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

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

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

For the fiscal year ended December 31, 2021

OR

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

OR

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

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number **001-33725**

Textainer Group Holdings Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Bermuda

(Jurisdiction of incorporation or organization)

Century House, 16 Par-La-Ville Road, Hamilton HM 08, Bermuda

(Address of principal executive offices)

Adam Hopkin

Textainer Group Holdings Limited

Century House, 16 Par-La-Ville Road, Hamilton HM 08, Bermuda

(441) 296-2500

ahh@textainer.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.01 par value	**TGH**	**New York Stock Exchange**
7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preference Shares, $0.01 par value	**TGH PRA**	**New York Stock Exchange**
6.25% Series B Fixed Rate Cumulative Redeemable Perpetual Preference Shares, $0.01 par value	**TGH PRB**	**New York Stock Exchange**

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

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

48,831,855 Common Shares

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

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

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

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

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

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

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17☐ Item 18☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Auditor Firm Id: 185 Auditor Name: KPMG LLP Auditor Location: San Francisco, California

TABLE OF CONTENTS

In this Annual Report on Form 20-F, unless indicated otherwise, references to: (1) "Textainer," "TGH," "the Company," "we," "us" and "our" refer, as the context requires, to Textainer Group Holdings Limited, which is the registrant and the issuer of the class of common and preferred shares that has been registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended, or Textainer Group Holdings Limited and its subsidiaries; (2) "TEU" refers to a "Twenty-Foot Equivalent Unit," which is a unit of measurement used in the container shipping industry to compare shipping containers of various lengths to a standard 20' dry freight container, thus a 20' container is one TEU and a 40' container is two TEU; (3) "CEU" refers to a Cost Equivalent Unit, which is a unit of measurement based on the approximate cost of a container relative to the cost of a standard 20' dry freight container, so the cost of a standard 20' dry freight container is one CEU; the cost of a 40' dry freight container is 1.6 CEU; the cost of a 40' high cube dry freight container (9'6" high) is 1.7 CEU; and the cost of a 40' high cube refrigerated container is 8.0 CEU; (4) "our owned fleet" means the containers we own; (5) "our managed fleet" means the containers we manage that are owned by other Container Investors; (6) "our fleet" and "our total fleet" mean our owned fleet plus our managed fleet plus any containers we lease from other lessors; and (7) "Container Investors" means the owners of the containers in our managed fleet.

Dollar amounts in this Annual Report on Form 20-F are expressed in thousands, unless otherwise indicated.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS; CAUTIONARY LANGUAGE

This Annual Report on Form 20-F, including the sections entitled Item 3, "*Key Information -- Risk Factors*," and Item 5, "*Operating and Financial Review and Prospects*," contains forward-looking statements within the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not statements of historical facts and may relate to, but are not limited to, expectations or estimates of future operating results or financial performance, capital expenditures, introduction of new products, regulatory compliance, plans for growth and future operations, as well as assumptions relating to the foregoing. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "continue" or the negative of these terms or other similar terminology.

Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy, and actual results may differ materially from those we anticipated due to a number of uncertainties, many of which cannot be foreseen. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including, among others, the risks we face that are described in the section entitled Item 3, "*Key Information -- Risk Factors*" and elsewhere in this Annual Report on Form 20-F.

We believe that it is important to communicate our future expectations to potential investors, shareholders and other readers. However, there may be events in the future that we are not able to accurately predict or control and that may cause actual events or results to differ materially from the expectations expressed in or implied by our forward-looking statements. The risk factors listed in Item 3, "*Key Information -- Risk Factors*," as well as any cautionary language in this Annual Report on Form 20-F, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you decide to buy, hold or sell our common shares, you should be aware that the occurrence of the events described in Item 3, "*Key Information -- Risk Factors*" and elsewhere in this Annual Report on Form 20-F could negatively impact our business, cash flows, results of operations, financial condition and share price. Potential investors, shareholders and other readers should not place undue reliance on our forward-looking statements.

Forward-looking statements regarding our present plans or expectations involve risks and uncertainties relative to return expectations and related allocation of resources and changing economic or competitive conditions which could cause actual results to differ from present plans or expectations, and such differences could be material. Similarly, forward-looking statements regarding our present expectations for operating results and cash flow involve risks and uncertainties related to factors such as utilization rates, per diem rates, container prices, demand for containers by container shipping lines, supply, the magnitude and duration of the COVID-19 pandemic and other factors discussed under Item 3, "*Key Information -- Risk Factors*" or elsewhere in this Annual Report on Form 20-F, which could also cause actual results to differ from present plans. Such differences could be material.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to, and do not plan to, update any forward-looking statements after the date of this Annual Report on Form 20-F as a result of new information, future events or developments, except as required by federal securities laws. You should read this Annual Report on Form 20-F and the documents that we reference and have filed as exhibits with the understanding that we cannot guarantee future results, levels of activity, performance or achievements and that actual results may differ materially from what we expect.

Industry data and other statistical information used in this Annual Report on Form 20-F are based on independent publications, reports by market research firms or other published independent sources. Good faith estimates are used for some data that is derived from our review of internal surveys and the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information.

In this Annual Report on Form 20-F, unless otherwise specified, all monetary amounts are in U.S. dollars. To the extent that any monetary amounts are not denominated in U.S. dollars, they have been translated into U.S. dollars in accordance with our accounting policies as described in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

An investment in our common or preferred shares involves a high degree of risk. You should carefully consider the following risk factors, together with the other information contained elsewhere in this Annual Report on Form 20-F, including our financial statements and the related notes thereto, before you decide to buy, hold or sell our common or preferred shares. Any of the risk factors we describe below could adversely affect our business, cash flows, results of operations and financial condition. The market price of our common or preferred shares could decline and you may lose some or all of your investment if one or more of these risks and uncertainties develop into actual events.

Summary of Risks Related to the Company and Investment in our Shares

The following is a summary of the risks related to our Company and your investment in our shares. You are encouraged to review all of the risk factors that follow for more detailed information and discussion of how these risks and other risks related to our company and shares may impact us:

- The demand, pricing and utilization of our leased containers depends on many factors beyond our control, including global economic conditions, economic stability, new container prices, prevailing lease rates, freight demand, international trade and trade barriers, environmental regulations, industry consolidation and other factors.
- Our results may fluctuate based on risks associated with re-leasing containers after their initial long-term lease and gains and losses associated with the disposition or trading of used equipment. Credit events such as lease defaults, which are enhanced due to our reliance on a limited number of lessees can also impact our results.
- Our business and capital structure rely on a significant amount of debt and our indebtedness reduces our financial flexibility and could impede our ability to operate. We own the substantial majority of our containers and they are largely financed with debt. Our ability to service our debt and fund future capital expenditures, depends on many factors beyond our control. Our debt facilities have significant covenants and we rely on hedging with the use of derivatives which has risks.

- We face various operational and competitive risks which include costs to reposition our containers, surpluses of containers and a lack of storage space could negatively impact us, consolidation or disruptions with container manufacturers could harm our business, competition in the container leasing industry and our lessees may decide to buy, rather than lease their containers.

