considerado como la renuncia del derecho de la Arrendadora de entregar el aviso o de cobrar los Cargos IPC.

5. Seguro. Sin perjuicio de que es obligación de la Arrendataria contratar los seguros contenidos en la Clausula Décima Segunda, las Partes reconocen que la Arrendadora, por así convenir sus intereses, adicionalmente mantendrá durante la vigencia del Arrendamiento un seguro de todo riesgo por el valor de reposición del Edificio y la Arrendataria a partir de este momento se compromete a reembolsar anualmente a la Arrendadora la prima de dicho seguro hasta por la cantidad de USD\$[***] ([***]) (el Tope de Reembolso) para el primer año de éste Periodo de Prorroga. Dicho Tope de Reembolso será incrementado a una tasa del [***]% anual durante la Vigencia del Arrendamiento.

6. Insurance Reimbursement. Tenant shall, within ten (10) business days after invoice therefor (accompanied by appropriate back-up), reimburse Landlord for any premiums for all risk insurance maintained by Landlord pursuant to **Clause 5** herein, up to the Reimbursement CAP subject to the yearly increases contained in the above clause. Amounts not paid within such ten (10) business day period shall bear interest at the rate set forth in Clause 7.4 of the Lease.

6. Maintenance Report. Both parties agree to carry out an inspection visit to the Building at least once each year during the Term of the Lease so that Landlord can evaluate and/or follow up compliance with Tenant's obligations arising from Clause 6.1 and hereby undertake to execute a report based on the form attached hereto as **Exhibit "N"** on which representatives of the Parties will record the pending obligations to be performed by Tenant that arise from said visits.

7. Brokers. Tenant represents and warrants to Landlord that it shall be solely liable for the payment of any commissions to Tenant's brokers or advisors. Tenant shall defend, indemnify and hold Landlord harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach of the foregoing representation and such obligations shall survive the expiration or sooner termination of this Amendment Agreement.

8. Declarations in Scope of the Ley Anti-Lavado. In order to comply with the obligations of the Federal Law for the Prevention and Identification of Operations with Illicit Resources (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*) (hereinafter the "Ley Anti-Lavado"), Tenant agrees to the following:

(i) Deliver to Landlord a copy of the Tax Identity Card (*Cédula de Identificación Fiscal*), and any actualization of data before the Tax Administration Service (Servicio de Administración Tributaria), in the month in which the change is made.

(ii) Provide Landlord (i) a copy of an official identification of its representatives, (ii) a copy of the Unique Population Registry Key (*CURP*), or a copy of the Tax Identification Card (*Cédula de Identificación Fiscal*) of their representatives, in addition Tenant shall deliver to Landlord a copy of the above documents in case of a change of representatives, within the month in which the change is made.

6. Reembolso de Seguro. La Arrendataria, dentro de los 10 (diez) días hábiles siguientes a la fecha de la factura correspondiente (misma que deberá acompañarse de la copia correspondiente) deberá rembolsar a la Arrendadora las primas por el seguro de todo riesgo que tiene contratado la Arrendadora en los términos de la Clausula 5 aquí contenida, hasta por el Tope del Reembolso, sujeto a los incrementos contenidos en la cláusula que antecede. Los importes no pagados durante dicho período de 10 (diez) días hábiles estarán sujetos a un interés a la tasa establecida en la Cláusula 7.4 del Arrendamiento.

6. Reporte de Mantenimiento. Las Partes convienen en realizar una visita de inspección al Inmueble por lo menos una vez cada año durante la Vigencia del Contrato, a efecto de que la Arrendadora pueda evaluar y/o dar seguimiento al cumplimiento de las obligaciones de la Arrendataria contenidas en la Cláusula 6.1 y se obligan a suscribir un acta con base en el formato que se adjunta al presente como **Anexo "N"** mediante el cual representantes de las Partes harán constar las obligaciones pendientes de hacer que se deriven de dichos recorridos.

7. Corredores. La Arrendataria declara y garantiza a la Arrendadora que será la única responsable por el pago de cualesquier comisiones a sus corredores o asesores. La Arrendataria defenderá, indemnizará y sacará en paz y a salvo a la Arrendadora de toda responsabilidad, pérdida, daño, gasto, reclamación, acción, demanda, litigio u obligación derivada o relacionada con el cumplimiento a las declaraciones señaladas anteriormente y tales obligaciones prevalecerán a la expiración o terminación anticipada del presente Convenio Modificatorio.

8. Declaraciones Ley Antilavado. A fin de dar cumplimiento con las obligaciones derivadas de la Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita (en lo sucesivo la "Ley Anti-Lavado"), la Arrendataria se obliga a lo siguiente:

(i) Entregar a la Arrendadora copia de la cédula de identificación fiscal y de cualquier actualización de datos ante el Servicio de Administración Tributaria, dentro del mes en que se realice el cambio.

(ii) Entregar a la Arrendadora (i) copia de identificación oficial de sus apoderados, (ii) copia de la Clave Única de Registro Poblacional (*CURP*), o copia de la cédula de identificación fiscal de sus apoderados, así mismo entregará copia de los documentos mencionados anteriormente en caso de algún cambio de apoderado, dentro del mes en que se realice dicho cambio.

(iii) Deliver to Landlord a copy of the Tax Identity Card of the Controlling Beneficiary, or the articles of incorporation of the Controlling Beneficiary; in addition Tenant shall deliver to Landlord a copy of the documents mentioned here, in case of any change in the Controlling Beneficiary or Beneficiaries, within the month in which the change is made.

(iv) Simultaneously with the execution of this Amendment Agreement, Tenant shall deliver to Landlord the document identified as Declarations in Scope of the Ley Anti-Lavado, in the format attached hereto as Exhibit "L", which shall be signed by the Tenant under oath; by which Tenant also agrees to deliver to Landlord within the month in which a change is made to the information previously provided in the Declarations in Scope of the Ley Anti-Lavado, the corresponding update in the format contained in Exhibit "L".

(v) Tenant agrees to deliver to Landlord the updates of the Declarations in Scope of the Ley Anti-Lavado, which is attached to the present Amendment Agreement, as Exhibit "L", at the request of the Landlord, within twenty (20) business days following such request.

(vi) Tenant agrees to provide Landlord with any and all additional information reasonably required by the Landlord in order to comply with the obligations under the Ley Anti-Lavado.

9. Guarantor. Guarantor hereby consents on the terms of this Amendment Agreement, and expressly acknowledges and agrees that the Guaranty of Lease granted by the same in favor of Landlord on October 5, 2012, shall remain valid, in full force and effects after this Amendment Agreement.

10. No Other Modification. Except as modified by this Amendment Agreement, the Lease and all covenants, agreements, terms and conditions thereof (including, without limitation, the recitals) shall remain in full force and effect and are hereby in all respects ratified and confirmed.

11. Language. This Amendment Agreement has been prepared in English and Spanish. In case of conflicts in the translation or interpretation thereof, the Spanish version will control.

(iii) Entregar a la Arrendadora copia de la cédula de identificación fiscal del o de los Beneficiarios Controladores, o acta constitutiva de los Beneficiarios Controladores; así mismo entregará copia de los documentos que aquí se menciona en caso de algún cambio de Beneficiario Controlador, dentro del mes en que se realice dicho cambio.

(iv) Simultáneamente a la firma del presente Contrato Modificatorio, la Arrendataria entregará a la Arrendadora el documento identificado como Declaraciones en Alcance a la Ley Anti-Lavado, en el formato que se adjunta al presente Convenio Modificatorio como Anexo "L", mismo que es suscrito por la Arrendataria bajo protesta de decir verdad; y por medio del cual se compromete a entregar a la Arrendadora, dentro del mes en que ocurra algún cambio a la información previamente proporcionada en las Declaraciones en Alcance a la Ley Anti-Lavado, la actualización correspondiente en el formato contenido en el Anexo "L".

(v) La Arrendataria se obliga a entregar a la Arrendadora la actualización a las Declaraciones en Alcance a la Ley Anti-lavado en el formato que se adjunta al presente Convenio Modificatorio como Anexo "L", a solicitud de la Arrendadora, dentro de los 20 (veinte) días hábiles siguientes a dicha solicitud.

(vi) La Arrendataria se obliga a proporcionar a la Arrendadora cualquier información adicional que sea razonablemente requerida por la Arrendadora para dar cumplimiento con las obligaciones contenidas en la Ley Anti-Lavado

9. Garante. El Garante en este acto consiente en los términos de este Convenio Modificatorio, y expresamente reconoce y acepta que la Garantía de Arrendamiento que otorgó con fecha 5 de octubre de 2012, permanecerá válida, vigente y con plenos efectos legales aun después de este Convenio Modificatorio.

10. Ninguna otra modificación. A excepción de lo Estipulado por este Convenio Modificatorio, el Arrendamiento y todos los convenios, contratos, términos, condiciones del mismo (incluyendo, sin limitación, las declaraciones) deberán mantenerse en pleno vigor y efecto y por medio del presente en todos sus puntos se ratifican y confirman.

11. Idioma. Este Convenio Modificatorio ha sido preparado en inglés y en español. En caso de conflicto en la traducción o interpretación, la versión en español será la que prevalecerá.

12. Jurisdiction. Any dispute, controversy or claim arising out of or related to this Amendment Agreement or a breach hereof, shall be resolved pursuant to the applicable laws and under the jurisdiction of the competent courts of Tijuana, Baja California,, to which the Parties hereby expressly agree to submit, waiving any other jurisdiction which might be applicable by reason of their present or future domiciles or otherwise.

IN WITNESS WHEREOF, the Parties have executed this Amendment Agreement as of the day and year first above written, with retroactive effect as of August 17, 2023.

Landlord / Arrendadora:
Santa Maria Industrial Partners, L.P.

By/Por: /s/ Marcelo Durán Roux
Name/Nombre: Marcelo Durán Roux
Its/Su: Representante Legal / Legal Representative

Guarantor / Garante:
Haemonetics Corporation

By/Por: /s/ James D'Arecca
Name/Nombre: James D'Arecca
Its/Su: Executive Vice President, Chief Financial Officer

12. Jurisdicción. Para cualquier disputa, controversia o reclamación derivada o relacionada con el presente Convenio Modificatorio o el incumplimiento con el mismo, será resuelto por las leyes aplicables y los Tribunales competentes de Tijuana, Baja California, y las Partes en este acto acuerdan someterse a la jurisdicción de dichos tribunales, renunciando a cualquier otro fuero que pudiera corresponderles por motivo de sus domicilios presente o futuros, o por cualquier otro motivo.

EN VIRTUD DE LO CUAL, las Partes celebran el presente Convenio Modificatorio en la fecha antes mencionada, "con efectos retroactivos al día 17 de agosto del año 2023."

Tenant / Arrendataria:
Haemonetics México Manufacturing, S. de R.L. de C.V.

By/Por: /s/ James D'Arecca
Name/Nombre: James D'Arecca
Its/Su: Representante Legal / Legal Representative

By/Por: /s/ Josep Llorens
Name/Nombre: Josep Llorens
Its/Su: Representante Legal / Legal Representative

CERTAIN INFORMATION HAS BEEN OMITTED FROM THIS DOCUMENT BECAUSE IT IS NOT MATERIAL, IS THE TYPE THAT HAEMONETICS CORPORATION TREATS AS CONFIDENTIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. OMISSIONS ARE MARKED [*].**

Exhibit 10.4

**125 SUMMER STREET
BOSTON, MA**

OFFICE LEASE AGREEMENT

BETWEEN

**OPG 125 SUMMER OWNER (DE) LLC,
a Delaware limited liability company,
AS LANDLORD**

AND

**HAEMONETICS CORPORATION,
a Massachusetts corporation,
AS TENANT**

OFFICE LEASE AGREEMENT

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OFFICE LEASE AGREEMENT

This Office Lease Agreement (this "Lease") is made and entered into as of December 18, 2018 (the "Effective Date"), by and between OPG 125 SUMMER OWNER (DE) LLC, a Delaware limited liability company ("Landlord"), and HAEMONETICS CORPORATION, a Massachusetts corporation ("Tenant").

1. Basic Lease Information.

- 1.01 "Building" shall mean the building located at 125 Summer Street, Boston, MA 02110 and commonly known as 125 Summer Street. The "Rentable Floor Area of the Building" is deemed to be 475,482 square feet.
- 1.02 "Premises" shall mean the areas shown on Exhibit A to this Lease. The Premises are located on (a) a portion of the sixteenth (16th) floor of the Building and known as Suite 1620 (the "16th Floor Premises"), (b) a portion of the seventeenth (17th) floor of the Building and known as Suite 1701 (the "17th Floor Premises"), (c) the entire eighteenth (18th) floor of the Building and known as Suite 1800 (the "18th Floor Premises"), and (d) the entire nineteenth (19th) floor of the Building and known as Suite 1900 (the "19th Floor Premises").
- 1.03 "Rentable Floor Area of the Premises": 62,066 square feet, consisting of (a) 10,617 square feet on the sixteenth (16th) floor of the Building, (b) 9,066 square feet on the seventeenth (17th) floor of the Building, (c) 21,228 square feet on the eighteenth (18th) floor of the Building, and (d) 21,155 square feet on the nineteenth (19th) floor of the Building.
- 1.04 "Estimated Delivery Date": October 1, 2019.
- 1.05 "Term" and "Term Commencement Date": See Section 3.01.
- 1.06 "Rent Commencement Date": June 1, 2020, subject to adjustment as provided in Exhibit C attached hereto.
- 1.07 "Term Expiration Date": The last day of the month in which the twelfth (12th) anniversary of the Rent Commencement Date occurs.
- 1.08 "Base Rent":

Period	Annual Base Rent Rate Per Square Foot of Rentable Floor Area *	Monthly Base Rent
Lease Year 1:	\$[***]	\$[***]
Lease Year 2:	\$[***]	\$[***]
Lease Year 3:	\$[***]	\$[***]
Lease Year 4:	\$[***]	\$[***]
Lease Year 5:	\$[***]	\$[***]
Lease Year 6:	\$[***]	\$[***]
Lease Year 7:	\$[***]	\$[***]

Lease Year 8:	\$[***]	\$[***]
Lease Year 9:	\$[***]	\$[***]
Lease Year 10:	\$[***]	\$[***]
Lease Year 11:	\$[***]	\$[***]
Lease Year 12:	\$[***]	\$[***]

*Subject to the Rent Waiver Period under Section 4.01 below.

As used above, the first “Lease Year” shall commence on the Term Commencement Date and end on the day immediately preceding the first anniversary of the Rent Commencement Date (provided that if the Rent Commencement Date does not occur on the first day of a calendar month, the first Lease Year shall further include the balance of the calendar month in which such first anniversary occurs), and each subsequent Lease Year shall mean each successive period of twelve (12) calendar months following the first Lease Year during the initial Term, provided that the last Lease Year of the initial Term shall end on the Term Expiration Date set forth above for the initial Term.

1.09 “Tenant’s Proportionate Share”: 13.05% for the initial Premises.

1.10 “Base Year” for Expenses (as defined in Exhibit B): Calendar year 2019, adjusted to reflect a fully occupied Building.

“Base Year” for Taxes (as defined in Exhibit B): Fiscal Year 2020 (i.e., July 1, 2019 to June 30, 2020) adjusted to reflect a fully assessed, fully occupied Building. For purposes hereof, “Fiscal Year” shall mean the Base Year for Taxes and each period of July 1 to June 30 thereafter.

1.11 “Tenant Work Allowance”: \$[***] (based on \$[***] per square foot of Rentable Floor Area of the Premises, plus \$[***]), as further described in the attached Exhibit C.

1.12 Additional Provisions: See Exhibit F

1. Parking
2. Extension Options
3. Right of First Offer
4. Hazardous Materials
5. Dedicated Venting System
6. Generator
7. Negative Condition

1.13 “Letter of Credit” shall mean the letter of credit in the amount of \$[***], as provided in Section 6 and Exhibit G attached hereto and subject to reduction as provided in Exhibit G attached hereto.

1.14 “Broker”: Cushman & Wakefield (“Tenant’s Broker”), which represented Tenant in connection with this Lease.

1.15 “Permitted Use”: Any general office (which may include, without limitation, employee training, employee lunch room and kitchen facilities with vending machines for Tenant’s exclusive use), research and development, laboratory (including medical laboratory), and/or storage uses, including, but not limited to, administrative offices and other lawful uses reasonably related to or incidental to such specified uses to the extent not otherwise prohibited by the terms and conditions of this Lease, provided that such uses shall be permitted under applicable zoning. The parties acknowledge and agree that the foregoing sentence shall not limit or otherwise affect Landlord’s obligation to process a change of

use in the certificate of occupancy for the Building to expressly allow laboratory use on or at the 16th floor of the Building as provided in Section 5.