- The international nature of the container shipping industry exposes us to numerous risks, additionally terrorist attacks, the threat of such attacks or the outbreak of war and hostilities could negatively impact us, risks from the political and economic policies of China, its legal system and China's economic activity, exchange rate fluctuations, cargo security regulations and the lack of an international title registry for containers could have an adverse impact on us.

- We face a number of other business risks including IT system risks, cyber-attack and security breaches, insurance risks, U.S. government contracting risks, risks from acquisitions and joint ventures, risks from attracting and retaining senior executives, environmental regulations, risks from our investments with Trifleet Leasing, potential litigation arising from container management activities, and risks from U.S. laws that impact our international operations.

- There are a number of tax risks related to our business and shares, these include (i) U.S. investors in our company could suffer adverse tax consequences if we are characterized as a passive foreign investment company (ii) we may become subject to unanticipated tax liabilities, (iii) our U.S. subsidiaries may be treated as personal holding companies for U.S. federal tax purposes, (iv) changes in tax laws or their application could adversely affect us, (v) our ability to use our net operating losses to offset future taxable income may be subject to certain limitations, (vi) and the calculation of our income tax expense requires judgment and the use of estimates.

- There are a number of risks related to our shares and public listings, including (i) any dividends paid in the future could be reduced or eliminated, (ii) we face risks from our share repurchase program, (iii) changes in accounting rules could significantly impact how we, our managed fleet container investors and our customers account for our leases, (iv) the market price and trading volume of our common and preferred shares, which may be affected by market conditions beyond our control, have been volatile and could continue to remain volatile, (v) risks related to our dual listing on the Johannesburg Stock Exchange, (vi) U.S. investors may not be able to enforce judgments against us, (vii) we face risks in relation to our continued compliance with corporate governance and financial reporting obligations, (viii) future sales of a large number of our securities into the public market, or the expectation of such sales, could cause the market price of our common and preferred shares to decline significantly, (ix) we have provisions in our bye-laws that may discourage a change of control, (x) you may have greater difficulties in protecting your interests than as a shareholder of a U.S. or South African corporation, and (xi) our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Risks Related to Our Business and Industry Which May be Beyond Our Control

The demand and pricing for leased containers depends on many factors beyond our control.

Substantially all of our revenue derives from activities related to the leasing, managing and selling of containers. Our ability to continue successfully leasing containers to container shipping lines, earning management fees on leased containers, selling used containers and sourcing capital required to purchase new and used containers depends, in part, upon the continued demand to lease containers and purchase used containers.

Demand for leased containers depends largely on the rate of growth of world trade and economic growth, with worldwide consumer demand being the most critical factor affecting this growth. Demand for leased containers is also driven by our customers' "lease vs. buy" decisions. In the past, economic downturns in the U.S., Europe, Asia and countries with consumer-oriented economies have resulted in a reduction in the rate of growth of world trade and demand by container shipping lines for leased containers and it is likely that any future downturns would have similar results. Thus, a decrease in world trade can and has adversely affected our utilization and per diem rates and led to reduced revenue and increased operating expenses (such as storage and repositioning costs) and can have an adverse effect on our financial performance. We cannot predict whether, or when, such downturns will occur or the severity or duration of any downturn. Other material factors affecting demand for leased containers, utilization and per diem rates include the following:

- prices of new and used containers;
- economic conditions, profitability, competitive pressures and consolidation in the container shipping and container leasing industry;
- shifting trends and patterns of cargo traffic;
- fluctuations in demand for containerized goods outside their area of production;
- the availability and terms of container financing for us, our competitors and customers;
- fluctuations in interest rates and currency exchange rates;
- overcapacity, undercapacity and consolidation of container manufacturers;
- the lead times required to purchase containers;
- the number of containers purchased in the current year and prior years by competitors and container lessees;
- container ship fleet overcapacity or undercapacity;
- repositioning by container shipping lines of their own empty containers to higher demand locations in lieu of leasing containers;
- port congestion and the efficient movement of containers as affected by labor disputes, work stoppages, increased vessel size, shipping line alliances or other factors that reduce or increase the speed at which containers are handled;
- consolidation, withdrawal or insolvency of individual container shipping lines;
- actual or threatened import/export tariffs, duties, restrictions or trade disputes;
- customs procedures, foreign exchange controls and other governmental regulations, including environmental or maritime rules that impact container shipping, such as the low sulphur oxide emission rules that took effect in January 2020;
- natural disasters or events that are severe enough to affect local and global economies or interfere with trade, such as the Novel Coronavirus (or "COVID-19") pandemic; and
- other political and economic factors.

Many of these and other factors affecting the container industry are inherently unpredictable and beyond our control. These factors will vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a material adverse effect on our business and results of operations. In addition, many of these factors also influence the decision by container shipping lines to lease or buy containers. Should one or more of these factors influence container shipping lines to buy a larger percentage of the containers they operate, our utilization rate and/or per diems could decrease, resulting in decreased revenue and increased storage and repositioning costs, which would harm our business, results of operations and financial condition.

Global economic weakness has in the past and may in the future materially and negatively impact our business, results of operations, cash flows, financial condition and future prospects.

The continued sustainability of international economic growth is uncertain particularly due to the ongoing Novel Coronavirus pandemic which created severe economic contractions and rebounds in 2020 and 2021. The Novel Coronavirus pandemic has increased container trade demand and shipping lines' financial performance; however the continued strength and duration of this demand is uncertain. As a result, we continue to face heightened risk that our financial performance and cash flow could be severely affected by defaults or payment delays by our customers.

Uncertainties relating to Novel Coronavirus include the duration of the outbreak, the countries impacted by the outbreak, recurrence or changes in the scope of the outbreak, and actions that may be taken to contain or treat its impact, by governments and others, including vaccine and medical prevention and treatment developments, declarations of states of emergency, business closures, manufacturing restrictions and a prolonged period of travel and/or other similar restrictions and limitations. The magnitude of the Novel Coronavirus pandemic, including the extent of any impact on our business, financial position, results of operations or liquidity, cannot be reasonably determined at this time due to the continuing development and fluidity of the situation. Disruptions from the Novel Coronavirus or reduced container and/or container trade demand following heavy container investment since the outbreak of COVID-19 may lead to increased credit concerns regarding our customers, reduced container demand, lower utilization of our fleet, lower lease rates, lower sale prices for our used containers, disruptions in the capital markets, increased risk of non-compliance with our debt covenants and operational and business process disruptions for us and our customers.

Any slowdown or reversal of the U.S. and global trade growth due to the Novel Coronavirus or otherwise could heighten a number of material risks to our business, results of operations, cash flows and financial condition, as well as our future prospects, including the following:

- Containerized cargo volume growth – A contraction or slowdown in containerized cargo volume growth would likely create lower utilization, higher direct costs, weaker shipping lines going out of business, pressure for us to offer lease concessions and lead to a reduction in the size of our customers' container fleets.
- Credit availability and access to equity markets – Issues involving liquidity and capital adequacy affecting lenders could affect our ability to fully access our credit facilities or obtain additional debt and could affect the ability of our lenders to meet their funding requirements when we need to borrow. Further, a high level of volatility in the equity markets could make it difficult for us to access the equity markets for additional capital at attractive prices, if at all. If we are unable to obtain credit or access the capital markets, our business could be negatively impacted.