1.16 “Notice Address(es)”:

For Landlord:

For Tenant:

Prior to the Term Commencement Date:

Haemonetics Corporation
400 Wood Road
Braintree, MA 02184-9114
Attention: SVP, Global Business Services

With a copy to:

Haemonetics Corporation
400 Wood Road
Braintree, MA 02184-9114
Attention: Executive Vice President and General Counsel

From and after the Term Commencement Date:

OPG 125 Summer Owner (DE) LLC
c/o Oxford Properties Group
125 Summer Street
Boston, MA 02110
Attention: Director of Leasing

Haemonetics Corporation
125 Summer Street
Boston, Massachusetts 02110
Attention: SVP, Global Business Services

With a copy to:

OPG 125 Summer Owner (DE) LLC
c/o Oxford Properties Group
125 Summer Street
Boston, Massachusetts 02110
Attention: Director of Legal

Haemonetics Corporation
125 Summer Street
Boston, Massachusetts 02110
Attention: Executive Vice President and General Counsel

- 1.17 “Business Day(s)” are Monday through Friday of each week, exclusive of New Year’s Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day (“Holidays”). Landlord may designate additional Holidays that are commonly recognized by other office buildings in the area where the Building is located. “Building Service Hours” are 8:00 a.m. to 6:00 p.m. on Business Days and, upon Tenant’s request, 8:00 a.m. to 1:00 p.m. on Saturdays (excluding Holidays).
- 1.18 “Property” means the Building and the parcel(s) of land on which it is located, more particularly described in Exhibit A-1 attached hereto, and, at Landlord’s discretion, the parking facilities and other improvements, if any, serving the Building and the parcel(s) of land on which they are located.
- 1.19 Other Defined Terms: Other capitalized terms shall have the meanings set forth in the Lease and its Exhibits below. References in this Lease to numbered Sections shall be deemed to refer to the numbered Sections of this Lease, unless otherwise specified.
- 1.20 Exhibits: The following exhibits and attachments are incorporated into and made a part of this Lease:

Exhibit A (Outline and Location of Premises)
Exhibit A-1 (Description of the Property)
Exhibit B (Expenses and Taxes)
Exhibit C (Work Letter)
Exhibit D (Commencement Letter)
Exhibit E (Building Rules and Regulations)
Exhibit F (Additional Provisions)
Exhibit G (Letter of Credit)
Exhibit H (Form of SNDA)
Exhibit I (Tenant's Approved Signage)
Exhibit I-1 (Tenant's Approved Logo)

2. Lease Grant.

2.01 Premises. This Lease is effective as of the Effective Date but the Term shall commence on the Term Commencement Date as provided herein. During the Term, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The Premises exclude the exterior faces of exterior walls, the common stairways and stairwells, elevators and elevator wells, fan rooms, electric and telephone closets, janitor closets, freight elevator vestibules, and pipes, ducts, conduits, wires and appurtenant fixtures serving other parts of the Building (exclusively or in common), and other Common Areas (as defined below) of the Building. If the Premises include the entire rentable area of any floor, the common corridors, elevator lobby, and restroom facilities located on such full floor(s) shall be considered part of the Premises.

2.02 Appurtenant Rights. During the Term, Tenant shall have, as appurtenant to the Premises, the non-exclusive rights to use in common (subject to reasonable rules of general applicability to tenants and other users of the Building from time to time made by Landlord of which Tenant is given notice): (a) the common lobbies, corridors, stairways, elevators and loading platform of the Building, and the pipes, ducts, conduits, wires and appurtenant meters and equipment serving the Premises in common with others; (b) common driveways and walkways necessary for access to the Building; (c) if the Premises include less than the entire rentable floor area of any floor, the common corridors, elevator lobby, and restroom facilities located on such floor; and (d) subject to Landlord's right to temporarily close the Garage as provided in Exhibit F attached hereto, the Garage (as defined in Exhibit F attached hereto); and (e) all other areas or facilities in or about the Building from time to time designated for general use in common by Tenant, other Building tenants, and Landlord (collectively, the "Common Areas"). In addition Tenant shall have the exclusive right to use the Dedicated Venting System (as defined in Section 5 of Exhibit F attached hereto) and the Back-Up Power and Supplemental Components (as defined in Section 6 of Exhibit F attached hereto) and the non-exclusive right to access those portions of the Building and the Property (including, without limitation, the roof of the Building), to the extent necessary for the operation,

maintenance, and repair of the Dedicated Venting System, all subject to, and in accordance with, the terms and conditions set forth in Section 5 of Exhibit F attached hereto).

3. Term and Commencement Date.

3.01 Term. The “Term” of this Lease shall begin at 12:01 a.m. on the following date (the “Term Commencement Date”): the date on which the Premises are delivered free of all tenants and other occupants and their personal property, with the Shell Condition Work (as defined in Exhibit C attached hereto), and the Initial Tenant Work (defined below) substantially complete (as defined in Exhibit C attached hereto) and with Tenant having received a copy of a certificate of occupancy for the Premises that permits the use of the Premises for the Permitted Use (and which may be temporary so long as such temporary certificate of occupancy permits the use of the Premises for the Permitted Use); provided, however, that if such certificate of occupancy cannot be issued due to any work to be performed by Tenant, then the issuance of a certificate of occupancy shall not be a condition to the occurrence of the Term Commencement Date but Landlord shall secure such certificate of occupancy as soon as practicable following the completion of any such work to be performed by Tenant.

The Term of this Lease shall end at 11:59 p.m. on the Term Expiration Date set forth in Section 1, unless sooner terminated or extended in accordance with the provisions of this Lease. Promptly after the determination of the Term Commencement Date, Landlord and Tenant shall execute and deliver a commencement letter in the form attached as Exhibit D (the “Commencement Letter”). Tenant’s failure to execute and return the Commencement Letter, or to provide written objection to the statements contained in the Commencement Letter, within thirty (30) days after its delivery to Tenant shall be deemed an approval by Tenant of the statements contained therein. The Term Commencement Date shall not occur until substantial completion as described in the first paragraph of this Section 3.01.

3.02 Initial Tenant Work. As used herein, the “Initial Tenant Work” shall mean all alterations, additions or improvements performed, or to be performed, in or about the Premises that are required initially to put the Premises in condition suitable for Tenant’s use and occupancy for the Permitted Use, as and to the extent described in Exhibit C attached hereto, excluding the Shell Condition Work (as defined in Exhibit C attached hereto). The Initial Tenant Work shall include, without limitation, the Dedicated Venting System, the installation of a separate HVAC system for the 16th Floor Premises, and the installation of the Back-Up Power And Supplemental Components referenced in Exhibit F attached hereto. The Initial Tenant Work shall be performed by Landlord in accordance with, and subject to, the provisions of Exhibit C attached hereto. Landlord shall also deliver the Premises on the Term Commencement Date with all base building systems serving the Premises in good working order. Notwithstanding anything to the contrary, to the extent that any changes to the Base Building (as defined in Section 5 below) are specifically required solely because of Tenant’s research and development use, lab use or the lab specifications for the Initial Tenant Work (“Base Building Modifications”, which shall not include any modifications to the Base Building required by the Initial Tenant Work for general office use), Landlord shall perform such Base Building Modifications and Tenant shall pay for all costs of such Base Building Modifications as a part of the Excess Tenant Work Costs (as defined in Exhibit C attached hereto). Landlord represents to Tenant that, to Landlord’s knowledge, there are no actionable levels of Hazardous Materials (as defined in Exhibit F attached hereto) existing at the Premises as of the Effective Date. Landlord shall protect, defend, indemnify and hold Tenant harmless from any and all costs for any removal, encapsulation or remediation required by applicable Environmental, Health and Safety Laws for any actionable levels of Hazardous Materials existing at the Premises as of the Term Commencement Date, except to the extent such Hazardous Materials were brought onto the Premises or the Property by Tenant, its employees, agents, or contractors. Except as expressly provided in this Section 3.02, and subject to Landlord’s obligations as expressly provided in Exhibit C and its other obligations under this Lease, the Premises shall be leased by Tenant in their current “as is” condition and configuration without any representations or warranties by Landlord.

3.03 Intentionally Omitted.

3.04 Park Square Agreement Contingency. Landlord has advised Tenant that the 18th Floor Premises is currently occupied by Park Square Executive Search ("Park Square") pursuant to a lease by and between Landlord and Park Square. Landlord represents and warrants that, as of the Effective Date, it has entered into a lease termination agreement pursuant to which Park Square is required to terminate its existing lease early and vacate the 18th Floor Premises upon such early termination (the "Park Square Agreement").

3.05 Early Access. Except as otherwise provided in Exhibit C to this Lease, Tenant shall not be permitted to take possession of or enter the Premises for business purposes before the Term Commencement Date without Landlord's permission.

4. Rent.

4.01 Base Rent and Additional Rent. During the Term (but subject to the following subparagraph of this Section 4.01 below), Tenant hereby covenants and agrees to pay to Landlord, without any setoff or deduction (except to the extent expressly set forth in this Lease), (a) all Base Rent (as provided in Section 1), (b) Tenant's Proportionate Share of the Expense Excess and the Tax Excess (as provided in Exhibit B attached hereto), and (c) all other Additional Rent due for the Term (collectively referred to as "Rent"). "Additional Rent" means all sums (exclusive of Base Rent) that Tenant is required to pay to Landlord from time to time under this Lease.

Notwithstanding the foregoing, Landlord agrees to waive payment of the monthly amounts of (i) Base Rent and (ii) Additional Rent for Tenant's Proportionate Share of the Expense Excess and the Tax Excess for the Premises for the period commencing on the Term Commencement Date and ending on the date immediately preceding the Rent Commencement Date set forth in Section 1 (the "Rent Waiver Period"). In the event that the Rent Waiver Period does not end on the last day of a calendar month, then on the first day of the calendar month in which the Rent Waiver Period expires, Tenant shall pay to Landlord the amount of the Base Rent and Additional Rent for the portion of the calendar month that follows the last day of the Rent Waiver Period, pro-rated on a per diem basis.

4.02 Manner and Timing of Payments. Base Rent and other recurring fixed monthly charges of Additional Rent shall be due and payable in advance on the first day of each calendar month without notice or demand. All other items of Rent shall be due and payable by Tenant within thirty (30) days after billing by Landlord. Rent shall be made payable to the entity, and sent to the address, that Landlord from time to time designates for such purposes and shall be paid by Tenant by good and sufficient check payable in United States of America currency or by electronic or wire transfer to an account from time to time designated by Landlord. Landlord's acceptance of less than the entire amount of Rent shall be considered, unless otherwise specified by Landlord, a payment on account of the oldest obligation due from Tenant hereunder, notwithstanding any statement to the contrary contained on or accompanying any such payment from Tenant. Rent for any partial month during the Term shall be prorated on a per diem basis. Tenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent. No endorsement or statement on a check or letter accompanying payment shall be considered an accord and satisfaction.

5. Compliance with Laws; Use.

Tenant shall use the Premises only for the Permitted Use (or any portions of the Permitted Use) and shall not use or permit the use of the Premises for any other purpose. In connection with Landlord's application for a building permit for the Initial Tenant Work, Landlord, at its sole cost and expense, shall

process a change of use in the certificate of occupancy for the Building to expressly allow laboratory use on or at the 16th floor of the Building (the "Amended Building CO"). Notwithstanding anything to the contrary, all laboratory uses and research and development uses shall be limited to the Lab Space (as defined below) and only such other portions of the Premises as such uses are allowed under the Amended Building CO. From and after the Term Commencement Date, Tenant shall comply with all statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity whether in effect now or later, including without limitation, the Environmental Health and Safety Laws (as defined in Exhibit E attached hereto) and the Americans with Disabilities Act ("Law(s)"), regarding the operation of Tenant's business and the use and occupancy of the Premises, subject to Landlord's delivery obligations as expressly set forth in this Lease. Without limiting the generality of the foregoing, and except as provided in Exhibit C attached hereto, Tenant shall be solely responsible for complying with all Laws that relate to operations of Tenant's laboratory uses, and all Laws pertaining to equipment, installations and improvements used or required in connection with the operations of Tenant's laboratory uses. Tenant shall comply with applicable laboratory practices, (including the use of safety equipment) and policies established by the Center for Disease Control and Prevention (the "CDC"), and its use of the Premises shall not exceed applicable Biosafety Level 2 ("BSL-2") requirements and protocols in effect with respect to Tenant's use from time to time, and Tenant shall store, use and dispose of Hazardous Materials in compliance with all applicable Environmental, Health and Safety Laws and shall comply with all Laws applicable to the handling, use or disposition of any Hazardous Materials in connection with the Back-Up Power And Supplemental Components referenced in Section 6 of Exhibit F. In addition, Tenant shall, at its sole cost and expense, promptly comply with any Laws that relate to the Base Building (defined below), but only to the extent such obligations are triggered by Tenant's use of the Premises (other than for general office use), the Initial Tenant Work (unless such obligations are triggered solely due to the total cost of the Initial Tenant Work or by Tenant's use of the Premises for general office use) or any Alterations (as defined in Section 8.01) in or about the Premises performed or requested by Tenant after the Term Commencement Date, provided that Landlord shall perform the Shell Condition Work and the Initial Tenant Work in compliance with all applicable Laws (subject to Tenant's reimbursement obligations set forth in Section 3.02 above). Except to the extent the same are expressly set forth herein as obligations of Tenant, Landlord shall be responsible for the compliance of the Base Building with all applicable Laws. All costs incurred by Landlord for compliance work shall be included in Expenses except as otherwise expressly provided in Exhibit B attached hereto. "Base Building" shall include the structural portions of the Building, the common restrooms, and the Building mechanical, electrical, and plumbing systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located. Tenant shall promptly provide Landlord with copies of any notices it receives regarding an alleged violation of Law. Except as otherwise provided herein, Tenant shall be solely responsible, at Tenant's sole cost and expenses, for obtaining all operational permits, licenses and approvals required in order for Tenant to use the Premises for the Permitted Use (excluding any permits, licenses, and approvals required for the construction of the Initial Tenant Work, which shall be Landlord's responsibility). If any governmental license or permit required to be obtained by Tenant shall be required for the proper and lawful conduct of Tenant's business at the Premises, and if the failure to secure such license or permit would in any way affect Landlord, the Premises, the Buildings or the Property or Tenant's ability to perform any of its obligations under this Lease, Tenant, at Tenant's expense, shall duly procure and thereafter maintain such license and submit the same to inspection by Landlord. Tenant, at Tenant's expense, shall at all times comply in all material respects with the terms and conditions of each such license or permit. Within five (5) business days following Tenant's receipt of Landlord's written request therefor, Tenant shall provide Landlord with copies of any Environmental Health and Safety permits, licenses and registrations that are obtained or renewed during the Term. Tenant shall not exceed the standard density limit for the Building, which is 1 person per 150 useable square feet. Tenant shall not use or permit the use of any portion of the Premises or any equipment installed by Tenant or any party acting under or through Tenant in a manner that results in commercially unreasonable objectionable noise, odors, or vibrations emanating from the Premises and shall prevent the emanation of noxious odors, smoke, vibration, noise, water or other commercially

unreasonable effects which constitute a nuisance or otherwise unreasonably interfere with the safety or comfort of Landlord or of any of the other occupants of the Building. Landlord agrees that Tenant's use of the Premises for the Permitted Use shall not be objectionable provided that Tenant complies with the foregoing and its obligations under this Lease, Landlord and Tenant both acknowledging the fact that the Premises are in a multi-tenant Building, which includes office uses and the Permitted Use under this Lease. Without limiting the generality of the foregoing sentence, Tenant shall not use any portion of the Premises for a personal fitness or exercise area or install or use any exercise equipment therein. Tenant shall comply with the rules and regulations of the Building attached as Exhibit E and such other reasonable rules and regulations adopted by Landlord from time to time, including rules and regulations for the performance of Alterations, of which Tenant has been given prior written notice and which do not materially decrease Tenant's rights or materially increase Tenant's obligations under this Lease. In the event of any conflict between the terms of this Lease and the rules and regulations, the terms of this Lease shall control. If the Premises or any portion thereof are located on a multi-tenant floor, Tenant shall cause all portions of such Premises that are visible from the Common Areas on such floors to be arranged, furnished, and lighted in a manner in which such Premises appears at all times to be occupied for the Permitted Use.

Notwithstanding anything to the contrary contained in this Lease, during the Term, (a) Tenant shall be entitled to the allocation of one hundred percent (100%) of the maximum allowable chemical quantities (both in use and in storage) permitted by MAQ Codes (defined below) for the 16th Floor Premises, (b) with respect to any Permitted Use of the Premises located on the 17th, 18th, or 19th floors of Building that is subject to regulation by MAQ Codes, the maximum allowable chemical quantities (both in use and in storage) permitted by MAQ Codes shall be allocated based on the proportion that the rentable square footage of the Premises located on the applicable floor bears to the total rentable square footage of such floor, and (c) Landlord shall not permit the use of the 16th floor of the Building or any portion thereof (excluding the 16th Floor Premises) for the use or storage of chemicals the quantities of which are regulated by the MAQ Codes. As used in this paragraph, "MAQ Codes" shall mean 780 CMR – Massachusetts State Building Code 9th Edition, 527 CMR – Massachusetts Comprehensive Fire Safety Code, and NEPA 45 – Standard on Fire Protection for Laboratories Using Chemicals, 2011 Edition.

6. Letter of Credit.

Concurrently with Tenant's execution and delivery of this Lease, Tenant shall deliver to Landlord a clean, irrevocable letter of credit in the amount set forth in Section 1, which shall comply with, which may be drawn by Landlord in accordance with, and which shall be subject to reduction in accordance with, the provisions of Exhibit G attached hereto (such letter of credit, together with any renewal or replacement thereof in accordance herewith, being referred to herein as the "Letter of Credit").

7. Building Services.

7.01 Building Services. Landlord shall furnish Tenant with the following services: (a) water for use in the Base Building restrooms; (b) customary heat and air conditioning in season during Building Service Hours; (c) standard janitorial service for the office portions of the Premises on Business Days (it being acknowledged and agreed that Tenant shall be solely responsible for all cleaning with respect to the Lab Space as provided in Section 9.01); (d) elevator service; (e) electricity in accordance with the terms and conditions in Section 7.02; (f) access to the Building for Tenant and its employees 24 hours per day/7 days per week, subject to the terms of this Lease and such protective services or monitoring systems, if any, as Landlord may from time to time impose, including, without limitation, sign-in procedures and/or presentation of identification cards; and (g) such other services as Landlord reasonably determines are necessary or appropriate for the Property. In addition, Tenant shall have the right to receive HVAC service during hours other than Building Service Hours by paying Landlord's then standard charge for additional HVAC service and providing such prior notice as is reasonably specified by Landlord. As of the Effective

Date, Landlord's standard charge for additional HVAC service is \$64.00 per hour during warm weather months (generally commencing as of June 1st) and \$47.00 per hour during cold weather months (generally commencing as of October 1st). If Tenant is permitted to connect any supplemental HVAC units to the Building's condenser water loop or chilled water line, such permission shall be conditioned upon Landlord having adequate excess capacity from time to time and such connection and use shall be subject to Landlord's reasonable approval and reasonable restrictions imposed by Landlord, and Landlord shall have the right to charge Tenant a connection fee and/or a monthly usage fee, as reasonably determined by Landlord. Notwithstanding anything to the contrary, Landlord agrees that, throughout the Term of this Lease, 20 tons of condenser water will be available for the 16th Floor Premises and 5 tons of condenser water will be available for the 17th Floor Premises, provided that Tenant will be responsible, at Tenant's sole cost and expense, for the installation, operation and maintenance of any condenser water pump(s) to the extent Tenant determines such pump(s) are necessary to maintain flow requirements. If, at Tenant's request, Landlord, or an affiliated or third party service provider, provides any services that are not Landlord's express obligation under this Lease, including, without limitation, any repairs which are Tenant's responsibility pursuant to Section 9 below, Tenant shall pay to the applicable service provider the cost of such services plus a reasonable administrative charge.