Lease and/or utilization rates may decrease, which could adversely affect our business, results of operations and financial condition.

We compete mostly on the pricing and the availability of containers. Lease rates for our containers depend on a large number of factors, including the following:

- the supply of, and demand for, containers available;
- the price of new containers (which is positively but not exclusively correlated with the price of steel);
- the type and length of the lease;
- interest rates and the availability of financing for leasing companies and shipping lines;
- assumptions regarding residual value and future lease pricing;
- the type and age of the container;
- the location of the container being leased;
- the quantity of containers available for lease by our competitors; and
- lease rates offered by our competitors.

Most of these factors are beyond our control. In particular the price of steel declined materially in 2015 and continued to decline in the beginning of 2016 and this was a significant factor in the decline in new container prices and lease rates at that time. New container prices and lease rates reached historically low levels in the beginning of 2016, but starting in the second half of 2016 and until late 2018 steel prices, container prices and lease rates all increased materially. From late 2018 until the middle of 2020 steel prices, container prices and lease rates generally declined and demand for new containers also declined given trade disputes and the emergence of the Novel Coronavirus pandemic. Since the middle of 2020, steel prices, container prices and lease rates have all materially improved as cargo demand increased. In 2021, record levels of containers were produced at very high prices to satisfy industry demand and the demand created from congestion and trade disruptions. The resolution of these disruptions and possible decline in demand for goods upon the mitigation of the Novel Coronavirus pandemic could cause container prices and lease rates to decline. In addition, lease rates can be negatively impacted by, among other things, the entrance of new leasing companies or container factories, overproduction of new containers by factories and the over-buying by shipping lines, leasing companies and tax-driven container investors. The impact on us of the market downturn that ended in the second half of 2016 was more severe than in the past due to the substantial growth in our owned fleet in the prior few years and the relatively high prices paid for new containers in the period from 2010 to 2012 that were initially leased at historically high rates on leases that matured during this period of low lease rates. If future market lease rates decrease or return to historically low levels, revenues generated by our fleet will be adversely affected, which will harm our business, results of operations, cash flows and financial condition. Container utilization rates for us and our competitors increased in 2020 and are currently at very high levels by historical standards. If future container utilization rates decrease, revenues generated by our fleet will be adversely affected, which will harm our business, results of operations, cash flows and financial condition.

Reductions in the prices of new containers would harm our business, results of operations and financial condition.

Lease rates for new containers are positively but not exclusively correlated to the price of new containers, which is positively correlated with the price of steel, a major component used in the manufacture of new containers. In the past five years, prices for new standard 20' dry freight containers have moved in a wide range, with prices ranging between $1,598 and $3,790 during this time. Our average new container cost per CEU increased in 2021 compared to 2020 as container prices increased due to higher steel costs, higher container demand and increased prices from factories. Container prices increased from 2016 to late 2018 and then declined until early 2020 when increases resumed and prices were at historically high levels in 2021. If new container prices decline, the lease rates achievable when older, off-lease containers are leased out will also decrease and the prices obtained for containers sold at the end of their useful lives may also decrease. From late 2018 until early 2020, we generally saw new container pricing and lease rates decline, and these trends reversed for the rest of 2020 and through 2021. A decline in new container prices causes low market lease rates and low resale values for containers, which have and may in the future adversely affect our business, results of operations and financial condition, even if low new container prices allow us to purchase new containers at a lower cost.

We derive a substantial portion of our lease rental income from a limited number of container lessees, and the loss of, or reduction in business, by any of these container lessees could harm our business, results of operations and financial condition.

We have derived, and believe that we will continue to derive, a significant portion of lease rental income and cash flow from a limited number of container lessees. Lease revenues from our 20 largest container lessees represented approximately $674 million or 89.8% of the total fleet lease rental income during 2021. Our three largest customers in 2021 were Mediterranean Shipping Company S.A., which accounted for $158 million or 21.0%, CMA-CGM S.A., which accounted for $92 million or 12.2%, and COSCO Shipping Lines, which accounted for $91 million or 12.1% of our total fleet lease rental income. Due to the ongoing consolidation in the shipping line industry, our 20 largest container lessees are becoming an increasing percentage of our total revenue, with correspondingly increased concentration of credit risk. Given the high concentration of our customer base, a default by any of our largest customers would result in a major reduction in leasing revenue, large repossession expenses, potentially large lost equipment charges and a material adverse impact on our performance and financial condition. Our experience with the 2016 Hanjin bankruptcy is an example of the occurrence of one of these materially adverse events.

The introduction and use of very large container ships (18,000 TEU+) on the major trade lanes may lead to further industry consolidation and shipping line alliance participation, and even greater reliance by us on our largest customers, and negatively impact the performance of smaller and mid-size shipping lines. Several of the largest shipping lines have invested heavily in these very large ships and reportedly have achieved meaningful unit cost advantages and increased market share on the major trade lanes. In response, some smaller shipping lines have started to exit the major trade lanes, while others are seeking to form closer operating partnerships.

Consolidation, shipping line alliances, and concentration in the container shipping industry could decrease the demand for leased containers or warrant regulatory actions.

We primarily lease containers to container shipping lines. The container shipping lines have historically relied on a large number of leased containers to satisfy their needs. The shipping industry has been consolidating for a number of years, and further consolidation is possible. In recent years, two major German shipping lines have each acquired South American shipping lines, a French shipping line acquired a Singaporean shipping line, two large Chinese shipping lines merged, a German shipping line merged with a Middle Eastern shipping line and a Danish shipping line acquired a German shipping line. Three major Japanese shipping lines also merged together. Additionally, Hanjin declared bankruptcy in August 2016, further reducing the number of large shipping lines. Historically, shipping lines have also formed a number of alliances to share vessel space and the creation of new alliances and changes in the membership of each alliance is ongoing. Consolidation of major container shipping lines and growth of alliances could create efficiencies and decrease the demand that container shipping lines have for leased containers because they may be able to fulfill a larger portion of their needs through their owned container fleets. Consolidation could also create concentration of credit risk if the number of our container lessees decreases. If shipping line alliances are effective at making shipping lines more efficient, this could reduce the demand for containers. The growth of alliances may add pressure to those shipping lines that do not join an alliance as they may find it more difficult to cost effectively serve shippers needs and/or shippers may choose to only ship cargo with alliances due to solvency concerns or otherwise. Additionally, large container shipping lines with significant resources could choose to manufacture or purchase their own containers, which would decrease their demand for leased containers and could harm our business, results of operations and financial condition. Significant increases in freight rates during the COVID-19 pandemic have attracted scrutiny of the shipping industry by regulators. United States and international antitrust regulators have announced increased resources devoted to investigating possible collusion or anti-competitive behavior by shipping lines. Penalties on the industry or increased regulation of the industry may adversely affect our customers, impact their financial resources and/or reduce the demand for shipping containers which could negatively impact our operations and results.

The demand for leased containers is partially tied to international trade. If this demand were to decrease due to increased barriers to trade, or for any other reason, it could reduce demand for intermodal container leasing, which would harm our business, results of operations and financial condition.

A substantial portion of our containers are used in trade involving goods being shipped from the People's Republic of China (the "PRC" or "China") and other Asian countries to the United States, Europe, Latin America or other regions and within Asia. The willingness and ability of international consumers to purchase foreign goods is dependent on political support, in the United States, Europe, Latin America and other countries, for an absence of government-imposed barriers to international trade in goods and services. For example, international consumer demand for foreign goods is related to price; if the price differential between foreign goods and domestically-produced goods were to decrease due to increased tariffs on foreign goods, strengthening in the applicable foreign currencies relative to domestic currencies, rising wages, increasing input or energy costs or other factors, demand for foreign goods could decrease, which could result in reduced demand for intermodal container leasing. A similar reduction in demand for intermodal container leasing could result from an increased use of quotas or other technical barriers to restrict trade. In 2018, a number of major trading economies implemented, and increased tariffs and other trade restrictions and significant renegotiations of existing trade agreements commenced. This continued in 2019 with partial resolutions of certain disputes seen at the end of that year. If these trade restrictions and tariffs continue or increase it may materially impact container demand and change trade patterns. The Novel Coronavirus pandemic initially decreased trade demand but cargo growth resumed in mid-2020 particularly for consumer goods and medical supplies. The long term impact of the Novel Coronavirus on trade and cargo demand is uncertain.

The Russian military operation in Ukraine may negatively impact international trade and our business.

The Russian military operation in Ukraine that commenced on February 24, 2022 has resulted in significant economic sanctions and trade controls on Russia with certain countries restricting shipments to or from Russian ports and limitations on Russian banks and entities ability to access international payment systems. The Company has approximately $20 million in net book value of owned containers on lease to a customer that conducts a significant amount of its trading with Russia. If the situation continues, worsens, or if countries impose additional economic sanctions or other business restrictions, including sanctions on countries that are supporting Russia or refusing to sanction Russian parties, international trade may be negatively impacted and container trade and demand for our containers may decrease and our business and results of operation could be harmed.

Asian economic instability could reduce demand for leasing, which would harm our business, results of operations and financial condition.

Many of our customers are substantially dependent upon shipments of goods exported from Asia. From time to time, there have been health scares, such as the Novel Coronavirus outbreak in China in early 2020, Severe Acute Respiratory Syndrome and avian flu, financial turmoil, natural disasters, and political instability in Asia. In the past, these events have adversely affected our container lessees and the general demand for shipping and have led to reduced demand for leased containers or otherwise caused adverse affects on us. Ongoing or future events such as these may have similar or worse impacts on our business. Any reduction in demand for leased containers would harm our business, results of operations and financial condition.

The impact of new low sulphur emission rules is uncertain and may adversely affect us and the container shipping industry.

Effective January 1, 2020, under the rules of the International Maritime Organization ("IMO") the permitted level of sulphur oxide emissions from ships, including container ships, was reduced from 3.5% of emission mass to 0.5% of emissions mass. In order to comply with these regulations our shipping line customers either switched to low sulphur diesel fuels, installed emissions scrubbers on vessels to remove sulphur oxide from emissions gases or switched to alternative fuels like natural gas for their ships. Shipping lines compliance strategies may include a mix of the compliance approaches and may evolve depending on the cost of complying with each approach. Installing gas scrubbers is an expensive capital addition to a ship and requires extensive retrofitting which removes vessels from service for a period of time. As the rules only became effective in 2020, it is difficult to predict what the long-term impact will be on our customers and us from these regulations. If the higher fuel and environmental compliance costs from these rules are not successfully passed on via higher freight rates to shippers, or if freight demand declines due to higher shipping costs, our shipping line customers' financial performance may weaken and the risk of default by our customers could increase. If higher freight rates cause lower cargo demand, the demand for our containers may decline and/or container lease rates and used container prices may decline, which would harm our business, results of operations and financial condition.

Risks Inherent to Our Business and Industry

We face risks associated with re-leasing containers after their initial long-term lease.

We estimate the useful lives of our standard dry freight containers to be 13 to 14 years, open-top and flat-rack containers to be 14 to 16 years, refrigerated containers to be 12 years and tank containers to be 20 years. When we purchase newly produced containers, we typically lease them out under long-term leases with terms of 5 or more years at a lease rate that is correlated to the price paid for the container and prevailing interest rates. As containers leased under term leases are not leased out for their full economic life, we face risks associated with re-leasing containers after their initial long-term lease. If prevailing container lease rates decline significantly between the time a container is initially leased out and when its initial long-term lease expires, or if overall demand for containers declines, we may be unable to earn a similar lease rate from the re-leasing of containers when their initial term leases expire which could materially adversely impact our results and financial performance.

Gains and losses associated with the disposition or trading of used equipment may fluctuate and adversely affect our business, results of operations and financial condition.

We regularly sell used containers at the end of their useful lives in marine service or when we believe it maximizes the projected financial return, considering the location, sale price, cost of repair, possible repositioning expenses, earnings prospects and remaining useful life. The realized residual value of these containers affects our profitability. The volatility of the residual values of used containers may be significant. These values depend upon, among other factors, demand for used containers for secondary purposes, comparable new container costs, used container availability, condition and location of the containers, and market conditions. Most of these factors are outside of our control. Additionally, if shipping lines or our leasing company competitors determine to sell their used containers at a younger age than we believe to be the useful life of our equipment, our containers may be more difficult to sell or may sell for less than containers that were more recently manufactured.

Gains or losses on the disposition of used container equipment and the sales fees earned on the disposition of managed containers fluctuate and may be significant if we sell large quantities of used containers. In 2021, we recognized a net reversal of container impairment charges of approximately $0.4 million, and in 2020 and 2019, we incurred approximately $11 million and $14 million, respectively, of container impairments due to the fact that when we determined the book value of the held for sale containers exceeding their respective fair market value. Any subsequent increase in fair market value was recognized as a reversal of container impairment but not in excess of the cumulative loss previously recognized. Low disposal prices and the high volume of containers being disposed of can cause an elevated level of container impairments to occur. Continued low disposal prices and/or high disposal volumes could harm our business, results of operations and financial condition. Additionally, even in periods of high disposal prices, if we have limited numbers of older containers returned from shipping lines available to sell, we may be limited in our ability to benefit from periods of high disposal prices. See Item 5, "*Operating and Financial Review and Prospects*" for a discussion of our gains or losses on the disposition of used container equipment.

In addition to disposing of our fleet's used containers at the end of their useful life, we opportunistically purchase used containers for resale from our shipping line customers and other sellers. Shipping lines either enter into trading arrangements with us at the time they are ready to dispose of older containers or enter into purchase leaseback transactions with us where they sell us older containers and then lease them back until the shipping line is ready to dispose of the containers. We face resale price risk with both transactions since by the time the container is provided to us from the shipping line the prevailing prices for older containers may have declined from the value we assumed at the time of purchase.

If the supply of trading equipment becomes limited because these sellers develop other means for disposing of their equipment or develop their own sales network, our equipment trading revenues and our profitability could be negatively impacted. If selling prices rapidly deteriorate and we are holding a large inventory that was purchased when prices for trading equipment were higher or if prices decline over the life of our purchase leaseback transactions, then our gross margins from trading and the sale of containers acquired through purchase leaseback transactions will decline or become negative.