7.02 Tenant Electricity. As part of the Initial Tenant Work, Landlord shall deliver the Premises separately metered for electricity; provided, however, that if separate metering is not allowed by the utility company, then Landlord instead shall install sub-meters or check meter for the Premises. Without the consent of Landlord, Tenant's use of electrical service shall not exceed the Building's standard capacity, as reasonably determined by Landlord, based upon the Building standard electrical design load. To the extent the Premises are separately metered, Tenant shall timely pay the separate charges for such electricity service directly to the applicable utility company. With respect to the electricity charges hereunder that are not separately metered, Tenant shall make estimated monthly payments for such electricity charges hereunder, in advance on the first day of each month or partial month of the Term, based on amounts estimated by Landlord from time to time for such electricity charges, subject to periodic reconciliations based on actual meter readings and utility rates for the space and period in question.

7.03 Interruption of Services. Any interruption, diminishment or termination of services to the Premises (a "Service Failure") due to the application of Laws, the failure of any equipment, the performance of maintenance, repairs, improvements or alterations, utility interruptions or the occurrence of an event of Force Majeure (as defined in Section 21.06) or any other cause shall not give rise to an abatement of Rent or relieve Tenant from the obligation to fulfill any covenant or agreement, except as provided in this Section 7.03. If the Premises, or any portion thereof, are made untenable as a result of a Service Failure not caused by Tenant, and such Service Failure continues for a period in excess of five (5) consecutive Business Days after written notice thereof to Landlord, then Tenant shall be entitled to receive an abatement of Rent payable hereunder during the period commencing on the day following such five (5) Business-Day period and ending on the day the services have been restored. If the entire Premises has not been rendered untenable by such Service Failure, the amount of abatement shall be equitably prorated. Notwithstanding the foregoing or anything to the contrary contained in this Lease, if any Service Failure not caused by Tenant is not cured within one hundred eighty (180) days following the date the Service Failure commences, then Tenant shall have the right, at its sole election, to terminate this Lease by giving written notice of such termination to Landlord at any time following the end of such one hundred eighty (180) day period until such time as the Service Failure is cured. This Section shall not apply to any Service Failure arising from a casualty event governed by Section 14 below. The remedies set forth in this Section 7.03 shall be Tenant's sole remedies for a Service Failure.

7.04 Reservations. Without limiting the generality of the foregoing, Landlord reserves the right from time to time to modify components of the access procedures for the Building or other portions of the Property, to change the number of lobby attendants, or to institute, modify, supplement, or discontinue any

particular access control procedures or equipment for the Building, whether during or after business hours. Landlord does not warrant or guarantee the effectiveness of any such system or procedures. Tenant expressly disclaims any such warranty, guarantee, or undertaking by Landlord with respect thereto and acknowledges that access control procedures from time to time in effect are solely for the convenience of tenants generally and are not intended to secure the Premises or to guarantee the physical safety of any persons in or about the Premises or the Property. Tenant shall be responsible for securing the Premises, including without limitation by Tenant's installation of access card readers or other security equipment for the Premises in accordance with Exhibit C and/or Section 8 and by restricting or monitoring access into and from the Premises by its employees or other invitees. At the time that any Tenant employee (or other person acting under or through Tenant) who has been issued a Building access card is terminated or otherwise ceases to work at the Premises, Tenant shall inactivate the Building access card for such person and, notify the Building's property manager that such person should be removed from the active list for Building access cards.

8. Alterations

8.01 Alterations. Tenant shall not make alterations, repairs, additions or improvements or install any Cable (collectively referred to as "Alterations"), which shall not include any alterations, repairs, additions, or improvements made as a part of the Shell Condition Work or the Initial Tenant Work) in the Premises, without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. "Cable" shall mean and refer to any electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant or any party acting under or through Tenant. Prior to starting work on any Alterations, Tenant shall furnish Landlord with plans and specifications (which shall be in CAD format if requested by Landlord); names of contractors reasonably acceptable to Landlord (provided that Landlord may designate specific contractors with respect to Base Building and vertical Cable, as may be described more fully below); required permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord and naming as additional insureds the Landlord, the managing agent for the Building, and such other Additional Insured Parties (as defined in Section 13) as Landlord may designate for such purposes; and any security for performance in amounts reasonably required by Landlord. Landlord may designate specific contractors with respect to oversight, installation, repair, connection to, and removal of vertical Cable. All Cable shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Cable with wire) to show Tenant's name, suite number, and the purpose of such Cable (i) every 6 feet outside the Premises (specifically including, but not limited to, the electrical room risers and any Common Areas), and (ii) at the termination point(s) of such Cable. Changes to the plans and specifications must also be submitted to Landlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord, and Tenant shall ensure that no Alteration impairs any Building system or Landlord's ability to perform its obligations hereunder. Tenant shall reimburse Landlord for any third-party expenses incurred by Landlord in connection with the review, inspection, and coordination of Tenant's plans for Alterations and Tenant's performance thereof and pay to Landlord or its managing agent a fee for Landlord's administrative oversight and coordination of any Alterations equal to 2.0% of the hard costs of the Alterations. Upon completion, Tenant shall furnish "as-built" plans (in CAD format, if requested by Landlord) for Alterations, customary AIA completion affidavits, full and final waivers of lien, any applicable certificate of occupancy for the space affected by such Alterations, and any other items required under the Building's construction rules and regulations for closing out the particular work in question. Landlord's approval of an Alteration shall not be deemed to be a representation by Landlord that the Alteration complies with Law or will not adversely affect any Building system. If any Alteration requires any change to the Base Building, any Building system, or any Common Area, then such changes shall be made at Tenant's sole cost and expense and performed, at Landlord's election, either by Tenant's contractor or a contractor engaged by Landlord. Notwithstanding the foregoing, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "Cosmetic

Alteration"): (a) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (b) is not visible from the exterior of the Premises or Building; (c) will not affect the Base Building (defined in Section 5); and (d) does not require work to be performed inside the walls or above the ceiling of the Premises. Cosmetic Alterations shall be subject to all the other provisions of this Section 8.03, to the extent applicable thereto. Notwithstanding anything to the contrary contained in this Lease, the provisions of this Section 8.01, including, without limitation, the administrative fee set forth herein, shall not apply to any alterations, additions, or improvements performed as a part of the Shell Condition Work or the Initial Tenant Work.

8.02 Liens. Tenant shall not cause or permit any mechanics' or other liens to be placed upon the Property, the Premises, or Tenant's leasehold interest hereunder in connection with any work or service done by or for the benefit of Tenant, its subtenants, or any other party acting under or through Tenant (excluding the Initial Tenant Work to be undertaken by the Landlord). Except in the event of an emergency, Tenant shall give Landlord notice at least five (5) Business Days prior to the commencement of any work in the Premises to afford Landlord the opportunity, where applicable, to post and record notices of non-responsibility. Tenant, within ten (10) Business Days after notice from Landlord, shall fully discharge any such lien by settlement, by bonding or by insuring over the lien in the manner prescribed by the applicable lien Law. If Tenant fails to timely discharge such lien within such period, in addition to any other remedies available to Landlord as a result of such failure, Landlord, at its option, may bond, insure over or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord to discharge such lien, including, without limitation, reasonable attorneys' fees. Landlord shall have the right to require Tenant to post a performance or payment bond in connection with any work or service done or purportedly done by or for the benefit of Tenant. Tenant acknowledges and agrees that all such work or service is being performed for the sole benefit of Tenant and not for the benefit of Landlord.

8.03 Leasehold Improvements. All Leasehold Improvements shall, except as expressly provided in this Lease, remain upon the Premises at the end of the Term without compensation to Tenant. "Leasehold Improvements" shall mean and include all Initial Tenant Work and other leasehold improvements from time to time existing in or to the Premises, including without limitation any such leasehold improvements (if any) that exist as of the Term Commencement Date under this Lease or that are made by or for the benefit of Tenant (or any party acting under or through Tenant) before the Term Commencement Date or thereafter from time to time during the Term. Landlord, by written notice to Tenant at the time of Landlord's approval of the plans therefor, may require Tenant, at Tenant's expense, to remove at the end of the Term any Leasehold Improvements that, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements ("Required Removables"). Required Removables may include, without limitation, laboratory fixtures, laboratory equipment and specialized improvements for laboratory uses, raised floors, private baths and showers, vaults, rolling file systems, slab penetrations, structural alterations and modifications and any Cable installed by or on behalf of Tenant; provided, however, that, notwithstanding anything to the contrary contained in this Lease, but subject to Section 5 of Exhibit F attached hereto, Required Removables shall not include the Dedicated Venting System, the Back-Up Power and Supplemental System (as defined below), typical intercommunicating internal stairways or staircases or any standard core restroom facilities, the same shall not be required to be removed by Tenant at the end of the Term, and Landlord shall indicate in writing at the time of Landlord's approval of the Construction Documents whether or not such improvements are required to be removed by Tenant at the end of the Term. The Required Removables shall be removed by Tenant before the expiration or earlier termination of this Lease in accordance with Section 20.

8.04 Signage. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. On or before the Substantial Completion Date, Landlord shall provide and install

a stainless steel plaque with Tenant's logo as shown on Exhibit I attached hereto to be installed near the high-rise elevator bank in the location shown on Exhibit I attached hereto ("Tenant's Elevator Bank Signage"). For any portion of the Premises on a floor that is not entirely leased by Tenant, elevator lobby signage identifying Tenant using Building standard graphics shall be installed by Landlord at its expense, provided that any changes to a Tenant's initial elevator lobby signage shall be made by Landlord at Tenant's expense. All tenant identification and suite numbers at the entrance to the Premises on any floor that is not entirely leased by Tenant shall be subject to Landlord's prior written approval in Landlord's reasonable discretion, and shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Building. Notwithstanding anything herein to the contrary (a) for any portion of the Premises that constitutes an entire floor of the Building, Tenant, at Tenant's sole cost, may install interior signage on such floor which is not visible from the exterior of the Premises without Landlord's prior written consent, and (b) Landlord hereby approves the design and style of Tenant's logo as shown on Exhibit I-1 attached hereto, for use as a part of Tenant's signage.

9. Repairs and Maintenance.

9.01 Tenant Obligations. Tenant, at its sole cost and expense, shall perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease, and keep the Premises in good condition and repair, reasonable wear and tear, damage by casualty or the acts of Landlord, and matters for which Landlord is responsible under this Lease, excepted. Tenant's repair and maintenance obligations include, without limitation, repairs to: (a) floor covering; (b) interior partitions; (c) doors; (d) the interior side of demising walls; (e) Alterations (described in Section 8); (f) supplemental air conditioning units, kitchens, including hot water heaters, plumbing, and similar facilities exclusively serving the Premises or any portion thereof, whether such items are installed by Tenant or are currently existing in the Premises; and (g) any Cable. Tenant shall maintain in effect throughout the Term maintenance contracts for any such supplemental air conditioning units or other specialty equipment exclusively serving the Premises and, from time to time upon Landlord's request, provide Landlord with a copy of such maintenance contract and reasonable evidence of its service record. All repairs and other work performed by Tenant or its contractors, including that involving Cable, shall be subject to the terms of Section 8.01 above. If Tenant fails to make any repairs to the Premises required hereunder of Tenant for more than thirty (30) days after notice from Landlord (although notice shall not be required in an emergency), and if such repairs cannot be completed in such thirty (30) day period, if Tenant fails to commence such repairs within such thirty (30) day period and thereafter fails to diligently pursue such repairs until completion, Landlord may make the repairs, and, within thirty (30) days after Tenant's receipt of Landlord's written demand therefor, Tenant shall pay to Landlord the reasonable cost of the repairs.

Landlord shall have no obligation to provide any cleaning, janitorial or refuse or waste removal services in or to the laboratory space to be located in the 16th Floor Premises (the "Lab Space"), which Lab Space is presently shown on the fit plan attached as part of Schedule C-2 hereto (the "Fit Plan"). Landlord and Tenant agree to amend this Lease to reflect the final, as-built Lab Space. Tenant shall be responsible, at its sole cost and expense, for providing cleaning and janitorial services to such Lab Space in a neat and first-class manner consistent with the cleaning standards generally prevailing in comparable buildings in the Greater Boston area for laboratory and office space or as otherwise reasonably established by Landlord in writing from time to time, using an insured contractor or contractors selected by Tenant and approved in writing by Landlord. Tenant shall also be responsible to arrange for, at Tenant's sole cost and expense, any waste (including biomedical, hazardous and laboratory waste) and refuse removal services for Tenant's operations at the Premises. All such waste (including biomedical, hazardous and laboratory waste) and refuse removal shall be performed in compliance with applicable Environmental, Health and Safety Laws using licensed laboratory waste disposal companies. All waste (including biomedical, hazardous and laboratory waste) and refuse shall be stored in the Premises and shall be removed as required by applicable Environmental, Health and Safety Laws. Tenant shall also cause all extermination of vermin in the

Premises to be performed by companies reasonably approved by Landlord in writing and shall contract and utilize pest extermination services for the Premises as reasonably necessary or as requested by Landlord. Landlord agrees that its approval of any contractors or companies under this paragraph shall not be unreasonably withheld, conditioned, or delayed; provided, however, that Landlord shall have the right to require any contractor or subcontractor performing work at the Premises or the Building, including without limitation, any contractor providing cleaning and janitorial services for the Lab Space, to employ union labor and any construction manager used by Tenant in connection with work at the Premises or the Building to be a union-associated construction manager.

9.02 Landlord Obligations. Landlord shall keep and maintain in good repair and working order, perform maintenance upon, and replace, as and when necessary (a) the structural elements of the Building; (b) the mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building in general; (c) the Common Areas; (d) the roof and roof membrane of the Building; (e) the exterior windows of the Building; and (f) the elevators serving the Building. Subject to reasonable wear and tear, Landlord shall from time to time make repairs for which Landlord is responsible hereunder.

10. Entry by Landlord.

Landlord may enter the Premises to inspect, show to current lenders, prospective lenders or purchasers of the Building, and prospective tenants of the Premises or any portion thereof, or clean the Premises or to perform or facilitate the performance of repairs, alterations or additions to the Premises or any portion of the Building. Except in emergencies or to provide Building services, Landlord shall provide Tenant with reasonable (but not less than forty-eight (48) hours) prior verbal notice of entry. In connection with any such entry for non-emergency work performed during Building Service Hours, Landlord shall use reasonable efforts, consistent with the operation of a first-class high rise building, not to unreasonably interfere with Tenant's use of the Premises. Except in the case of emergencies, Tenant shall have the right to accompany Landlord and/or its agents, representatives, or contractors during any entry onto the Premises by Landlord or its agents, representatives, or contractors. In addition, in connection with any entry to show the Premises to prospective tenants, Landlord shall comply with any reasonable privacy and security protocols established by Tenant for the Lab Space to ensure the confidentiality of any proprietary information. If reasonably necessary, Landlord may temporarily close all or a portion of the Common Areas of the Building to perform repairs, alterations and additions, and portions of the Premises in order to perform any maintenance or repairs pursuant to Section 9 of this Lease; provided, that, except in emergencies, any such work that would unreasonably prevent the use of or access to such portions of the Premises during Building Service Hours will be performed on weekends or after Building Service Hours. Any such entry by Landlord in accordance with the terms of this Section 10 shall not constitute a constructive eviction or entitle Tenant to an abatement or reduction of Rent.

11. Assignment and Subletting.

11.01 Transfers. Except in connection with a Permitted Transfer (defined in Section 11.04), Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use all or any portion of the Premises (in each such case, collectively or individually, a "Transfer" to a "Transferee") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed if Landlord does not exercise its recapture rights under Section 11.02. Without limitation, it is agreed that Landlord's consent shall not be considered unreasonably withheld if the proposed Transferee (a) is a governmental entity, (b) is an occupant of the Building, (c) whether or not an occupant of the Building, has exchanged written bona fide proposals with Landlord regarding the leasing of space within the Building within the preceding six (6) months, (d) is incompatible with the character of occupancy of the Building, (e) intentionally deleted, or (f) would subject the Premises to a use which would: (i) involve a material increase in personnel or material increase in wear upon

the Building; (ii) violate any exclusive right granted to another tenant of the Building; (iii) require material expense for any addition to or modification of the Premises or the Building in order to comply with applicable Laws; or (iv) involve a violation of the Permitted Use clauses of this Lease. Any Transfer in violation of this Section shall, at Landlord's option, be deemed a Default by Tenant as described in Section 16.01, and shall be voidable by Landlord. In no event shall any Transfer, including a Permitted Transfer, release or relieve Tenant from any obligation under this Lease, and the Tenant originally named in this Lease shall remain primarily liable for the performance of the tenant's obligations under this Lease, as amended from time to time.