The bankruptcy of Hanjin Shipping Co. in 2016 substantially impacted us.

On August 31, 2016, Hanjin filed for bankruptcy protection in South Korea. In the following months, its services ceased operation. The insolvency of Hanjin severely disrupted container trade and the container shipping industry. At the time of the insolvency, containers leased to Hanjin with ownership interests attributable to Textainer represented approximately 4.8% of the total owned and managed fleet in TEU. We incurred substantial costs from the Hanjin insolvency, arising from container recovery expenses, unpaid current and future rental income from Hanjin, container repair expenses, container repositioning expenses, re-leasing expenses and the loss of unreturned containers. Additionally, many containers formerly leased to Hanjin were re-leased at substantially lower lease rates than the rates in the leases with Hanjin and other containers were disposed, often at prices below the book value for the containers. We recovered 94% of the containers formerly leased to Hanjin, with the balance of the containers uneconomic or impossible to recover. We maintained insurance that covered certain costs and losses from customer defaults. At the time of the Hanjin default, our policy provided for $80 million of coverage after a $5 million deductible was met. We collected substantially all of our insurance claim related to the Hanjin insolvency, however this was insufficient to cover all of our losses and disruptions related to Hanjin. Our customer default insurance

expired at the end of 2020 and we determined not to renew coverage given the premium, deductible and policy terms and this coverage may not become economic in the future.

Lessee defaults have and may continue to harm our business, results of operations and financial condition by decreasing revenue and increasing storage, repositioning, collection, insurance, and recovery expenses.

Our containers are leased to numerous container lessees. Lessees are required to pay rent and to indemnify us for damage to or loss of containers. Lessees may default in paying rent and performing other obligations under their leases. A delay or diminution in amounts received under the leases (including leases on our managed containers), or a default in the performance of maintenance or other lessee obligations under the leases could adversely affect our business, results of operations and financial condition and our ability to make payments on our debt.

We experienced lessee defaults, including the default of Hanjin in 2016 discussed above, which severely negatively impacted our financial performance, and we believe that there is the continued risk of lessee defaults in the future. Historically, efforts to maintain high freight rates on the major trade lanes generally have not been sustainable for long periods of time. Excess vessel capacity due to new ship production, including the production of very large ships, and the re-activation of previously laid up vessels may be a factor in the future, especially if older vessels are not scrapped. Major shipping lines are expected to have record profits overall for 2021 given the trade demand increase that commenced in the middle of 2020, however reliable information about the financial position and resources of many shipping lines can be difficult to obtain and all shipping lines may not benefit equally from the higher trade demand. Excess vessel capacity and continued new vessel deliveries, especially the delivery of very large vessels, may cause freight rate pressure to return in the future. Additionally, the commencement of various tariff and trade restriction actions between major trading nations in 2018 which continued and accelerated in 2019 has increased uncertainty about container trade growth and demand and may increase default risk if tariff actions return and/or increase. While certain trade disputes were resolved at the end of 2019, the duration of these tariff actions may have altered trade patterns and may have lasting impacts on container demand. The implementation of low sulphur oxide emissions rules noted above may weaken the financial performance of our customers and increase their risk of default. The Novel Coronavirus pandemic has added to uncertainty about container trade demand, freight rates and our lessees' financial performance and the current higher shipping demand and improved lessee financial performance may not continue. Additionally, shipping lines' expenses for vessels and containers have significantly increased since the commencement of the Novel Coronavirus pandemic and many of these are fixed long term costs that may be difficult to service if freight rates and trade demand materially weaken. As a result, we continue to face heightened risk that our financial performance and cash flow could be severely affected by defaults by our customers.

When lessees default, we may fail to recover all of our containers, and the containers that we do recover may be recovered in locations where we will not be able to quickly re-lease or sell them on commercially acceptable terms. In recovery actions we must locate the containers and often need to pay accrued storage and handling charges to depots and terminals, which may include debts incurred by the defaulting shipping line. We also may have to reposition these containers to other places where we can re-lease or sell them, which could be expensive, depending on the locations and distances involved. Following repositioning, we may need to repair the containers and pay container depots for storage until the containers are re-leased. These recovery and repair costs, and repositioning costs generally are reflected in our financial statements under container lessee default expense, net, and direct container expense – owned fleet, respectively. Accordingly, the amount of our bad debt expense may not capture the total adverse financial impact on us from a shipping line's default. While we previously maintained insurance to cover some defaults, recent premium increases, large deductible amounts, and significant policy exclusions made the coverage uneconomic and we determined to let our coverage lapse for 2021. In 2015 and 2016 we filed significant insurance claims for lessee defaults we experienced. As a result of these insurance claims, potential future insurance claims or changes in the perceived risk of providing default insurance, such insurance might not be available to us in the future on commercially reasonable terms or at all. If we resume insurance, in any insurance claim our insurers may not agree with our determination that we have suffered an insured loss or our calculation of the amount of the insured loss. Any such future defaults could harm our business, results of operations and financial condition.

Historically we have recovered a very high percentage of the containers from defaulted lessees. However, in recent years we encountered defaults from several smaller lessees and lessees in locations where recoveries did not track to our historical experience and significant losses were incurred. These losses were due to a number of

containers being unrecoverable as the containers were not in the control of the lessee or the containers were detained by depots or terminals that demanded storage charges in excess of the value of the detained containers after accounting for repair and repositioning costs. Additionally, in certain recent insolvencies, even when we have recovered the containers, they have generally been in very poor condition which limits their ability to be re-leased and reduces their disposal value, both of which add to the ultimate cost of the default. If a material amount of future recoveries from defaulted lessees continue to deviate from our historical recovery experience, our financial performance and cash flow could be severely adversely affected.

Certain liens may arise on our containers.

Depot operators, manufacturers, repairmen, terminals, ship owners and transporters do come into possession of our containers from time to time and have amounts due to them from the lessees or sublessees of the containers. In the event of nonpayment of those charges by the lessees or sublessees, we may be delayed in, or entirely barred from, repossessing the containers, or be required to make payments or incur expenses to discharge the lien to take possession of our containers.

Risks Related to our Debt and Leverage

Our indebtedness reduces our financial flexibility and could impede our ability to operate.

We have historically operated with, and anticipate continuing to operate with, a significant amount of debt. As of December 31, 2021, we had outstanding indebtedness of $5,381 million under our debt facilities. All of our outstanding indebtedness is secured debt collateralized primarily by our container assets and finance leases. There is no assurance that we will be able to refinance our outstanding indebtedness on terms that we can afford or at all. If we are unable to refinance our outstanding indebtedness, or if we are unable to increase the amount of our borrowing capacity, it could limit our ability to grow our business.