11.02 Process. Tenant shall provide Landlord with financial statements for the proposed Transferee, a fully executed copy of the proposed assignment, or sublease, and such other information as Landlord may reasonably request. Within ten (10) Business Days after receipt of the required information and documentation, Landlord shall either: (a) consent to the Transfer by execution of a consent agreement in a form reasonably designated by Landlord; (b) reasonably refuse to consent to the Transfer in writing; or (c) in the event of a proposed assignment of this Lease or subletting of at least the entire portion of the Premises located on a floor, recapture the portion of the Premises that Tenant is proposing to Transfer, and give Tenant written notice of the same. If Landlord fails to give Tenant such written notice within such ten (10) Business Day period, then Landlord shall be deemed to have waived its right to recapture the portion of the Premises that Tenant is proposing to Transfer, but shall be deemed to have refused consent to such Transfer. If Landlord exercises its right to recapture, this Lease shall automatically be amended (or terminated if the entire Premises is being assigned or sublet) to delete the applicable portion of the Premises effective on the proposed effective date of the Transfer, although Landlord may require Tenant to execute a reasonable amendment or other document reflecting such reduction or termination. Tenant shall pay to Landlord the reasonable costs and attorneys' fees incurred by Landlord in connection with such requested Transfer.

11.03 Excess Payments. In the event, if any, that (i) all rent and other cash consideration (including without limitation, any parking charges in excess of the rates charged by Landlord to Tenant, any payment in excess of fair market value for services rendered by Tenant to the Transferee and any payment in excess of fair market value for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the Transferee in connection with such Transfer) which Tenant receives as a result of a Transfer exceeds (ii) the Rent payable to Landlord for the portion of the Premises and Term covered by the Transfer, then Tenant shall, at Landlord's election, pay to Landlord an amount equal to fifty percent (50%) of such excess, from time to time on a monthly basis upon Tenant's receipt of such excess; provided that in determining any such excess, Tenant may deduct from the excess all reasonable and customary expenses incurred by Tenant in connection with such Transfer, including, without limitation, any remodeling or redecorating costs, improvement allowances, reasonable legal costs, and brokerage fees) incurred by Tenant in connection with such Transfer, except that any construction costs incurred by Tenant in connection with such Transfer shall be deducted on a straight-line basis over the term of the applicable Transfer. If Tenant is in Default, Landlord may require that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of Tenant's share of payments received by Landlord.

11.04 Permitted Transfers. Tenant may assign this Lease to a successor to Tenant by merger, consolidation, or the purchase of all or substantially all of Tenant's assets (a "Successor"), or assign this Lease or sublet all or a portion of the Premises to an Affiliate (defined below), without the consent of Landlord, and the provisions of Sections 11.01, 11.02, and 11.03 above shall not apply to such assignment of subletting, provided that all of the following conditions are satisfied (a "Permitted Transfer"): (a) Tenant must not be in Default, (b) Tenant shall give written notice to Landlord at least ten (10) days prior to the effective date of the Permitted Transfer, if permissible, or otherwise as soon as is reasonably practicable following the Transfer, and (c) any transferee pursuant to a merger, consolidation or the purchase of all or

substantially all of Tenant's assets shall have a tangible net worth at least equal to that of Tenant as of the date of such transfer. Tenant's notice to Landlord shall include information and documentation evidencing that the Transfers qualifies as a Permitted Transfer hereunder and that each of the above conditions has been satisfied. As used herein, "Affiliate" shall mean an entity controlled by, controlling or under common control with Tenant that is not a Successor. In the event that, at any time after a Permitted Transfer, the Affiliate to which the Permitted Transfer is made ceases to qualify as an Affiliate of the original Tenant, such event shall be deemed a Transfer that is subject to the provisions of Sections 11.01, 11.02, and 11.03 above. In no event shall any Permitted Transfer to an Affiliate or a Successor (to the extent Tenant remains in existence) release or relieve Tenant from any obligation under this Lease, and in such event Tenant shall remain primarily liable for the performance of the tenant's obligations under this Lease, as amended from time to time.

11.05 Prohibited Matters. Without limiting Landlord's right to withhold its consent to any transfer by Tenant, and regardless of whether Landlord shall have consented to any such transfer, neither Tenant nor any other person having an interest in the possession, use or occupancy of the Premises or any part thereof shall enter into any lease, sublease, license, concession, assignment or other transfer or agreement for possession, use or occupancy of all or any portion of the Premises which provides for rent or other payment for such use, occupancy or utilization based, in whole or in part, on the net income or profits derived by any person or entity from the space so leased, used or occupied, and any such purported lease, sublease, license, concession, assignment or other transfer or agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use or occupancy of all or any part of the Premises.

11.06 Permitted Business Occupants. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have the right, without the consent of Landlord, to designate portions of the Premises, not to exceed ten percent (10%) of the Premises in the aggregate and which portion(s) shall not be separately demised, for temporary use by third parties who provide services in support of Tenant's operations for the Permitted Use, including without limitation, Tenant's consultants, auditors, and caterers ("Permitted Business Occupants") without being subject to this Section 11; provided, that (a) in no event shall the use of any portion of the Premises by any such Permitted Business Occupant create or be deemed to create any right, title or interest of such Permitted Business Occupant in any portion of the Premises or this Lease, (b) such use or occupancy shall terminate automatically upon the termination of this Lease, (c) no demising walls shall be erected (or shall otherwise be required by applicable Law) in the Premises separating the space used by a Permitted Business Occupant from the remainder of the Premises, provided, however, Tenant may install cubicles for the Permitted Business Occupants and for Tenant's employees, (d) there shall be no separate identification of any Permitted Business Occupant in the elevator lobby or any entrance to the Premises, and (e) such Permitted Business Occupants shall carry such insurance as Landlord may reasonably require. Upon the written request of Landlord, Tenant shall notify Landlord in writing of all Permitted Business Occupants (if any) occupying the Premises.

12. Notices.

All demands, approvals, consents or notices (collectively referred to as a "notice") shall be in writing and delivered by hand or sent by express mail or by overnight or same day courier service at the party's respective Notice Address(es) set forth in Section 1; provided, however, notices sent by Landlord regarding general Building operational matters may be posted in the Building mailroom or the general Building newsletter or sent via e-mail to the e-mail address provided by Tenant to Landlord for such purpose. In addition, if the Building is closed (whether due to emergency, governmental order or any other reason), then any notice address at the Building shall not be deemed a required notice address during such closure, and, unless Tenant has provided an alternative valid notice address to Landlord for use during such closure, any notices sent during such closure may be sent via e-mail or in any other practical manner reasonably

designed to ensure receipt by the intended recipient. Each notice shall be deemed to have been given or received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing a new Notice Address, three (3) Business Days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

13. Indemnity and Insurance.

13.01 Indemnification. Subject to Sections 13.04 and 17.04 of this Lease, except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties (defined below), and to the maximum extent permitted under applicable Law, Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (collectively referred to as "Losses"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party arising out of or in connection with any damage or injury occurring in the Premises or to the extent arising out of or in connection with any negligence or willful misconduct of Tenant, its trustees, managers, members, principals, beneficiaries, partners, officers, directors, employees and agents (the "Tenant Related Parties") or any of Tenant's transferees, contractors or licensees, which indemnification hereunder, for the avoidance of doubt, shall also include such Losses by reason of any failure of Tenant to keep, observe or perform any of its obligations under Sections 5 or 6 of Exhibit E, or by reason of any damage to any property (including but not limited to property of any Landlord Related Party) or any injury (including but not limited to death) to any person occurring in, on, or about the Building, to the extent that such injury or damage shall arise from the operation, maintenance, testing, refueling or cleaning of the Back-Up Power And Supplemental Components. Notwithstanding anything to the contrary, Tenant's indemnification obligations under this Lease shall not apply to any Losses arising prior to the Term Commencement Date, except to the extent caused by Tenant or any employees, agents, contractors or vendors on behalf of Tenant and not Landlord. To the maximum extent permitted under applicable Law, but subject to Sections 13.04 and 17.04 of this Lease, and except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties, Tenant hereby waives all claims against and releases Landlord and its trustees, managers, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees (defined in Section 20) and agents (the "Landlord Related Parties") from all claims for any damage to property or business loss in any manner related to (a) Force Majeure, (b) acts of third parties (which are not Landlord-Related Parties or parties acting by or through Landlord), (c) the bursting or leaking of any tank, water closet, drain or other pipe, or (d) the inadequacy or failure of any security or protective services, personnel or equipment.

Subject to Sections 13.04 and 17.04 of this Lease, except to the extent caused by the negligence or willful misconduct of Tenant or any Tenant Related Parties, and to the maximum extent permitted under applicable Law, Landlord shall, during the Term, indemnify, defend and hold Tenant and Tenant Related Parties harmless against and from all Losses which may be imposed upon, incurred by or asserted against Tenant or any of the Tenant Related Parties by any third party arising out of or in connection with any damage or injury occurring in the Common Areas to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties. To the maximum extent permitted under applicable Law, but subject to Sections 13.04 and 17.04 of this Lease, and except to the extent caused by the negligence or willful misconduct of Tenant or any Tenant Related Parties, Landlord hereby waives all claims against and releases Tenant and its trustees, managers, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees (defined in Section 20) and agents (the "Tenant Related Parties") from all claims for any damage to property located in areas of the Building outside of the Premises or business loss in any manner related to (a) Force Majeure, or (b) acts of third parties (which are not Tenant-Related Parties or parties acting by or through Tenant).

13.02 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts throughout the Term (and during any other periods before or after the Term during which Tenant or any Tenant Related Party enters into or occupies all or any portion of the Premises):

(a) Commercial General Liability Insurance covering claims of bodily injury, personal injury and property damage arising out of Tenant's operations and contractual liabilities, including coverage formerly known as broad form, on an occurrence basis, with limits of \$1,000,000 each occurrence and \$2,000,000 annual aggregate and excess/umbrella limit of \$5,000,000.00.

(b) Property insurance covering (i) Tenant's Property (as defined below), and (ii) any Leasehold Improvements in the Premises, whether installed by or for the benefit of Tenant under this Lease ("Tenant-Insured Improvements"). Such insurance shall be written on an "all risks" basis for physical loss or damage, for the full replacement cost value (subject to reasonable deductible amounts) without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance, and shall include coverage for damage or other loss caused by fire or other peril, including vandalism and malicious mischief, theft, water damage, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.

(c) Worker's Compensation and Employer's Liability or other similar insurance to the extent required by Law.

The limits of insurance required to be carried by Tenant shall not limit Tenant's liability. Such insurance shall (i) be issued by an insurance company that has an A.M. Best rating of not less than A-VIII; and (ii) be in form and content reasonably acceptable to Landlord. In the event that Tenant receives any notice of cancellation or material changes to the insurance policies required under this Lease, Tenant shall notify Landlord of the same within five (5) days after Tenant's receipt of such notice. Tenant's Commercial General Liability Insurance shall (a) name Landlord, Landlord's managing agent, and any other party designated by Landlord, written notice of which is provided to Tenant ("Additional Insured Parties") as additional insureds; and (b) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and non-contributing with Tenant's insurance. Tenant shall deliver to Landlord, on or before the Term Commencement Date and at least fifteen (15) days before the expiration dates thereof, certificates from Tenant's insurance company on the forms currently designated "ACORD 28" (Evidence of Commercial Property Insurance) and "ACORD 25-S" (Certificate of Liability Insurance) or the equivalent. Attached to the ACORD 25-S (or equivalent) there shall be a blanket Additional Insured endorsement or a specific endorsement naming the Additional Insured Parties as additional insureds which shall be binding on Tenant's insurance company. Notwithstanding the foregoing, if the foregoing requirement that the insurance company provide prior notice to Landlord of cancellation or material change of the applicable policy cannot reasonably be obtained based on then-prevailing insurance industry practices, Tenant shall so advise Landlord of such unavailability and shall instead provide Landlord with notice of any such cancellation or material change as provided above. The insurance coverages set forth in (a) and (b) of this Section 13.02 shall also include coverage for the obligations of the Tenant related to the use of the Dedicated Venting System and the Back-Up Power And Supplemental Components referenced in Exhibit F attached to this Lease.

Tenant shall maintain such increased amounts of the insurance required to be carried by Tenant under this Section 13.02, and such other types and amounts of insurance covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but not in excess of the amounts and types of insurance then being required by landlords of buildings comparable to and in the vicinity of the Building.

13.03 Tenant's Property. All furnishings, fixtures, equipment, and other personal property and effects of Tenant and of all persons claiming through Tenant which from time to time may be on the

Premises or elsewhere in the Building (collectively, "Tenant's Property") shall be at the sole risk of Tenant to the maximum extent permitted by law and shall be kept insured by Tenant throughout the Term (and during any other periods before or after the Term during which Tenant or any Tenant Related Party enters into or occupies all or any portion of the Premises) at Tenant's expense in accordance with Section 13.02. Tenant's Property expressly includes all business fixtures and equipment, including without limitation any security or access control systems installed by Tenant for the Premises, filing cabinets and racks, removable cubicles and partitions, kitchen equipment, computers and related equipment, raised flooring, supplemental cooling equipment, audiovisual and telecommunications equipment, non-building standard signage, and other tenant equipment installations, in each case including related conduits, cabling, and brackets or mounting components therefor and any connectors to base building systems and in each case whether installed or affixed in or about the Premises, in building core areas, or elsewhere in the Building. Tenant's Property shall not include items installed in, to, or at the Premises as a part of the Initial Tenant Work.

13.04 Waiver of Subrogation. Each party waives, and shall cause its insurance carrier to waive, any right of recovery against the other for any loss of or damage to property which loss or damage is (or, if the insurance required hereunder had been carried, would have been) covered by insurance. For purposes of this Section 13.04, any deductible or self-insured retention with respect to a party's insurance shall be deemed covered by, and recoverable by such party under, valid and collectable policies of insurance.

13.05 Landlord's Insurance. Landlord shall maintain all-risk property insurance, insuring the full replacement cost of the Premises (excluding Tenant-Insured Improvements), the Building, and the Property, including the Common Areas. Landlord shall also carry, during the Term, Commercial General Liability Insurance with respect to the Common Areas, with contractual liability insurance, in a combined single limit of not less than \$2,000,000 per occurrence for bodily injury, personal injury and property damage naming Tenant as an additional insured to the extent Landlord indemnifies Tenant under Section 13.01 of this Lease.

14. Casualty Damage.

14.01 Casualty. If all or any portion of the Premises becomes untenable or inaccessible by fire or other casualty to the Premises or the Common Areas (collectively a "Casualty"), Landlord, with reasonable promptness, but in no event later than ninety (90) days following the date of such Casualty, shall cause a general contractor selected by Landlord to provide Landlord with a written estimate of the amount of time required, using standard working methods, to substantially complete the repair and restoration of the Premises and any Common Areas necessary to provide access to the Premises ("Completion Estimate"). Landlord shall promptly forward a copy of the Completion Estimate to Tenant. If the Completion Estimate indicates that the Premises and any Common Areas necessary to provide access to the Premises cannot be made tenable and the Premises and such Common Areas restored to the condition immediately prior to the Casualty within one hundred eighty (180) days from the date of the Casualty, then either party shall have the right to terminate this Lease upon written notice to the other within thirty (30) days after Tenant's receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease under the immediately preceding sentence if the Casualty was caused by the willful misconduct of Tenant or any Tenant Related Parties. In addition, (a) either party, by notice to the other party within ninety (90) days after the date of the Casualty, shall have the right to terminate this Lease if the Premises have been materially damaged and less than two (2) years of the Term remain after the date of the Casualty, (b) Landlord, by written notice to Tenant within ninety (90) days after the date of the Casualty, shall have the right to terminate this Lease if (1) any Mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (2) a material uninsured loss to the Building or Premises occurs; provided, however, that Landlord may only exercise its right to termination this Lease under this clause (b) if it terminates the leases of all other tenants of the Building similarly affected by such

Casualty, and (c) Tenant shall have the right to terminate this Lease if the Premises or any Common Areas necessary to provide access to the Premises are not restored within two hundred ten (210) days from the date of the Casualty (subject to extension due to any events of Force Majeure for a period not to exceed thirty (30) days), upon thirty (30) days' prior written notice to Landlord, provided that if such restoration is completed on or before the expiration of such thirty (30) day period, then such termination shall be deemed null and void and this Lease shall continue in full force and effect. If this Lease is terminated by either party on account of any Casualty as provided in this Section 14, then Tenant shall pay to Landlord (by assignment or otherwise) the insurance proceeds paid or payable to Tenant under the policy(ies) referred to in Section 13.02(b) on account of the damage to or loss of the Leasehold Improvements in the Premises; however, from any such proceeds actually received by Tenant, Tenant shall be entitled to retain any amount up to the depreciated amount of the Excess Tenant Work Costs after deduction of the Allowance.

14.02 Restoration. If this Lease is not terminated, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, restore the Premises and Common Areas, subject to the following provisions. Such restoration shall be to substantially the same condition that existed prior to the Casualty, except for modifications required by Law or any other modifications to the Common Areas deemed desirable by Landlord. Upon notice from Landlord, Tenant shall assign or endorse over to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's insurance with respect to any Leasehold Improvements. Such insurance proceeds shall be paid to Landlord in accordance with the procedures set forth in Exhibit C attached hereto. In no event shall Landlord be required to spend more for the restoration of the Premises and Common Areas than the proceeds received by Landlord. Landlord shall not be liable for any inconvenience to Tenant, or injury to Tenant's business resulting in any way from the Casualty or the repair thereof. During any period of time that all or a material portion of the Premises is rendered untenable as a result of a Casualty, the Rent shall abate for the portion of the Premises that is untenable and not used by Tenant.

15. Condemnation.

Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Building; provided, however, that Landlord may not terminate this Lease as aforesaid unless it terminates the leases of all other tenants of the Building similarly affected by such Taking. Tenant shall have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would have a material adverse effect, as reasonably determined by Tenant, on Tenant's rights to occupy the Premises pursuant to the terms of the Lease. The terminating party shall provide written notice of termination to the other party within forty five (45) days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Base Rent and Tenant's Proportionate Share shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds are expressly waived by Tenant, provided, however, Tenant may file a separate claim for Tenant's Property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord's award. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking.

16. Events of Default.

16.01 Default. In addition to any other Default specifically described in this Lease, each of the following occurrences shall be a "Default": (a) Tenant's failure to pay any portion of Rent when due, if the failure continues for seven (7) Business Days after written notice to Tenant ("Monetary Default"); (b) Tenant's failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, if the failure is not cured within thirty (30) days after written notice to Tenant provided, however, if Tenant's failure to comply cannot reasonably be cured within such thirty (30) -day period, Tenant shall be allowed additional time as is reasonably necessary to cure the failure so long as Tenant begins the cure within such thirty-(30)-day period and diligently pursues the cure to completion; (c) Tenant effects or permits a Transfer without Landlord's required approval (where such approval is required under this Lease) or otherwise in violation of Section 11 of this Lease; (d) Tenant or any guarantor becomes insolvent, makes a transfer in fraud of creditors, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts when due or forfeits or loses its right to conduct business; (e) the leasehold estate is taken by process or operation of Law; or (f) if a receiver, guardian, conservator, trustee in bankruptcy or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or any part of Tenant's or any guarantor's property and such appointment is not discharged within ninety (90) days thereafter, or if a petition including, without limitation, a petition for reorganization or arrangement is filed by Tenant or any guarantor under any bankruptcy law or is filed against Tenant or any guarantor and, in the case of a filing against Tenant only, the same shall not be dismissed within ninety (90) days from the date upon which it is filed.

16.02 Remedies. Upon the occurrence of any Default, Landlord may, immediately or at any time thereafter, elect to terminate this Lease by notice of termination, by entry, or by any other means available under law and may recover possession of the Premises as provided herein. Upon termination by notice, by entry, or by any other means available under law, Landlord shall be entitled immediately, in the case of termination by notice or entry, and otherwise in accordance with the provisions of law to recover possession of the Premises from Tenant and those claiming through or under the Tenant. Except as provided in this Lease, such termination of this Lease and repossession of the Premises shall be without prejudice to any remedies which Landlord might otherwise have for arrears of rent or for a prior breach of the provisions of this Lease. Tenant waives any statutory notice to quit and equitable rights in the nature of further cure or redemption, and Tenant agrees that upon Landlord's termination of this Lease Landlord shall be entitled to re-entry and possession in accordance with the terms hereof. Landlord may, without notice, store Tenant's personal property (and those of any person claiming under Tenant) at the expense and risk of Tenant or, if Landlord so elects, Landlord may sell such personal property at public auction or auctions or at private sale or sales after thirty (30) days' notice to Tenant and apply the net proceeds to the earliest of installments of rent or other charges owing Landlord. Tenant agrees that a notice by Landlord alleging any default shall, at Landlord's option (the exercise of such option shall be indicated by the inclusion of the words "notice to quit" in such notice), constitute a statutory notice to quit. If Landlord exercises its option to designate a notice of default hereunder as a statutory notice to quit, any grace periods provided for herein shall run concurrently with any statutory notice periods.

16.03 Reimbursement of Expenses. In the case of termination of this Lease pursuant to this Section 16, Tenant shall reimburse Landlord for all expenses arising out of such termination, including without limitation, all costs incurred in collecting amounts due from Tenant under this Lease (including reasonable attorneys' fees, costs of litigation and the like); all expenses incurred by Landlord in attempting to relet the Premises or parts thereof (including advertisements, brokerage commissions, Tenant's allowances, costs of preparing the Premises for other tenants, and the like); all of Landlord's then unamortized costs of any work allowances provided to Tenant for the Premises; and all Landlord's other reasonable expenditures necessitated by the termination. The reimbursement from Tenant shall be due and

payable immediately from time to time upon notice from Landlord that an expense has been incurred, without regard to whether the expense was incurred before or after the termination.

16.04 Damages.

(a) In the event of a termination of this Lease pursuant to this Section 16, in lieu of all damages set forth in Section 16.04(b) below and beyond the date of such demand, Landlord may elect by written notice to Tenant within six (6) months following such termination to recover, as liquidated damages, an amount equal to the then present value of the amount of Base Rent and Additional Rent which would have been paid in accordance with this Lease for the remainder of the Term and if the terms of this Lease had been fully complied with by Tenant, minus the then present value of the aggregate fair market rent payable for the Premises for the remainder of the Term (if less than the Base Rent and Additional Rent payable hereunder), estimated as of the date of Landlord's election, and taking into account reasonable projections of vacancy and time required to re-lease the Premises, plus (ii) the amount of Base Rent and Additional Rent of any kind accrued and unpaid at the time of Landlord's election, and minus (iii) the amount of any recovery by Landlord under the foregoing provisions of this Section 16 up to the time of payment of such liquidated damages (but reduced by any amounts of reimbursement under Section 16.03). For the purposes of calculating the rent which would have been paid hereunder for the calculation described above, the last full year's Additional Rent under Section 4 is to be deemed constant for each year thereafter. The Federal Reserve discount rate (or equivalent) shall be used in calculating present values. Should the parties be unable to agree on a fair market rent, the matter shall be submitted, upon the demand of either party, to the Boston, Massachusetts office of the American Arbitration Association, with a request for arbitration in accordance with the rules of the Association by a single arbitrator who shall be an MAI appraiser with at least ten years' experience as an appraiser of major office buildings in downtown Boston. The parties agree that a decision of the arbitrator shall be conclusive and binding upon them. If and for so long as Landlord does not make the election provided for in this Section 16.04 above, Tenant shall indemnify Landlord for the loss of rent by a payment at the end of each month which would have been included in the Term, representing the excess of the rent which would have been paid in accordance with this Lease (i.e., Base Rent and Additional Rent that would have been payable to be ascertained monthly) over the rent actually derived from the Premises by Landlord for such month (the amount of rent deemed derived shall be the actual amount less any portion thereof attributable to Landlord's reletting expenses described in Section 16.03 which have not been reimbursed by Tenant thereunder).

(b) In the event of a termination of this Lease pursuant to this Section 16, and in lieu of all damages set forth in Section 16.04(a) and all damages beyond the date of such demand, Landlord may, by written notice to Tenant given within six (6) months after termination under any of the provisions contained in Section 16 and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to (i) the aggregate of the Base Rent and Additional Rent for the twelve-month period ending one year after the termination date (or, if lesser, for the balance of the Term had it not been terminated) if the terms of this Lease had been fully complied with by Tenant, plus (ii) the amount of Base Rent and Additional Rent of any kind accrued and unpaid at the time of termination, and minus (iii) the amount of any recovery by Landlord under the foregoing provisions of this Section 16 up to the time of payment of such liquidated damages (but reduced by any amounts of reimbursement under Section 16.03). The amount under clause (i) represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual

damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors. Liquidated damages hereunder shall not be in lieu of any claims for reimbursement under Section 16.03.

(c) To the extent required by applicable Laws, Landlord shall use commercially reasonable efforts to mitigate any damages caused by a Default by Tenant. Any obligation imposed by law or by this Lease upon Landlord to relet the Premises after any termination of the Lease shall be subject to the reasonable requirements of Landlord to lease to high quality tenants on such terms as Landlord may from time to time deem appropriate and to develop the Building in a harmonious manner with an appropriate mix of uses, tenants, floor areas and terms of tenancies, and the like, and Landlord shall not be obligated to relet the Premises to any party to whom Landlord or its affiliate may desire to lease other available space in the Building.

16.05 Intentionally Deleted.

16.06 Claims in Bankruptcy. Nothing herein shall limit or prejudice the right of Landlord to prove and obtain in a proceeding for bankruptcy, insolvency, arrangement or reorganization, by reason of the termination, an amount equal to the maximum allowed by a statute or law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount is greater to, equal to, or less than the amount of the loss or damage which Landlord has suffered.

16.07 Late Charges and Fees. If Tenant does not pay any Rent within ten (10) days of the date when due hereunder, then following notice and in addition to all other remedies hereunder, Tenant shall pay to Landlord interest on such unpaid amount at the rate of one and one half percent (1.5%) per month from the date such amount was due until the date paid (which interest, as accrued to date, shall be payable from time to time within thirty (30) days following Tenant's receipt of Landlord's written demand therefor); provided, however, in no event shall such interest exceed the maximum amount permitted to be charged by applicable Law; and provided further that such interest shall not apply with respect to the first late payment in any twelve (12) consecutive month period. In addition, Tenant shall pay to Landlord a reasonable fee for any checks returned by Tenant's bank for any reason.

16.08 Enforcement Costs. Tenant shall pay to Landlord, as Additional Rent, the costs and expenses, including reasonable attorneys' fees, incurred in enforcing any obligations of Tenant under this Lease upon the occurrence of and during the continuance of a Default.

16.09 General. The repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under this Lease. Except as provided in this Lease, no right or remedy of either party shall be exclusive of any other right or remedy, and each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to such party at law or in equity. Without limiting the generality of the foregoing, in addition to the other remedies provided in this Lease, either party shall be entitled to pursue the restraint by court order of the violation of any of the provisions of this Lease or of applicable Law or to a decree compelling specific performance of any such provisions.

17. Limitation of Liability.

17.01 Landlord's Liability. Tenant agrees from time to time to look only to Landlord's interest in the Building and the proceeds therefrom (which shall include, without limitation, rents and insurance and sales proceeds) for satisfaction of any claim against Landlord hereunder or under any other instrument related to the Lease (including any separate agreements among the parties and any notices or certificates

delivered by Landlord) and not to any other property or assets of Landlord. If Landlord from time to time transfers its interest in the Building (or part thereof which includes the Premises), then from and after each such transfer, and the transferee's written assumption of Landlord's obligations under this Lease, Tenant shall look solely to the interests in the Building of each of Landlord's transferees for the performance of all of the obligations of Landlord hereunder (or under any related instrument) thereafter accruing. The obligations of Landlord shall not be binding on any direct or indirect partners (or members, trustees or beneficiaries) of Landlord or of any successor, individually, but only upon Landlord's or such successor's interest described above. If Landlord shall refuse or fail to provide any consent or approval for any matter for which Landlord's consent or approval is required under this Lease or is otherwise requested by Tenant, Landlord shall not be liable for damages as a result thereof, and Tenant's sole remedy to enforce any alleged obligation of Landlord to provide such consent or approval shall be an action for specific performance, injunction, or declaratory relief; provided that this sentence shall not prevent Tenant from pursuing a claim, if made in good faith in accordance with the terms and conditions of this Lease, for direct damages (and not for any other damages, such as indirect or consequential damages) to the extent caused by a refusal by Landlord to provide such consent or approval where Landlord was obligated to provide such consent or approval under the terms and conditions of this Lease and such refusal was made in bad faith disregard of such obligations under this Lease.

17.02 Assignment of Rents.

(a) With reference to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage on property which includes the Premises, Tenant agrees that the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage shall never be treated as an assumption by such holder of any of the obligations of Landlord hereunder unless such holder shall, by notice sent to Tenant, specifically otherwise elect and, except as aforesaid, such holder shall be treated as having assumed Landlord's obligations hereunder only upon foreclosure of such holder's mortgage and the taking of possession of the Premises.

(b) In no event shall the acquisition of Landlord's interest in the Property by a purchaser which, simultaneously therewith, leases Landlord's entire interest in the Property back to the seller thereof be treated as an assumption by operation of law or otherwise, of Landlord's obligations hereunder, but Tenant shall look solely to such seller-lessee, and its successors from time to time in title, for performance of Landlord's obligations hereunder. For all purposes, such seller-lessee, and its successors in title, shall be the Landlord hereunder unless and until Landlord's position shall have been assumed by such purchaser-lessor.

(c) Except as provided in paragraph (b) of this Section 17.02, in the event of any transfer of title to the Property by Landlord, Landlord shall thereafter be entirely freed and relieved from the performance and observance of all covenants and obligations hereunder thereafter accruing. Tenant hereby agrees to enter into such agreements or instruments as may, from time to time, be reasonably requested in confirmation of the foregoing provided such successor has assumed all obligations of Landlord under this Lease, and if requested by Tenant, Tenant has been provided with a copy of such assignment and assumption (which may be redacted for economic and other confidential terms).

17.03 Landlord Default. In the event Tenant alleges that Landlord is in default under any of Landlord's obligations under this Lease, Tenant agrees to give any Mortgagee (as defined in Section 20), a copy of any notice of default which is served upon the Landlord, provided that prior to such notice, Tenant has been notified, in writing (whether by way of notice of an assignment of lease, request to execute an estoppel letter, or otherwise), of the address of any such Mortgagee. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided by law or such additional time as may be

provided in this Lease or such notice to Landlord, such Mortgagee shall have a period of thirty (30) days after the last date on which Landlord could have cured such default within which such Mortgagee will be permitted, but not be obligated, to cure such default. If such default cannot be cured within such thirty-(30)-day period, then such Mortgagee shall have such additional time as may be necessary to cure such default, if prior to the end of such thirty-(30)-day period such Mortgagee has commenced and is diligently pursuing such cure or the remedies under the Mortgage necessary for Mortgagee to be able to effect such cure, in which event Tenant shall have no right with respect to such default while such cure and remedies are being diligently pursued by such Mortgagee. Except as may be expressly provided in this Lease, in no event shall Tenant have the right to terminate the Lease nor shall Tenant's obligation to pay Base Rent or other charges under this Lease abate based upon any default by Landlord of its obligations under the Lease.

17.04 **No Consequential Damages.** Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord or any Landlord Related Party ever be liable to Tenant or any Tenant Related Party for loss of profits, loss of business, or indirect, consequential, or punitive damages suffered by Tenant or Tenant Related Party from whatever cause, and, except as expressly provided otherwise in Section 18 below, in no event shall Tenant or any Tenant Related Party ever be liable to Landlord or any Landlord Related Party for loss of profits, loss of business, or indirect, consequential, or punitive damages suffered by Landlord or any Landlord Related Party from whatever cause.

18. Holding Over.

If Tenant fails to surrender all or any part of the Premises at the expiration or earlier termination of this Lease, any such occupancy of all or any part of the Premises after such expiration or termination shall be that of a tenancy at sufferance. Any such occupancy after such expiration or termination shall be subject to all the terms and provisions of this Lease, except that Tenant shall pay an amount for such occupancy (on a per month basis without reduction for partial months during the holdover) equal to [***]% the Base Rent and [***]% of Additional Rent due for the month immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the expiration or earlier termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition, if Tenant holds over for more than thirty (30) days, then Tenant shall be liable to Landlord for all damages and losses that Landlord suffers from the holdover.

19. Surrender of Premises.

At the expiration or earlier termination of this Lease or Tenant's right of possession hereunder, Tenant shall remove all Tenant's Property from the Premises, remove all Required Removables (if any) under Section 8.03, remove all non-building standard signage installed by or on behalf of Tenant (excluding Tenant's Elevator Bank Signage, which shall be removed by Landlord at the expiration or earlier termination of this Lease or Tenant's right of possession hereunder), and quit and surrender the Premises to Landlord, broom clean, and in good condition and repair, reasonable wear and tear, damage by casualty or the acts of Landlord, and matters for which Landlord is responsible under this Lease, excepted. Tenant shall repair any damage caused by the installation or removal of Tenant's Property or Required Removables or signage that Tenant is obligated to remove hereunder. If Tenant fails to remove any of Tenant's Property or to restore or repair the Premises to the required condition as provided herein upon the expiration of the Term of this Lease (or, as applicable, within twenty (20) days after any earlier termination of this Lease or Tenant's right to possession hereunder), then Landlord, at Tenant's sole cost and expense, shall be entitled, but not obligated, to remove and store Tenant's Property and/or perform such restoration or repair of the Premises. Landlord shall not be responsible for the value, preservation, or safekeeping of Tenant's Property, and Tenant shall pay to Landlord, upon demand, the expenses and storage charges so incurred. If Tenant fails to remove Tenant's Property from the Premises or storage, within thirty (30) days after notice, Landlord may deem all or any part of Tenant's Property to be abandoned and, at Landlord's option, title to

Tenant's Property shall vest in Landlord or Landlord may dispose of Tenant's Property in any manner Landlord deems appropriate.

20. Subordination to Mortgages; Estoppel Certificate.

20.01 Subordination. This Lease is and shall be subject and subordinate to any mortgage(s), deed(s) of trust, deeds to secure debt, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Property, and to all renewals, modifications, refinancings, and extensions thereof (collectively referred to as a "Mortgage") subject to the provisions hereof. The party having the benefit of a Mortgage shall be referred to as a "Mortgagee". This clause shall be self-operative, but upon request from Landlord or a Mortgagee, Tenant shall execute a subordination agreement in favor of the Mortgagee in such Mortgagee's standard form, with such commercially reasonable changes as Tenant may request that are acceptable to Mortgagee for other comparable leases in the Building. As an alternative, any Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, without charge, shall attorn to any successor to Landlord's interest in this Lease. In the event Mortgagee enforces its rights under the Mortgage, Tenant, at Mortgagee's option, will attorn to Mortgagee or its successor; provided, however, that Mortgagee or its successor shall not be liable for or bound by (i) any payment of any Rent installment which may have been made more than thirty (30) days before the due date of such installment, (ii) any act or omission of or default by Landlord under this Lease (but Mortgagee, or such successor, shall be subject to the continuing obligations of Landlord under the Lease arising from and after such succession, but only to the extent of Mortgagee's, or such successor's, interest in the Property as provided in Section 17), (iii) any credits, claims, setoffs or defenses which Tenant may have against Landlord, or (iv) any obligation under this Lease to maintain a fitness facility at the Building, if any. Tenant, upon the reasonable request by Mortgagee or such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment. Concurrently with the execution of this Lease, Landlord will obtain from the existing Mortgagee, a subordination, non-disturbance and attornment agreement in the form attached hereto as Exhibit H (an "SNDA"). Notwithstanding anything in this Section 20.01 to the contrary, as a condition precedent to the subordination of this Lease to a future Mortgage, Landlord shall be required to provide Tenant with an SNDA in favor of Tenant from such future Mortgagee on such Mortgagee's standard form, with such commercially reasonable changes as Tenant may reasonably request that are reasonably acceptable to Mortgagee.