The amount of our indebtedness, and the terms of the related indebtedness (including interest rates and covenants), could have important consequences for us, including the following:

- require us to dedicate a substantial portion of our cash flows from operations to make payments on our debt, thereby reducing funds available for operations, investments, dividends, and future business opportunities and other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- reduce our ability to make acquisitions or expand our business;
- make it more difficult for us to satisfy our current or future debt obligations;
- failure to comply with our debt obligations, including financial and other restrictive covenants, could result in an event of default under the agreements governing such indebtedness, which could lead to, among other things, an acceleration of our indebtedness or foreclosure on the assets securing our indebtedness and have a material adverse effect on our business or financial condition;
- limit our ability to borrow additional funds or to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, or other purposes; and
- increase our vulnerability to general adverse economic and industry conditions, including changes in interest rates.

We may not generate sufficient cash flow from operations to service and repay our debt and related obligations and have sufficient funds left over to achieve or sustain profitability in our operations, meet our working capital and capital expenditure needs and/or compete successfully in our industry. An uncured event of default in some or all of our debt facilities could cause some or all of our entities to be declared bankrupt or liquidated.

We will require a significant amount of cash to service and repay our outstanding indebtedness, fund future capital expenditures, and our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and repay our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. Our business primarily generates cash from our container assets. Our lenders, rating agencies and the investors in our asset-backed debt securities look to the historical and anticipated performance of our container assets when deciding whether to lend to us and the terms for such lending. It is possible that:

- our business will not generate sufficient cash flow from operations to service and repay our debt and to fund working capital requirements and future capital expenditures;
- future borrowings will not be available under our current or future credit facilities in an amount sufficient to enable us to refinance our debt; or
- we will not be able to refinance any of our debt on commercially reasonable terms or at all due to declining historical or anticipated financial performance of our assets or for other reasons.

The terms of our debt facilities impose, and the terms of any future indebtedness may impose, significant operating, financial and other restrictions on us and our subsidiaries.

Restrictions imposed by our secured debt facilities, revolving credit facilities, term loan and bonds may limit or prohibit, among other things, our ability to:

- incur additional indebtedness;
- pay dividends on or redeem or repurchase our common and preferred shares;
- enter into new lines of business;
- issue capital stock of our subsidiaries;
- make loans and certain types of investments;
- incur liens;
- sell certain assets or merge with or into other companies or acquire other companies;
- enter into certain transactions with shareholders and affiliates; and
- receive dividends, distributions, or other payments from our subsidiaries.

We are also required to comply with certain financial covenants. These restrictions could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities. A breach of any of these financial covenants and restrictions, due to weaker financial performance, reduced asset values or otherwise could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and fees, to be immediately due and payable and proceed against any collateral securing that indebtedness, which will constitute substantially all of our container assets and finance leases. As a result of the 2016 Hanjin bankruptcy, coupled with the lower container returns provided in recent years due to increased competition and lower realized used container prices, in 2016 and 2017 we experienced difficulty in meeting certain of the financial covenants on our lending facilities. We obtained various covenant amendments and waivers to address this situation and subsequently refinanced the majority of our debt with revised covenants. If needed in the future, we may be unable to obtain covenant amendments and waivers from our lenders and some or all of our indebtedness could be in default. Additionally, covenant amendments and waivers may limit our ability to access additional funds for container investment and the cost and expense of covenant amendments, waivers and/or refinancing may limit our available funds for container investment.

If we are unable to enter into interest rate swaps and caps on reasonable commercial terms or if a counterparty under our interest rate swap and cap agreements defaults, our exposure associated with our variable rate debt could increase.

We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving credit facilities and our secured debt facilities and intend to use borrowings under our revolving credit facilities and our secured debt facilities for such funding in the future. As of December 31, 2021, $2,137 million in aggregate principal amount under our revolving debt facilities are subject to variable interest rates. We have entered into various interest rate swap agreements to mitigate our exposure associated with variable rate debt. The swap agreements involve payments by us to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate ("LIBOR") and Secured Overnight Financing Rate ("SOFR"), the anticipated replacement rate to LIBOR. There can be no assurance that interest rate swaps and caps will be available in the future, or if available, will be on terms satisfactory to us. Moreover, our interest rate swap agreements are subject to counterparty credit exposure, which is defined as the ability of a counterparty to perform its financial obligations under a derivative contract. While we monitor our counterparties' credit ratings on an on-going basis, we cannot be certain that they will stay in compliance with the related derivative agreements and not default in the future. If we are unable to obtain interest rate swaps and caps or if a counterparty under our interest rate swap and cap agreements defaults, our exposure associated with our variable rate debt could increase.

The phase out of the London Inter Bank Offered Rate, or LIBOR, may adversely impact us.

As of December 31, 2021, $1,063 million of our variable rate debt is still priced under rates that are indexed to USD LIBOR, which will be discontinued after June 2023. During 2021, one of our variable rate debt facilities, including its related interest rate swap agreements, was amended and transitioned to SOFR. We have remaining floating rate debt agreements that will be outstanding after 2022 which have rates set under LIBOR. We must agree with our lenders for the repricing of this debt under a new rate index prior to the discontinuance of USD LIBOR. Certain of our interest rate hedges and swaps are also priced according to USD LIBOR and will also be impacted by this matter. The Secured Overnight Finance Rate ("SOFR") has emerged as the preferred alternative rate in the United States for LIBOR by the Alternative Reference Rate Committee ("ARRC"), a group of diverse private-market participants assembled by the Federal Reserve Board and the Federal Reserve Bank of New York. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities in the repurchase agreement market. Given the amount of our remaining floating rate debt indexed to USD LIBOR and our significant annual interest expense, the impact of the discontinuance of USD LIBOR may adversely affect us and our financing structure.

Even with hedged variable rate debt and fixed rate debt, we face interest rate risk.

We generally hedge and fix our overall debt exposure to have a maturity similar to the average remaining lease term of our long-term lease contracts. However if during the duration of our hedging, interest rates increase but lease rate per diems do not also increase, as our hedges expire our financial performance may decline due to higher interest rates not being offset by higher per diems. If this occurs, we may not be able to generate sufficient cash flows to service our debt obligations and/or we may breach our debt covenants, all of which would materially and adversely impact us. Additionally, in recent years we have entered into long term finance and operating leases that have a duration of longer than seven years and we do not believe that hedging the debt associated with the entire duration of these leases is economic. If interest rates materially increase in the later years of these leases and the debt associated with these leases remains unhedged our results may be adversely affected.

We own a large number of containers in our fleet and are subject to significant ownership risk and increasing our owned fleet entails increasing our debt, which could result in financial instability.

Ownership of containers entails greater risk than management of containers for container investors. In 2021, the percentage of containers in our fleet that we own increased from 88% at the beginning of the year to 93% at the end of the year. In the years prior to 2017, we have consistently increased the number of owned containers in our fleet as a percentage of the total fleet, however in 2017 we assumed management of a large fleet from an insolvent leasing company which caused the owned percentage of our fleet to decline a few percentage points. In December 2019, we purchased the fleet of containers we previously managed for Leased Assets Pool Company Limited, an

affiliate of Trencor and this increased our owned fleet percentage in 2019. In 2021, we purchased the 49.9% of TAP Funding Limited that we did not own, which further increased our owned fleet percentage in 2021. The increased number of containers in our owned fleet increases our exposure to financing costs, financing risks, changes in per diem rates, re-leasing risk, changes in utilization rates, lessee defaults, repositioning costs, storage expenses, impairment charges and changes in sales prices upon the disposition of containers. The number of containers in our owned fleet fluctuates over time as we purchase new containers, sell containers into the secondary resale market, add third party container investors and/or acquire other fleets.