20.02 Modification of Lease. If any Mortgagee requires a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) Business Days following a request therefor. At the request of Landlord or any Mortgagee, Tenant agrees to execute a short form of this Lease and deliver the same to Landlord within ten (10) Business Days following the request therefor.

20.03 Estoppel Certificate. Either party shall, within fifteen (15) days after receipt of a written request from the other, execute and deliver a commercially reasonable estoppel certificate addressed to such parties and any parties reasonably requested by such party, such as, in the case of Landlord, a current or prospective Mortgagee or purchaser of the Building. Without limitation, such estoppel certificate may include a certification as to the status of this Lease and any particular obligations thereunder, the existence of any defaults, and the amount of Rent that is then due and payable.

20.04 Tenant Information. Upon Landlord's request from time to time, Tenant shall provide to Landlord the financial statements for Tenant and any guarantor for its most recent fiscal year and fiscal quarter. Financial statements for each fiscal year shall be prepared and certified by a certified public accountant; financial statements for each quarter shall be prepared and certified by Tenant's or any

guarantor's chief financial officer. If requested by Tenant, such financial statements shall be furnished pursuant to a confidentiality agreement in a form reasonably provided by Landlord for such purpose. Notwithstanding the foregoing, Landlord agrees that, as long as Tenant is a public company, Tenant shall not be required to provide any information pursuant to this Section 20.04.

21. Miscellaneous.

21.01 Measurement of Floor Area. Landlord and Tenant stipulate and agree that the Rentable Floor Area of the Premises originally leased to Tenant shall be conclusively deemed to be as specified in Section 1 and that the Rentable Floor Area of the Building is as specified in Section 1 as of the Effective Date. Any change in the Rentable Floor Area of the Premises on account of expansion shall be conclusively deemed to be as specified in any applicable expansion provisions under Exhibit F (if any) or in any amendment hereafter executed by Landlord and Tenant in connection with such expansion (if any). Any other change in the Rentable Floor Area of the Premises on account of casualty, condemnation, or the like shall be determined in accordance with the measurement standard that was originally used to determine the stipulated Rentable Floor Area for the space in question. Any change in the Rentable Floor Area of the Building on account of casualty, condemnation, or the like shall be determined from time to time by Landlord based on area computations supplied by Landlord's architect, which determinations shall be conclusive absent manifest error. References in this Lease to floor area measurements and square footage shall mean Rentable Floor Area unless the reference explicitly provides otherwise.

21.02 Notice of Lease. Tenant shall not record this Lease or any memorandum or notice without Landlord's prior written consent in Landlord's sole discretion; provided, however, that Landlord agrees to consent to the recording of a memorandum or notice of this Lease, at Tenant's cost and expense and in a form reasonably satisfactory to Landlord, if the initial term of this Lease together with any extension terms granted hereunder (if any) exceed, in the aggregate, the applicable statutory period for notice of leases in the state in which the Building is located. If this Lease is terminated before the Term expires, upon Landlord's request the parties shall execute, deliver and record an instrument acknowledging such termination date of this Lease, and Tenant appoints Landlord its attorney-in-fact in its name and behalf to execute the instrument if Tenant shall fail to execute and deliver the instrument after Landlord's request therefor within ten (10) days. Notwithstanding the foregoing, so long as Tenant is a publicly traded entity, if and as required, Tenant may file a copy of this Lease with Tenant's filings with the Securities Exchange Commission.

21.03 Governing Law, Etc. This Lease shall be interpreted and enforced in accordance with the Laws of the state or commonwealth in which the Building is located and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state or commonwealth. This Lease contains all of the agreements and understandings between Landlord and Tenant with respect to the Premises and supersedes all prior writings and dealings between them with respect thereto, including all lease proposals, letters of intent and other documents. Neither party is relying upon any warranty, statement or representation not contained in this Lease. If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected. This Lease may be amended only by a writing signed by all of the parties hereto. The titles are for convenience only and shall not be considered a part of the Lease. Where the phrases "persons acting under Tenant" or "persons claiming under Tenant" or similar phrases are used, such persons shall include subtenants, sub-subtenants, and licensees, and all employees, agents, independent contractors and invitees of Tenant or of such other parties. The enumeration of specific examples of or inclusions in a general provision shall not be construed as a limitation of the general provision. If Tenant is granted any extension option, expansion option, or other right or option, the exercise of such right or option (and notice thereof) must be irrevocable to be effective, time always being of the essence to the exercise of such right or option; and if Tenant purports to condition the exercise of any option or to vary its terms in any manner except as otherwise permitted under this Lease,

then the option granted shall be void and the purported exercise shall be ineffective. Nothing herein shall be construed as creating the relationship between Landlord and Tenant of principal and agent, or of partners or joint venturers, or any relationship other than landlord and tenant. If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all such parties and entities, any requests or demands from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities, and notices to any one person or entity comprising Tenant shall be deemed to have been given to all such persons and entities. Tenant's covenants contained in this Lease are independent and not dependent, and Tenant hereby waives the benefit of any statute or judicial law to the contrary. Except as expressly provided in this Lease, Tenant's obligation to pay Rent shall not be discharged or otherwise affected by any law or regulation now or hereafter applicable to the Premises, or any other restriction on Tenant's use, or any casualty or taking, or any failure by Landlord to perform any covenant contained herein, or any other occurrence; and no termination or abatement remedy that is not expressly provided for in this Lease for any breach or failure by Landlord to perform any obligation under this Lease shall be implied or applicable as a matter of law.

21.04 Representations. Each party represents and warrants to the other party, and agrees, that each individual executing this Lease on behalf of such party is authorized to do so on behalf of such party and that such party is not (i) in violation of any Laws relating to terrorism or money laundering, or (ii) among the individuals or entities with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> or any replacement website or other replacement official publication of such list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, known as Executive Order 13224), or other governmental action and such party will not Transfer this Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

21.05 Waiver of Trial by Jury; No Other Waiver. Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach of this Lease. No failure by either party to declare a default immediately upon its occurrence, nor any delay by either party in taking action for a default, nor Landlord's acceptance of Rent with knowledge of a default by Tenant, shall constitute a waiver of the default, nor shall it constitute an estoppel. The delivery of keys to Landlord or to Landlord's property manager shall not operate as a termination of this Lease or a surrender of the Premises.

21.06 Time Periods. Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of the Security Deposit or Rent), except as otherwise provided herein, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, pandemics, civil disturbances and other causes beyond the reasonable control of the performing party ("Force Majeure").

21.07 Transfer of the Property. Landlord shall have the right from time to time to transfer and assign, in whole or in part, all of its rights and obligations thereafter accruing under this Lease and in the Building and Property but no such transfer or assignment shall affect any provision of this Lease that entitles Tenant to an abatement of Rent or provides Tenant with the right to terminate this Lease. Upon transfer, Landlord shall be released from any further obligations hereunder and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, to the extent that any successor pursuant to a voluntary, third party transfer (but not as part of an involuntary transfer resulting from a

foreclosure or deed in lieu thereof) shall have assumed Landlord's obligations under this Lease from and after the date of the transfer.

21.08 Submission. The submission of this Lease to Tenant or a summary of some or all of its provisions for examination does not constitute a reservation of or option for the Premises or an offer to lease, and no legal obligations shall arise with respect to the Premises or other matters herein unless and until such time as this Lease is executed and delivered by Landlord and Tenant and approved by the holder of any mortgage on the Building having the right to approve this Lease.

21.09 Brokers. Tenant represents that it has dealt directly with and only with the Broker (described in Section 1) as a broker, agent or finder in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers, agents or finders claiming to have represented Tenant in connection with this Lease. Landlord shall be responsible to pay all commissions and fees due to the Broker pursuant to a separate agreement. Landlord shall indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of the Broker, and any other brokers, agents or finders claiming to have represented Landlord in connection with this Lease. Any assistance rendered by any agent or employee of Landlord in connection with this Lease or any subsequent amendment or modification or any other document related hereto has been or will be made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

21.10 Survival. The expiration of the Term, whether by lapse of time, termination or otherwise, shall not relieve either party of any obligations that accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

21.11 Quiet Enjoyment. This Lease is subject to all easements, restrictions, agreements, and encumbrances of record to the extent in force and applicable. Landlord covenants that Tenant, on paying the Rent and performing the tenant obligations in this Lease, shall peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Law, and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other so called quiet enjoyment covenant, either express or implied. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

21.12 Reservations. This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease. Landlord reserves the right to make changes to the Property, Building and Common Areas as Landlord deems appropriate provided Tenant's access to and use of the Premises are not materially adversely affected thereby. Wherever this Lease requires Landlord to provide a customary service or to act in a reasonable manner (whether in incurring an expense, establishing a rule or regulation, providing an approval or consent, or performing any other act), this Lease shall be deemed also to provide that whether such service is customary or such conduct is reasonable shall be determined by reference to the practices of owners of buildings that (i) are comparable to the Building in size, age, class, quality and location, and (ii) at Landlord's option, have been, or are being prepared to be, certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system or a similar rating system.

21.13 REIT Provisions. Tenant and Landlord intend that all amounts payable by Tenant to Landlord shall qualify as "rents from real property," and will otherwise not constitute "unrelated business taxable income" or "impermissible tenant services income," all within the meaning of Section 856(d) of the Internal Revenue Code of 1986, as amended (the "Code") and the U.S. Department of Treasury Regulations

promulgated thereunder (the "Regulations"). In the event that Landlord determines that there is any risk that any amount payable under this Lease may not qualify as "rents from real property" or will otherwise constitute impermissible tenant services income within the meaning of Section 856(d) of the Code and the Regulations, Tenant agrees to (a) cooperate with Landlord by entering into such amendment or amendments as Landlord deems necessary to qualify all amounts payable under this Lease as "rents from real property," and (b) permit (and, upon request, to acknowledge in writing) an assignment of the obligation to provide certain services under the Lease, and, upon request, to enter into direct agreements with the parties furnishing such services (which shall include, but not be limited to, a taxable REIT subsidiary of Landlord). Notwithstanding the foregoing, Tenant shall not be required to take any action pursuant to the preceding sentence (including acknowledging in writing an assignment of services pursuant thereto) if such action would result in (i) Tenant incurring more than de minimis additional liability under this Lease, or (ii) more than a de minimis negative change in the quality or level of Building operations or services rendered to Tenant under this Lease. For the avoidance of doubt: (A) if Tenant does not acknowledge in writing an assignment as described in clause (b) above (it being agreed that Tenant shall not unreasonably withhold, condition or delay such acknowledgment so long as the criteria in clauses (i) and (ii) hereinabove are satisfied), then Landlord shall not be released from liability under this Lease with respect to the services so assigned; and (B) nothing in this Section shall limit or otherwise affect Landlord's ability to assign its entire interest in this Lease to any party as part of a conveyance of Landlord's ownership interest in the Building.

21.14 Consent. In any case for which the consent of Landlord or Tenant is required under this Lease, each party hereby agrees that such consent shall not be unreasonably withheld, conditioned or delayed, unless otherwise expressly provided in this Lease.

21.15 Arbitration. In any case where this Lease expressly provides for, or gives the option for, the settlement of a dispute or question by arbitration pursuant to this Section 21.15, and in the case of any other dispute with respect to the granting of any consent or approval requested by Tenant or Landlord hereunder (where such consent or approval is subject to a reasonableness requirement), and only in such cases (and not in any case where other specific dispute resolution procedures are expressly provided for in this Lease, such as the dispute resolution procedures with respect to Fair Market Rent Rate with respect to an Extension Term pursuant to Exhibit F), such dispute shall be subject to binding arbitration in Boston, Massachusetts, under the Commercial Arbitration Rules of the American Arbitration Association (AAA). The Expedited Procedures of the Commercial Arbitration Rules shall also apply to all disputes arbitrated under this Lease. Where arbitration is used, the parties shall have no right to object if the arbitrator appointed was on the list submitted by the AAA and was not objected to in accordance with AAA Rule E-4. With respect to construction-related disputes, the arbitrator shall be an attorney who is also a licensed engineer, registered architect, or other construction professional and/or an attorney who specializes in construction disputes. Any finding or determination of the arbitrator shall be final and binding pursuant to the Commercial Arbitration Rules and/or Expedited Procedures (except that the arbitrator shall be bound by the provisions of this Lease and shall not have the power to add to, subtract from, modify or change any of the provisions of this Lease). Landlord and Tenant agree to sign all documents and to do all other things necessary to submit to arbitration any matter subject to of this Section 21.15. Landlord and Tenant consent to the entry of judgment in any court in the Commonwealth of Massachusetts upon any award or decision rendered in any arbitration held pursuant to this Section 21.15. Landlord and Tenant acknowledge that any award or decision rendered in any arbitration held pursuant to this Section 21.15, whether or not such award or decision has been entered for judgment, shall be final and binding upon Landlord and Tenant.

21.16 Execution. This Lease may be executed in one or more counterparts and, when executed by each party, shall constitute an agreement binding on all parties notwithstanding that all parties are not signatories to the original or the same counterpart provided that all parties are furnished a copy or copies thereof reflecting the signature of all parties. Transmission of a facsimile or by email of a pdf copy of the signed counterpart of the Lease shall be deemed the equivalent of the delivery of the original, and any party so delivering a facsimile or pdf copy of the

signed counterpart of the Lease by email transmission shall in all events deliver to the other party an original signature promptly upon request.

[Signatures on Following Page]

Landlord and Tenant have executed this Lease as a sealed Massachusetts instrument in two or more counterparts as of the Effective Date of this Lease set forth above.

LANDLORD:

OPG 125 SUMMER OWNER (DE) LLC,
a Delaware limited liability company

By: /s/ Chad Remis

Name: Chad Remis

Title: Vice President

By: /s/ Kristen E. Binck

Name: Kristen E. Binck

Title: Assistant Secretary

TENANT:

HAEMONETICS CORPORATION,
a Massachusetts corporation

By: /s/ Christopher Simon

Name: Christopher Simon

Title: President and Chief Executive Officer

EXHIBIT F

ADDITIONAL PROVISIONS

This Exhibit is attached to and made a part of the Office Lease Agreement (the "Lease") by and between OPG 125 SUMMER OWNER (DE) LLC, a Delaware limited liability company ("Landlord"), and HAEMONETICS CORPORATION, a Massachusetts corporation ("Tenant"), for space in the Building located at 125 Summer Street, Boston, MA 02110. Capitalized terms used but not defined herein shall have the meanings given in the Lease.

1. Parking.

(a) During the Term, Tenant shall have the right to lease from Landlord, and Landlord shall lease to Tenant, or cause the operator (the "Operator") of the garage serving the Building (the "Garage") to lease to Tenant, up to [***] ([***) unreserved parking spaces in the Garage (the "Spaces") for the use of Tenant and its employees. The Spaces shall be leased at the rate of \$[***] per Space, per month, plus applicable tax thereon, as such rate may be adjusted from time to time to reflect the then current rate for parking in the Garage. If requested by Landlord, Tenant shall execute and deliver to Landlord the standard parking agreement used by Landlord or the Operator in the Garage for such Spaces. Tenant may from time to time (but not more often than one time per month) (i) give back, and terminate the leases for, any number of Spaces, and/or (ii) request additional unreserved parking spaces in the Garage to be leased by Tenant hereunder. With respect to any such additional parking spaces requested by Tenant, Landlord shall lease to Tenant, or cause the Operator to lease to Tenant, such additional parking spaces to Tenant upon the terms set forth herein; provided, however, that the lease of such additional parking spaces shall be subject to the availability of such parking spaces, and in no event shall Landlord be obligated to lease, or cause the Operator to lease, to Tenant more than thirty-four (34) parking spaces in the Garage.

(b) No deductions or allowances shall be made for days when Tenant or any of its employees does not utilize the parking facilities or for Tenant utilizing less than all of the Spaces. Tenant shall not have the right to lease or otherwise use more than the number of unreserved Spaces set forth above.

(c) Except for particular spaces and areas designated by Landlord or the Operator for reserved parking, all parking in the Garage shall be on an unreserved, first-come, first-served basis; provided, however, that, subject to the terms of this Lease (including without limitation, Section 1(g) of this Exhibit F), Tenant shall at all times have the right to use the Spaces.

(d) Neither Landlord nor the Operator shall be responsible for money, jewelry, automobiles or other personal property lost in or stolen from the Garage regardless of whether such loss or theft occurs when the Garage or other areas therein are locked or otherwise secured. Except as caused by the negligence or willful misconduct of Landlord and without limiting the terms of the preceding sentence, Landlord shall not be liable for any loss, injury or damage to persons using the Garage or automobiles or other property therein, it being agreed that, to the fullest extent permitted by law, the use of the Spaces shall be at the sole risk of Tenant and its employees.

(e) Landlord or its Operator shall have the right from time to time to designate the location of the Spaces and to promulgate reasonable rules and regulations regarding the Garage, the Spaces and the use thereof, including, but not limited to, rules and regulations controlling the flow of traffic to and from various parking areas, the angle and direction of parking and the like. Tenant shall comply with and cause its employees to comply with all such rules and regulations and all reasonable additions and amendments thereto.

(f) Except for emergency repairs, Tenant and its employees shall not perform any work on any automobiles while located in the Garage or on the Property.

(g) Landlord or the Operator shall have the right to temporarily close the Garage or certain areas therein in order to perform necessary repairs, maintenance and improvements to the Garage; provided, however, that Tenant shall be entitled to receive an abatement in the parking fee payable hereunder with respect to each Space that Tenant cannot use during any such period of closure of all or a portion of the Garage.

(h) Tenant shall not assign or sublease any of the Spaces (except to a transferee under an assignment of this Lease or a subletting of the entire Premises under this Lease) without the consent of Landlord in Landlord's sole discretion. Landlord shall have the right to terminate Tenant's parking rights with respect to any Spaces that Tenant desires to sublet or assign in violation of the foregoing.

(i) Landlord may elect to provide parking cards or keys to control access to the Garage. In such event, Landlord shall provide Tenant with one card or key for each Space that Tenant is leasing hereunder, provided that Landlord shall have the right to require Tenant or its employees to place a deposit on such access cards or keys and to pay a fee for any lost or damages cards or keys.