If we continue to increase the number of containers in our owned fleet, we will likely have more capital at risk and may need to maintain higher debt balances. Additional borrowings may not be available under our revolving credit facilities or our secured debt facilities, and we may not be able to refinance these facilities, if necessary, on commercially reasonable terms or at all. We may need to raise additional debt or equity capital in order to fund our business, expand our sales activities and/or respond to competitive pressures. We may not have access to the capital resources we desire or need to fund our business or may not have access on attractive terms. These factors, among others, may reduce our profitability and adversely affect our plans to maintain the container ownership portion of our business.

We Face Operational and Competitive Risks

We may incur significant costs to reposition our containers, which could harm our business, results of operations and financial condition.

When lessees return containers to locations where supply exceeds demand and when lessees default and we recover containers, we sometimes reposition containers to higher demand areas. Repositioning expenses vary depending on geographic location, distance, freight rates and other factors, and may not be fully covered by drop-off charges collected from the previous lessee of the containers or pick-up charges paid by the new lessee. We seek to limit the number of and impose surcharges on containers returned to low demand locations. Market conditions, however, may not enable us to continue such practices. In addition, we may not be able to accurately anticipate which locations will be characterized by higher or lower demand in the future, and our current contracts will not protect us from repositioning costs if locations that we expect to be higher demand locations turn out to be lower demand locations at the time the containers are returned. For example, the vast majority of our long-term leases require that a high percentage of the containers are returned in Asia, primarily in China. If long-term trade patterns change, it may not be economically desirable to have the bulk of our containers returned in China at the end of long-term leases. Any such increases in costs to reposition our containers could harm our business, results of operations and financial condition.

A contraction or slowdown in containerized cargo growth or negative containerized cargo growth would lead to a surplus of containers and a lack of storage space, which could negatively impact us.

We depend on third party depot operators to repair and store our equipment in port areas throughout the world. Growth in the world's container fleet has significantly outpaced growth in depot capacity and even in the current period of historically high utilization, we continue to experience limited depot capacity in certain major port cities. Additionally, the land occupied by depots is increasingly being considered prime real estate, as it is coastal land in or near major cities, and this land may be developed into other uses or there may be increasing restrictions on depot operations by local communities. This trend has already caused depot storage costs to increase and could further increase depots' costs and in some cases force depots to relocate to sites further from the port areas. If these changes affect a large number of our depots, or if we experience a period of lower container utilization, it could significantly increase the cost of maintaining and storing our off-hire containers. Additionally, if depot space is unavailable, we may be unable to accept returned containers from lessees, which may cause us to breach our lease agreements. The current period of very high container utilization may further add financial stress to third party depots as they are receiving limited amounts for storing containers. This financial stress could cause depot closures and further exacerbate the risks we face from limited container storage space.

If we are unable to lease our new containers shortly after we purchase them, our business, results of operations, cash flows and financial condition may be harmed.

Lease rates for new containers are positively correlated to the fluctuations in the price of new containers, which is positively correlated with the price of steel, a major component used in the manufacture of new containers. If we are unable to lease the new containers that we purchase within a short period of time of such purchase, the market price of new containers and the corresponding market lease rates for new containers may decrease, regardless of the higher cost of the previously purchased containers. Additionally, if we believe new container prices are attractive, we may purchase more containers than we have immediate demand for if we expect container prices or lease rates may rise. If prices do not rise or new container demand weakens, we may be unable to lease this speculative inventory on attractive terms or at all. Declines in new container prices, lease rates, or the inability to lease new containers could harm our business, results of operations and financial condition.

Consolidation of container manufacturers or the disruption of manufacturing for the major manufacturers could result in higher new container prices and/or decreased supply of new containers. Any material increase in the cost or reduction in the supply of new containers could harm our business, results of operations and financial condition.

We currently purchase all of our containers from manufacturers based in the PRC. If it were to become more expensive for us to procure containers in the PRC or to transport these containers at a low cost from the manufacturer to the locations where they are needed by our container lessees because of changes in exchange rates between the U.S. Dollar and Chinese Yuan, consolidation among container suppliers, increased tariffs imposed by the U.S. or other governments, changing trade patterns, increased fuel costs, increased labor costs, or for any other reason, we may have to seek alternative sources of supply and we may not be able to make alternative arrangements quickly enough to meet our container needs, and the alternative arrangements may increase our costs.

The availability and price of containers depend significantly on the capacity and bargaining position of the major container manufacturers. Three major manufacturers have approximately 80% of that industry's market share. Additionally, one of the major container manufacturers is under common ownership with a large container lessor, which may impact our ability to competitively source containers from this manufacturer. This market structure and the commodity inputs used in manufacturing have led to significant variability in container prices. In particular, the increased focus on environmental matters in China may reduce the supply (and increase the cost) of steel and other raw materials used in our containers and the mandatory use of water borne paint by all container factories in China has already increased the cost of containers and created container production constraints. If an increased cost of purchasing containers is not matched by a corresponding increase in lease rates, or if we have difficulty in sourcing containers, our business, results of operations and financial condition would be harmed.

Sustained reduction in the production of new containers could harm our business, results of operations and financial condition.

Container manufacturing shutdowns in China in the wake of the financial crisis drastically reduced the production of standard dry freight containers from the fourth quarter of 2008 through the end of 2009, combined with continued retirement of older containers in the ordinary course, led to a decline in the world container fleet of approximately 4% in 2009, creating a shortage of containers as worldwide cargo volumes increased by 12.0% in 2010 and 8.6% in 2011. During the period of shutdowns, container manufacturers lost up to 60% of their skilled work force and had limited production capacity in 2010 as they had to hire and train a new skilled work force. Although manufacturers resumed production in 2011 and continued steady production from 2012 through 2021, if there is a sustained reduction in the production of new containers due to the Novel Coronavirus or otherwise, it could impact our ability to expand our fleet, which could harm our business, results of operations and financial condition.

We face extensive competition in the container leasing industry.

We may be unable to compete favorably in the highly competitive container leasing and container management businesses. We compete with a relatively small number of major leasing companies, many smaller lessors, companies, and financial institutions offering finance leases, and promoters of container ownership and leasing as a tax-efficient investment. Some of these competitors may have greater financial resources and access to

capital than we do. Additionally, some of these competitors may have large, underutilized inventories of containers, which could, if leased, lead to significant downward pressure on per diem rates, margins, and prices of containers. Competition among container leasing companies depends upon many factors, including, among others: per diem rates; supply reliability; lease terms, including lease duration, drop-off restrictions and repair provisions; customer service; and the location, availability, quality, and individual characteristics of containers. In recent years, several container leasing companies have acquired other container lessors and we may face increased competition from these merged firms. Following the completion of each consolidation, the new entity may face further pressure for fleet growth and may compete even more aggressively, causing further declines in rental rates available from container leases. New entrants into the leasing business may be attracted by the historically high rate of containerized trade growth, access to the capital markets and low pricing for containers. New entrants may be willing to offer pricing or other terms that we are unwilling or unable to match. Additionally, the management agreements under which we manage containers for other parties do not restrict these container investors from having other container fleets managed by competing leasing companies or from directly competing with us.