2. Extension Options. Tenant shall have one (1) option (the "First Extension Option") to extend the initial Term for one (1) extension term of five (5) years commencing at the expiration of the initial Term (the "First Extension Term"). Any extension of the Term for the First Extension Term shall be applicable to the entire Premises (as the same may be expanded). If Tenant fails timely to exercise the First Extension Option, Tenant shall have no further extension rights hereunder. If Tenant timely exercises the First Extension Option as provided below, the Term shall be extended for the First Extension Term, and Tenant shall pay Base Rent for the Premises during the First Extension Term, in accordance with the terms and conditions of Section 4.02 of the Lease, at a Base Rent rate equal to the Fair Market Rent Rate (as defined below) for the Premises for the First Extension Term as determined in accordance with the provisions of this Section set forth below (the "Extension Rent Rate"). Time is of the essence with respect to Tenant's timely exercise of the First Extension Option as provided herein. Any notice exercising the First Extension Option must be unconditional and irrevocable in order to be effective. Except as set forth herein, Tenant's lease of the Premises during the First Extension Term shall be on all of the terms and conditions in effect for the Premises immediately prior to such extension. Additionally, Tenant shall have one (1) option (the "Second Extension Option," and together with the First Extension Option, as applicable, an "Extension Option") to extend the First Extension Term for one (1) extension term of five (5) years commencing at the expiration of the First Extension Term (the "Second Extension Term," and together with the First Extension Term, as applicable, an "Extension Term"). Any extension of the Term for the Second Extension Term shall be applicable to the entire Premises (as the same may be expanded). If Tenant fails timely to exercise the Second Extension Option, Tenant shall have no further extension rights hereunder. If Tenant timely exercises the Second Extension Option as provided below, the Term shall be extended for the Second Extension Term, and Tenant shall pay Base Rent for the Premises during the Second Extension Term, in accordance with the terms and conditions of Section 4.02 of the Lease, at a Base Rent rate equal to the Fair Market Rent Rate for the Premises for the Second Extension Term as determined in accordance with the provisions of this Section set forth below. Time is of the essence with respect to Tenant's timely exercise of the Second Extension Option as provided herein. Any notice exercising the Second Extension Option must be unconditional and irrevocable in order to be effective. Except as set forth herein, Tenant's lease of the Premises during the Second Extension Term shall be on all of the terms and conditions in effect for the Premises immediately prior to such extension, except that Tenant shall have no further option to extend the Term after the end of the Second Extension Term.

The procedures for Tenant to exercise an Extension Option, and for the applicable Extension Rent Rate (as defined below) applicable to the applicable Extension Term to be determined, are as follows:

(a) Tenant's Exercise Notice. If Tenant wishes to exercise the First Extension Option, Tenant shall so notify Landlord no more than fifteen (15) months, and no less than twelve (12) months, prior to the date the initial Term is then scheduled to expire. If Tenant wishes to exercise the Second Extension Option, Tenant shall so notify Landlord no more than fifteen (15) months, and no less than twelve (12) months, prior to the date the First Extension Term is then scheduled to expire. Failure by Tenant timely to send a notice under this subparagraph (a) shall constitute an irrevocable waiver of Tenant's right to extend the Term.

(b) Landlord's Response. If Tenant timely delivers a notice under subparagraph (a) above, Landlord shall furnish Tenant with Landlord's determination of the Base Rent rate equal to the Fair Market Rent Rate (as defined below) for the Premises for the applicable Extension Term (once determined pursuant to the terms and provisions set forth below, the "Extension Rent Rate") no later than thirty (30) days following Landlord's receipt of such notice. Within thirty (30) days after Landlord furnishes its estimate of the Extension Rent Rate to Tenant under the preceding sentence, Tenant shall, by written notice delivered to Landlord, either (i) give Landlord notice accepting Landlord's determination of the Extension Rent Rate for the applicable Extension Term, or (ii) give Landlord notice disputing Landlord's determination of such applicable Extension Rent Rate, which notice under clause (ii) shall state Tenant's determination of such applicable Extension Rent Rate. Failure timely to give a notice disputing Landlord's determination of such applicable Extension Rent Rate shall constitute an acceptance of Landlord's determination of such applicable Extension Rent Rate. Notwithstanding anything to the contrary, Tenant may request, but no earlier than sixteen (16) months prior to the then scheduled expiration of the Term, that Landlord provide its determination of the Extension Rent Rate prior to Tenant's delivery of an exercise notice pursuant to subparagraph (a) above, and Landlord shall deliver such determination within thirty (30) days following Landlord's receipt of Tenant's request therefor.

(c) Arbitration. If Tenant disputes Landlord's determination of the applicable Extension Rent Rate under subparagraph (b)(ii) above, the parties shall use good faith efforts to resolve such dispute for a period of thirty (30) days after such dispute notice is delivered. If, after such thirty (30) day period, the dispute over such Extension Rent Rate is not resolved, then either party may cause the matter of the Fair Market Rent Rate to be submitted to arbitration as set forth below, by giving notice of such submission to the other party. Each of Landlord and Tenant, within twenty (20) days after notice of such submission to arbitration, shall appoint an independent, licensed, commercial real estate broker with at least ten (10) years' experience as a broker for first-class high-rise office buildings in downtown Boston, Massachusetts (a "Qualified Broker"), and shall give notice of such appointment to the other party. If either Landlord or Tenant shall fail timely to appoint a Qualified Broker, the other may apply to the Boston Office of the American Arbitration Association ("AAA") for appointment of such a Qualified Broker five (5) Business Days after notice of such failure to the delinquent party if such Qualified Broker has not then been appointed. Within thirty (30) days after appointment of the second Qualified Broker, the two Qualified Brokers shall each determine the Fair Market Rent Rate and furnish a written statement thereof to Landlord and Tenant. Unless the higher of the determinations of the Fair Market Rent Rate made by a Qualified Broker is more than one hundred ten percent (110%) of the lower, the average of the two such determinations shall be binding on Landlord and Tenant. In the event that (i) the higher of the two such determinations is more than one hundred ten percent (110%) of the lower, and (ii) Landlord and Tenant are unable to agree on the Fair Market Rent Rate within thirty (30) days after the parties' receipt of the Qualified Brokers' written statements, then the Qualified Brokers shall together promptly appoint a third such licensed, and experienced commercial real estate broker, from a firm unaffiliated with Landlord or Tenant or either of the firms with which the Qualified Brokers are associated (the "Third Broker"), which Third Broker shall determine the Fair Market Rent Rate and furnish a written statement thereof to Landlord and Tenant. In the event that the Qualified Brokers cannot promptly agree on the appointment of the Third Broker, then the Third Broker shall be appointed by the Boston office of the AAA. Unless the determination of the Third Broker, as aforesaid, is less than the lower or more than the higher determination of the

Qualified Brokers, such determination of the Third Broker shall be binding on Landlord and Tenant. In the event that the determination of the Third Broker, as aforesaid, is the lowest of the three such determinations, then the lower of the determinations of the Qualified Brokers shall be binding on Landlord and Tenant. Conversely, if the determination of the Third Broker, as aforesaid, is the highest of the three such determinations, then the higher of the determinations of the Qualified Brokers shall be binding on Landlord and Tenant. Any and all fees and expenses incurred in making the aforesaid determinations shall be paid to the Qualified Broker chosen by Tenant exclusively by Tenant, to the Qualified Broker chosen by Landlord exclusively by Landlord, and to the Third Broker and the AAA in equal proportion by Landlord and Tenant. If the AAA shall cease to provide arbitration for commercial disputes in Boston, a Qualified Broker or Third Broker, as the case may be, shall be appointed by any successor organization providing substantially the same services, and in the absence of such an organization, by a court of competent jurisdiction under the arbitration act of The Commonwealth of Massachusetts. For any period during which the applicable Extension Rent Rate is in dispute hereunder, Tenant shall make payment on account of the applicable Extension Rent Rate at the rate estimated by Landlord as such Extension Rent Rate, and the parties shall adjust for overpayments or underpayments within thirty (30) days after the decision of the arbitrators is announced.

(d) Fair Market Rent Rate. The “Fair Market Rent Rate” for the Extension Term in question shall mean the annual fair market rent per square foot for the Premises for a term coterminous with the applicable Extension Term under the terms of this Lease, as though the Premises were in the condition then existing or in such better condition as such space is required to be maintained hereunder. In making such determination, reference shall be made to lease transactions for comparable office space in the Building and comparable first-class high-rise buildings in downtown Boston, and appropriate adjustments to the rent rates in such comparable transactions shall be made for any relevant factors, including, without limitation, the timing of the transaction, the location and condition of the space, the quality of the Building, and any free rent, tenant improvements or other tenant concessions (or the lack thereof). Without limiting the generality of the foregoing adjustments, if the rent rate in a comparable transaction was determined based on a percentage discount to fair market rent, then the amount of such discount shall be disregarded (i.e., added back into the rental rate) for purposes of determining the Fair Market Rent Rate hereunder. The Fair Market Rent Rate shall be determined using a new Base Year for charges for Expense Excess and Tax Excess in respect of the applicable Extension Term, based on the calendar year in which such Extension Term commences, which new Base Year shall apply to the Premises during such Extension Term.

(e) Confirmatory Instrument. If Tenant shall exercise an Extension Option in accordance with this Section, the provisions of this Section shall be self-operative, but upon request by either party after determination of the Extension Rent Rate for the applicable Extension Term, the parties shall execute an agreement specifying the Extension Rent Rate for the applicable Extension Term and acknowledging the extension of the Term.

(f) General. Notwithstanding any provision of this Section to the contrary, the Extension Options shall be void, at Landlord’s election, if (i) Tenant is in default hereunder, after any applicable notice and cure periods have expired, at the time Tenant elects to extend the Term or at the time the Term would expire but for such extension, or (ii) at the time of Tenant’s exercise of the Extension Option more than fifty percent (50%) of the Premises is subleased (other than pursuant to a Permitted Transfer), or an assignment of the Lease (other than in connection with a Permitted Transfer) is then in full force and effect.

3. Right of First Offer. As used herein, the “First Offer Space” shall mean any of the following spaces or any part thereof that Landlord from time to time during the initial Term determines is available for lease to a third party in accordance with and subject to the provisions of this Section 3: Any space on any floor immediately above the highest floor of the Premises, any space on any floor immediately

below the lowest floor of the Premises, and any space on any floor on which the Premises occupy only a portion of such floor.

(a) Landlord's ROFO Notice. Subject to the Superior Rights (as defined below), before hereafter entering into a lease for all or any part of the First Offer Space with a third party (other than the then existing tenant of such space), Landlord shall give Tenant a notice (each, a "Landlord's ROFO Notice") specifying (i) the location and Rentable Floor Area of the part of the First Offer Space designated by Landlord for offer to Tenant hereunder (each, an "Offered Space") and (ii) the terms on which Landlord would be willing to lease such Offered Space to Tenant in accordance with the terms of this Section 3, provided that Rent in respect of the Offered Space shall be at the Fair Market Rent Rate, as reasonably determined by Landlord, taking into account all relevant factors. The term for the Offered Space shall be coterminous with the Term of this Lease (as the same may be extended pursuant to this Lease). Landlord reserves the right to offer all or part of the First Offer Space in such size and configuration for the applicable Offered Space specified in any Landlord's ROFO Notice hereunder as Landlord determines in its sole discretion.

Notwithstanding anything in this Section 3 to the contrary, Tenant's rights of first offer hereunder with respect to any applicable First Offer Space shall be subject and subordinate to the "Superior Rights", which shall include and refer to Landlord's right from time to time to lease all or part of the applicable First Offer Space to (i) any tenant with existing rights to such First Offer Space as of the Effective Date, which tenants are Analog, SunTrust, FirstPro, and Novetta, (ii) after such time as Tenant has rejected (or is deemed to have rejected) a Landlord's ROFO Notice for an Offered Space hereunder, any tenant that is granted rights for all or part of such Offered Space in the initial lease for such space entered into by Landlord in accordance with the provisions of this Section 3, (iii) any tenant that is granted rights for all or part of the currently vacant First Offer Space in the initial leases entered into by Landlord pursuant to the initial lease up, and (iv) any then existing tenant of the First Offer Space (it being understood and agreed that Landlord shall have the right to extend or renew any then current lease (or enter into a new lease) with any then existing tenant even if no extension or renewal rights are contained in said then current lease).

(b) Tenant's Response. Within ten (10) Business Days after receipt of Landlord's ROFO Notice, Tenant shall, by written notice delivered to Landlord, either (a) reject Landlord's ROFO Notice, or (b) reject Landlord's ROFO Notice but unconditionally and irrevocably offer to lease the Offered Space from Landlord for its own use at a Base Rent rate proposed in Tenant's response and otherwise on the terms set forth in Landlord's ROFO Notice, or (c) unconditionally and irrevocably accept Landlord's offer to lease the Offered Space from Landlord for its own use on the terms set forth in Landlord's ROFO Notice. The failure by Tenant to timely respond as aforesaid shall be deemed Tenant's rejection of Landlord's ROFO Notice for the Offered Space under clause (a).

If Landlord's ROFO Notice is rejected under clause (a) above (or deemed rejected by Tenant's failure to timely respond), then Landlord may enter into any lease for all or part of the Offered Space on such terms and conditions (including without limitation extension or expansion rights with respect to the Offered Space or any portion thereof) as Landlord determines in its sole discretion.

If Tenant timely offers to lease the Offered Space on alternative terms as set forth in clause (b) above, then Landlord may, by written notice delivered within thirty (30) days of receipt thereof, accept or decline such offer (the failure to so respond being deemed Landlord's election to decline Tenant's offer). If such offer under clause (b) is declined (or deemed declined), then, for a period of one (1) year after Landlord's receipt of Tenant's offer (the "Leasing Period"), Landlord may enter into any lease for all or part of the Offered Space (which may be enlarged to include other space by up to twenty five percent of the rentable square feet without requiring any re-offer hereunder) at an effective rent (after taking into

account any tenant improvement allowance) greater than ninety percent of the effective rent under Tenant's offer. If, during such Leasing Period, Landlord desires to enter into a third-party lease for all of part of such Offered Space at an effective rent less than or equal to ninety percent of the effective rent under Tenant's offer, Landlord shall deliver to Tenant a new Landlord's ROFO Notice for such space. If and to the extent that Landlord does not enter into any lease for all or part of the Offered Space within such Leasing Period, Landlord shall recommence the process under this Section before entering into a lease for such space.

(c) End of Term. Notwithstanding the foregoing, with respect to any First Offer Space with a delivery date that would occur within the last three (3) years of the initial Term (a "Late Term ROFO Space"), any right of Tenant to lease such Late Term ROFO Space under this Section shall apply if and only if, Tenant has timely and validly exercised, or has the right to exercise its First Extension Option pursuant to Section 2 of this Exhibit F, and simultaneously with the acceptance (if any) of the applicable offer to lease such Late Term ROFO Space in accordance with this Section, Tenant shall irrevocably and unconditionally agree to exercise Tenant's First Extension Option, in which event the Term shall be extended in accordance with the terms of such Extension Option, provided that the Fair Market Base Rent for the Premises thereunder shall be determined at the time provided under such Extension Option, notwithstanding the timing of Tenant's agreement under this sentence to exercise such Extension Option. Notwithstanding anything to the contrary, if Tenant does not timely exercise its First Extension Option, Landlord shall have no obligation to deliver a Landlord's ROFO Notice as of the expiration of the First Extension Option.

(d) Confirmatory Instrument. If the applicable offer to lease an Offered Space is accepted as provided under this Section above, the Offered Space shall, subject to the provisions set forth below and without further action by the parties, be leased by Tenant on the accepted terms and otherwise on all of the terms of the Lease in effect immediately prior to such expansion, provided that, at the request of either party, Landlord and Tenant shall promptly execute and deliver an agreement confirming such expansion of the Premises and the estimated date the Premises are to be expanded pursuant to this Section with a provision for establishing the effective date of such expansion based on actual delivery. Landlord's failure to deliver, or delay in delivering, all or any part of such leased Offered Space, for any reason, shall not give rise to any liability of Landlord, shall not alter Tenant's obligation to accept such space when delivered, shall not constitute a default of Landlord, and shall not affect the validity of the Lease.

(e) General. Notwithstanding any provision of this Section to the contrary, Tenant's rights under this Section shall be void, at Landlord's election, if (i) Tenant is in default hereunder, after any applicable notice and cure periods have expired, at the time Landlord would otherwise give a Landlord's ROFO Notice to Tenant hereunder or at the time Tenant makes any election with respect to the First Offer Space under this Section or at the time the First Offer Space would be added to the Premises, or (ii) any Transfer has occurred under Section 11 of the Lease (other than a Permitted Transfer).

4. Hazardous Materials.

(a) Hazardous Materials. As used herein, the term "Hazardous Materials" shall mean any wastes, materials or substances (whether in the form of liquids, solids, aerosols or gases, and whether or not air-borne), specifically including live organisms, viruses and fungi, medical waste and so-called "bio-hazard" materials, which are or are deemed to be (i) pollutants or contaminants, or which are or are deemed to be hazardous, toxic, ignitable, reactive, corrosive, infectious, dangerous, harmful or injurious, or which present a risk to public health or to the environment, or which are or may become regulated by or under the authority of any applicable local, state (including, without limitation, Chapter 21E of the General Laws of the Commonwealth of Massachusetts) or federal laws, judgments, ordinances, orders, rules, regulations, codes or other governmental restrictions, guidelines or requirements, any amendments or successor(s)

thereto, replacements thereof or publications promulgated pursuant thereto, including, without limitation, any such items or substances which are or may become regulated by any of the Environmental, Health and Safety Laws (as hereinafter defined); (ii) listed as a chemical known to the Commonwealth of Massachusetts to cause cancer or reproductive toxicity; or (iii) a pesticide, petroleum, including crude oil or any fraction thereof, asbestos or an asbestos-containing material, a polychlorinated biphenyl, radioactive material, urea formaldehyde, biohazard material, mold, fungus, virus, living organisms or other medical waste.

(b) Environmental, Health and Safety Laws. In addition to the laws referred to in Section 4(a) above, the term “Environmental, Health and Safety Laws” shall be deemed to include, without limitation, 33 U.S.C. Section 1251 et seq., 42 U.S.C. Section 6901 et seq., 42 U.S.C. Section 7401 et seq., 42 U.S.C. Section 9601 et seq., the Emergency Planning and Community Right to Know Act (EPCRTKA) 42 U.S.C. § 11001-11050 and all local, state and federal laws, judgments, ordinances, orders, rules, regulations, codes and other governmental restrictions, guidelines and requirements, any amendments and successors thereto, replacements thereof and publications promulgated pursuant thereto, which deal with or otherwise in any manner relate to, Hazardous Materials, air or water quality, air emissions, soil or ground conditions, environmental, health and safety, including, but not limited to, industrial hygiene, soil, water, or environmental conditions or other environmental, health and safety matters of any kind. In addition to the foregoing, Tenant shall comply with all terms, conditions and guidelines contained in all licenses, permits and approvals applicable to Tenant’s laboratory uses and agrees to further acknowledge such agreement to so comply in writing upon request of Landlord.

(c) Use of Hazardous Materials; Licenses; Audit Reports. Tenant agrees that during the Term of this Lease, there shall be no use, presence, disposal, storage, generation, leakage, treatment, manufacture, import, handling, processing, release, or threatened release of Hazardous Materials on, from or under the Premises, the Building or the Property (individually and collectively, “Hazardous Use”) except for Hazardous Materials which are typically used in the operation of offices or laboratories (including in connection with the Back-Up Power And Supplemental Components referenced in Exhibit F), provided that such Hazardous Materials are stored, used and disposed of in strict compliance with all applicable Environmental, Health and Safety Laws and with all BSL-2 requirements and protocol. Tenant represents and warrants that the list attached hereto as Schedule F-1 is a list of substantially all Hazardous Materials expected to be used and stored by Tenant in the Premises as of the Term Commencement Date.

Notwithstanding the foregoing, under no circumstances shall Tenant use or permit to exist in the Premises, or obtain any license, permit, registration or consent from any local, federal or state governmental agency, authority, commission, board or the like (each, a “Governmental Authority”) permitting Tenant to use or store in the Premises, any of the Hazardous Materials or classes thereof listed and/or identified on Schedule F-2 attached hereto.

Within five (5) business days following Tenant’s receipt of Landlord’s written request therefor, Tenant shall promptly provide Landlord with copies of any and all licenses, permits, registrations or consents relating to the use, storage or disposal of Hazardous Materials that are obtained, modified or renewed during the Term. In addition, Tenant shall not permit the imposition of any lien by Governmental Authority or other party to secure payment for damages caused by, or the recovery of any costs or expenses for, the cleanup, remediation, investigation, transportation, disposal, release or threatened release of any Hazardous Material. Tenant also shall provide Landlord with prompt written notice in reasonable detail of (i) any release or threatened release at, on, under or from the Premises, Building or Property of which Tenant becomes aware which would reasonably be expected to exceed reportable quantities or give rise to a violation of any Environmental, Health and Safety Laws, or which could result in a legal obligation to investigate or remediate Hazardous Materials pursuant to, Environmental, Health and Safety Laws or any provisions of this Lease; (ii) any notice received by Tenant, or of which Tenant has knowledge, from any

Governmental Authority in connection with any such release or any violation of Environmental, Health and Safety Laws, or in connection with the presence or alleged presence of any Hazardous Materials at the Premises, Building or Property; or (iii) any incurrence of expense by any Governmental Authority or other party in connection with the assessment, containment, disposal or removal of any Hazardous Materials located at, on, in, or under, or emanating from the Premises.

Within five (5) days following Tenant's receipt of Landlord's written request from time to time given no more than once in any Lease Year, Tenant shall provide Landlord with an updated list of all Hazardous Materials, including quantities used and such other information as Landlord may reasonably request, used or stored by Tenant in the Premises or otherwise on the Property. In the event Tenant fails to handle, store or dispose of Hazardous Materials in the Premises or otherwise on the Property in compliance with all applicable Environmental, Health and Safety Laws and all BSL-2 requirements and protocols, Tenant shall not handle, store or dispose of such Hazardous Materials in the Premises or on the Property until Tenant complies with all Environmental, Health and Safety Laws and BSL-2 requirements and protocols applicable to the handling, storage, or disposal of such Hazardous Materials. For the purposes of this Section 4(c), the term Hazardous Use shall include Hazardous Use(s) on, from or under the Premises by Tenant or any of its directors, officers, employees, shareholders, partners, licensees, invitees, agents, contractors or occupants (collectively, "Tenant's Parties"), whether known or unknown to Tenant, and whether occurring and/or existing during or prior to the commencement of the Term of this Lease.

(d) Compliance. During the Term of this Lease, Tenant, at its sole cost and expense, shall comply with, and shall not be in violation of, any Environmental, Health and Safety Laws.

(e) Inspection and Testing by Landlord. If Landlord has reason to believe that Tenant has violated the provisions of this Section 4 or other provisions of this Lease governing Hazardous Materials, Landlord shall have the right to (i) inspect the Premises and to (ii) conduct tests and investigations to confirm whether Tenant is in compliance with the provisions of this Section. Except in case of emergency, Landlord shall give reasonable notice to Tenant before conducting any inspections, tests, or investigations. The cost of all such inspections, tests and investigations shall be borne by Tenant if Tenant is in breach of Section 4 or other provisions of the Lease governing Hazardous Materials. Neither any action nor inaction on the part of Landlord pursuant to this 4(e) shall be deemed in any way to release Tenant from, or in any way modify or alter, Tenant's responsibilities, obligations, and/or liabilities incurred pursuant to Section 4 hereof.

(f) Decommissioning. On or before the date that Tenant, and anyone claiming by, through or under Tenant, vacates the Premises, and immediately prior to the time that Tenant delivers the Premises to Landlord, Tenant shall, to the reasonable satisfaction of Landlord:

(i) cause the Premises to be decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission and/or the Massachusetts Department of Public Health for the control of radiation, cause the Premises to be released for unrestricted use by the Radiation Control Program of the Massachusetts Department of Public Health for the control of radiation, and deliver to Landlord the report of a qualified radiation health physicist or radiation safety officer confirming, in substance, that he or she has examined the Premises (including visual inspection, Geiger counter evaluation and airborne and surface monitoring) and found no evidence of residual radioactive materials, radiation above natural background levels, or violation of any Environmental Health and

Safety Laws; and deliver to Landlord the report of a certified industrial hygienist confirming, in substance, that he or she has examined the Premises (including visual inspection, onsite screening and laboratory analysis and found no evidence that the Premises contains any Hazardous Materials, no building materials or components have been adversely impacted by Hazardous Materials, or is otherwise in violation of any Environmental Health and Safety Laws;

(ii) intentionally deleted;

(iii) decommission all laboratory space in and about the Premises, including without limitation, to the extent required to deliver a complete Laboratory Decommissioning Checklist, and otherwise in accordance with applicable Laws and best practices for similarly used laboratory space, and to the satisfaction of Landlord and any Governmental Authority involved in the closure;

(iv) terminate all licenses, permits, registrations and consents obtained by Tenant for the use or storage of Hazardous Materials or radioactive materials at the Premises or transfer such licenses, permits, registrations and consents for Tenant's activities at another location;

(v) remove from the Premises and dispose of all universal waste, Hazardous Materials, and radioactive materials stored in the Premises in compliance with applicable Laws (including, without limitation, all Environmental, Health and Safety Laws);

(vi) decontaminate all surfaces and fixed equipment in the Premises;

(vii) review and remediate and properly dispose of any specific Hazardous or Radioactive Materials that may be associated with any laboratory fixtures used by Tenant in the Premises; and

(viii) provide to Landlord a copy of its most current universal, chemical, radiological and biological waste removal manifests and or bills of lading and a certification from Tenant executed by an officer of Tenant that no Hazardous Materials or other potentially dangerous or harmful chemicals brought onto the Premises from and after the date that Tenant first took occupancy of the Premises remain in the Premises.

(g) Tenant shall indemnify, hold harmless, and, at Landlord's option (with such attorneys as Landlord may approve in advance and in writing), defend Landlord and Landlord's officers, directors, shareholders, partners, members, managers, employees, contractors, property managers, agents and mortgagees and other lien holders, from and against any and all Losses (including without limitation, any costs of cleanup, remediation, removal and restoration) arising from or related to: (a) any violation or alleged violation by Tenant or any of Tenant's Parties of any of the requirements, ordinances, statutes, regulations or other laws referred to in this Section 4, including, without limitation, the Environmental, Health and Safety Laws; (b) any breach of the provisions of this Section 4 by Tenant or any of Tenant's Parties; or (c) any Hazardous Use on, about or from the Premises of any Hazardous Material approved by Landlord under this Lease (including in connection with the Back-Up Power And Supplemental Components). The indemnification of Landlord by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the Building, soil or ground water, on or under the Premises based upon the circumstances identified in the first sentence of this subsection (g). The indemnification and hold harmless obligations of Tenant under this subsection (g) shall survive any termination of this Lease.

5. Dedicated Venting System. During the Term, Tenant shall have the exclusive right to use the venting system to be installed as part of the Initial Tenant Work to exclusively serve the Premises, along with all related facilities, including, without limitation, any ducts flues, or chases installed to provide access to space outside of the Premises for the operation, maintenance, and repair of such venting system

(collectively the "Dedicated Venting System") and the non-exclusive right to access those portions of the Building and the Property (including, without limitation, the roof of the Building), to the extent necessary for the operation, maintenance, and repair of the Dedicated Venting System. Tenant acknowledges and agrees that access to any portion of the Dedicated Venting System located outside of the Premises shall be subject to coordination with the Landlord for such access. Tenant shall at all times comply with any and permits and approvals issues by applicable governmental authorities with respect to the use of the Dedicated Venting System. Tenant's use of the Dedicated Venting System shall not at any time: (i) affect the waterproofing of the roof; or (ii) cause any interference with (w) the Building's operating or mechanical systems, (x) the operations of any tenant in the Building, including any tenant's roof deck use by reason of the emission of noxious vapors or odors (it being understood that emissions from the Dedicated Venting System shall be colorless and odorless so as to avoid such interruption and shall be in compliance with all Laws related to such emissions), (y) any telecommunications equipment in or on the Building (A) of any telecommunications service provider which makes its services available generally to the tenants of the Building or (B) serving a larger portion of the Building than the Premises. Tenant shall also cooperate with any rooftop management policy which Landlord may implement for the Building, provided that such policy does not materially decrease Tenant's rights or materially increase Tenant's obligations under this Lease. Tenant shall not be charged any Additional Rent as a result of the installation of the Dedicated Venting System, unless Tenant damages any portion of the Building or the roof in connection with its operation, maintenance, or repair of such Dedicated Venting System. Notwithstanding anything to the contrary contained in Section 8.03 of the Lease, in the event Landlord elects to remove the Dedicated Venting System and completes the removal of the Dedicated Venting System within ninety (90) days following the end of the Term, Tenant shall reimburse Landlord for its actual, documented, out-of-pocket costs of such removal within thirty (30) days following Tenant's receipt of Landlord's invoice therefor, accompanied by reasonably detailed documentation supporting such costs, given delivered within fifteen (15) days following the completion of such removal; provided, however, that Landlord shall have delivered Tenant an estimate of such costs of removal no later than five (5) Business Days prior to the commencement of such removal. Landlord shall have the right to retain the Letter of Credit until Landlord's receipt of Tenant's reimbursement of such removal costs; provided that Tenant shall have the right to deposit with Landlord a cash security deposit for the cost of such removal in lieu of the Letter of Credit, in which event Landlord will return the Letter of Credit to Tenant promptly after its receipt of such a cash security deposit.

6. Generator. Tenant shall have the right to install, at Tenant's sole cost, a back-up generator on the roof of the Building, a booster in the Garage, the associated gas line and related components (collectively, the "Back-Up Power And Supplemental Components"), in the locations designated therefor by Landlord, subject to Landlord's prior written approval of Tenant's plans and specifications therefor, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall also have the non-exclusive right to access those portions of the Building and the Property (including, without limitation, the roof of the Building), to the extent necessary for the installation, operation, maintenance, and repair of the Back-Up Power And Supplemental Components. Landlord shall have no obligations to Tenant with respect to the installation, operation, repair, maintenance or replacement of the Back-Up Power And Supplemental Components. Tenant shall be responsible, at Tenant's sole cost and expense, for maintaining, testing, refueling and cleaning the Back-Up Power And Supplemental Components, all in compliance with applicable Laws. Tenant shall, at its own cost and expense, enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor approved by Landlord for servicing the Back-Up Power And Supplemental Components (and a copy thereof shall be furnished to Landlord). The service contract must include all services suggested by the equipment manufacturers in the operation/maintenance manual or required by applicable government laws, ordinances, rules and regulations. Landlord may, upon notice to Tenant, enter into such a maintenance/service contract on behalf of Tenant or perform the work and, in either case, charge Tenant the cost thereof along with a reasonable amount for Landlord's overhead.

Tenant acknowledges and agrees that access to any portion of the Back-Up Power and Supplemental Components located outside of the Premises shall be subject to coordination with the Landlord for such access. Tenant shall at all times comply with any and permits and approvals issues by applicable governmental authorities with respect to the use of the Back-Up Power and Supplemental Components. Tenant's use of the Back-Up Power and Supplemental Components shall not at any time: (i) affect the waterproofing of the roof; or (ii) cause any interference with (w) the Building's operating or mechanical systems, (x) the operations of any tenant in the Building, including any tenant's roof deck use, (y) any telecommunications equipment in or on the Building (A) of any telecommunications service provider which makes its services available generally to the tenants of the Building or (B) serving a larger portion of the Building than the Premises. Tenant shall also cooperate with any rooftop management policy which Landlord may implement for the Building, provided that such policy does not materially decrease Tenant's rights or materially increase Tenant's obligations under this Lease. Tenant shall not be charged any Additional Rent as a result of the installation of the Back-Up Power and Supplemental Components, unless Tenant damages any portion of the Building or the roof in connection with its installation, operation, maintenance, or repair of such Back-Up Power and Supplemental Components. Notwithstanding anything to the contrary contained in Section 8.03 of the Lease, in the event Landlord elects to remove the Back-Up Power and Supplemental Components and completes the removal of the Back-Up Power and Supplemental Components within ninety (90) days following the end of the Term, Tenant shall reimburse Landlord for its actual, documented, out-of-pocket costs of such removal within thirty (30) days following Tenant's receipt of Landlord's invoice therefor, accompanied by reasonably detailed documentation supporting such costs, given delivered within fifteen (15) days following the completion of such removal; provided, however, that Landlord shall have delivered Tenant an estimate of such costs of removal no later than five (5) Business Days prior to the commencement of such removal. Landlord shall have the right to retain the Letter of Credit until Landlord's receipt of Tenant's reimbursement of such removal costs; provided that Tenant shall have the right to deposit with Landlord a cash security deposit for the cost of such removal in lieu of the Letter of Credit, in which event Landlord will return the Letter of Credit to Tenant promptly after its receipt of such a cash security deposit.

7. Negative Condition. In light of the fact that the Premises are in a multi-tenant Building, Tenant shall not perform any act or carry on any practice or operate any machinery or equipment (including, but without limitation, the use of grinders) which would be in violation of the provisions of Article 5 of the Lease and Sections 5 and 6 of this Exhibit F (a "Negative Condition"). Upon Landlord's written notice to Tenant that such a Negative Condition exists, Tenant shall thereafter promptly undertake actions to remedy such Negative Condition (which actions may include the installation, operation, maintenance and inspection of odor, noise, vibration, water and/or smoke control devices, and the establishment of effective control procedures to eliminate such odors, noise, vibration, smoke, water or other objectionable emissions) within five (5) days following receipt of such notice, or such longer period of time as is reasonably necessary to remedy such Negative Condition so long as Tenant promptly undertakes to remedy any such condition and diligently and continuously pursues such remedy to completion within thirty (30) days of receipt of such notice from Landlord. Tenant shall cease the activity causing the Negative Condition upon receipt of Landlord's notice until the Negative Condition has been remedied. The means Tenant uses to prevent such migration may include but not be limited to: (i) operating the HVAC systems, including any special exhaust systems, under negative pressure, (ii) sealing all openings in the demising walls, (iii) providing continuous waterproof base (per Landlord's criteria) along the demising walls in the showers (if any), kitchen and laboratory areas in the Premises, and (iv) placing machines or equipment in settings of cork, rubber or spring type noise and vibration eliminators. If any such Negative Condition is not so remedied, Landlord may, at its discretion either: (i) cure such Negative Condition, and Tenant shall then pay, as additional rent hereunder, the cost and expense incurred by Landlord to effect such cure within thirty (30) days following Tenant's receipt of Landlord's written demand therefor, or (ii) treat Tenant's failure to remedy such Negative Condition as a Default, entitling Landlord to any of its remedies pursuant to the terms of this Lease.

CERTIFICATION

I, Christopher A. Simon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure 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 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 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.

February 8, 2024

/s/ Christopher A. Simon

Christopher A. Simon, President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, James C. D'Arecca, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure 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 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 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.

February 8, 2024

/s/ James C. D'Arecca

James C. D'Arecca, Executive Vice President, Chief Financial Officer

(Principal Financial Officer)

Certification Pursuant To
18 USC. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended December 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher A. Simon, President and Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 8, 2024

/s/ Christopher A. Simon
Christopher A. Simon,
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.

Certification Pursuant To
18 USC. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended December 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James C. D'Arecca, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 8, 2024

/s/ James C. D'Arecca

James C. D'Arecca,

Executive Vice President, Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.