Our lessees may decide to buy, rather than lease their containers.

We, like other suppliers of leased containers, are dependent upon decisions by shipping lines to lease rather than to buy their container equipment. Shipping lines own a significant amount of the world's intermodal containers and effectively compete with us. In part due to constraints on their financing and need to allocate capital to new ship purchases, scrubber installations for low sulphur emissions compliance and port terminals, in recent years, shipping lines have generally reduced their purchases of new containers. In 2021, we believe that approximately 60% of all shipping containers were purchased by leasing companies. Although we believe that this percentage should somewhat rebalance itself, we still expect leasing companies to be a major purchaser of the new containers to be produced. In 2021, shipping lines are reporting historic profitability and they may have additional financial resources in the future to allocate to container purchases. Should shipping lines decide to buy a larger percentage of the containers they operate, our utilization rate would decrease, resulting in decreased leasing revenues, increased storage costs and increased repositioning costs. A decrease in the portion of leased containers would also reduce our investment opportunities and significantly constrain our growth.

For reporting periods beginning in 2019, the new accounting guidance under both generally accepted accounting principles in the United States of America ("U.S. GAAP") and International Financial Reporting Standards ("IFRS") requires recognition of right-of-use asset and corresponding lease liability of operating leases on the lessees' balance sheet. Because the new leasing guidance virtually eliminates the financial statement benefit of entering into operating leases for the lessees, it could change our customers' "lease vs. buy" decision and/or decision on lease structures and terms.

Use of counterfeit and improper refrigerant in refrigeration machines for refrigerated containers could cause irreparable damage to the refrigeration machines, death, or personal injury, and materially impair the value of our refrigerated container fleet.

In past years, there were a limited number of reports of counterfeit and improper refrigerant gas being used to service refrigeration machines in depots primarily in Asia. The use of this counterfeit gas has led to the explosion of several refrigeration machines. Several of these incidents resulted in personal injury or death, and in all cases, the counterfeit gas led to irreparable damage to the refrigeration machines.

Safer testing procedures were developed and implemented by refrigeration manufacturers and industry participants in order to determine whether counterfeit or improper gas was used to service a refrigeration machine. However, there can be no assurance that these procedures will prove to continue to be reliable and cost effective. If industry procedures and tests are not proven safe and effective or if the use of such counterfeit and improper refrigerant recurs and is widespread or other counterfeit refrigerant issues emerge in the future, the value of our refrigerated container fleet and our ability to lease refrigerated containers could be materially impaired and could therefore have a material adverse effect on our financial condition, results of operations and cash flows. Additionally, we might be subject to claims for damages by parties injured by contaminated refrigeration machinery operated by our lessees which may materially adversely affect us.

Risks Arising From the International Operations

The international nature of the container shipping industry exposes us to numerous risks.

We are subject to risks inherent in conducting business across national boundaries, any one of which could adversely impact our business. These risks include:

- regional or local economic downturns;
- fluctuations in currency exchange rates;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds or other assets into or out of different countries;
- import and export duties and quotas;
- domestic and foreign customs, tariffs and taxes;
- war, hostilities and terrorist attacks, or the threat of any of these events;
- government instability;
- nationalization of foreign assets;
- government protectionism;
- compliance with export controls and economic sanctions, including those of the U.S. Department of Commerce and the U.S. Treasury or other governments;
- compliance with import procedures and controls, including those of the U.S. Department of Homeland Security or other governments;
- consequences from changes in tax laws, including tax laws pertaining to the container investors;
- potential liabilities relating to foreign withholding taxes;
- labor or other disruptions at key ports;
- difficulty in staffing and managing widespread operations; and
- restrictions on our ability to own or operate subsidiaries, make investments, or acquire new businesses in various jurisdictions.
- Outbreaks of regional or international epidemics or pandemics such as a Coronavirus or SARS.

One or more of these factors or other related factors may impair our current or future international operations and, as a result, harm our business, results of operations and financial condition.

Our results of operations are subject to changes resulting from the political and economic policies of the PRC and economic activity in the PRC.

A substantial portion of our containers are leased out from locations in the PRC. The main manufacturers of containers are also located in the PRC. The political and economic policies of the PRC and the level of economic activity in the PRC may have a significant impact on our company and our financial performance.

Changes in the political leadership of the PRC may have a significant effect on laws and policies that impact economic growth and trade and the corresponding need for containers to ship goods from the PRC, including the introduction of measures to control inflation, changes in the rate or method of taxation, and the imposition of additional restrictions on currency conversion, remittances abroad, and foreign investment. Moreover, economic reforms and growth in the PRC have been more successful in certain provinces than in others, and the continuation of or increases in such disparities could affect the political or social stability of the PRC. Furthermore, the current high level of debt by some companies in China may lead to defaults which may not be supported by the Chinese government. In recent years the rate of economic growth in the PRC has declined. Additionally, government policies

that reduce the emphasis on manufacturing and increase priorities for domestic consumption and services may alter trade patterns and dampen demand for containers. Chinese government environmental policies and practices may reduce steel production which would impact container costs and may limit factory production, which could impact trade growth and container demand.

A large number of our shipping line customers are domiciled either in the PRC (including Hong Kong) or in Taiwan. In 2021, approximately 21.7% of our total lease billing was attributable to shipping line customers that were either domiciled in the PRC (including Hong Kong) or in Taiwan. All container manufacturing facilities from which we purchased our containers in 2021 are located in the PRC. A reduced rate of economic growth, changes to economic or trade policy or political instability in either the PRC or Taiwan could have a negative effect on our major customers, our ability to obtain containers and correspondingly, our results of operations and financial condition.

The legal systems in the PRC and other jurisdictions have inherent uncertainties that could limit the legal protections available to us and even if legal judgments are obtained, collection may be difficult.

We currently purchase all of our containers from manufacturers based in the PRC. In addition, a substantial portion of our containers are leased out from locations in the PRC. California law governs almost all of these agreements. However, disputes or settlements arising out of these agreements may need to be enforced in the PRC. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in the PRC. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and may be subject to considerable discretion, variation, or influence by external forces unrelated to the legal merits of a particular matter. The enforcement of these laws, regulations, and rules involves uncertainties that may limit remedies available to us. Any litigation or arbitration in the PRC may be protracted and may result in substantial costs and diversion of resources and management attention. In addition, the PRC may enact new laws or amend current laws that may be detrimental to us, which may have a material adverse effect on our business operations. If we are unable to enforce any legal rights that we may have under our contracts or otherwise in the PRC, our ability to compete and our results of operations could be harmed.

In addition, as our containers are used in trade involving goods being shipped to locations throughout the world, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. Litigation and enforcement proceedings have inherent uncertainties in any jurisdiction and are expensive. These uncertainties are enhanced in countries that have less developed legal systems where the interpretation of laws and regulations is not consistent, may be influenced by factors other than legal merits and may be cumbersome, time-consuming and even more expensive. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and where the legal system is not as well developed. Additionally, even if we are successful in obtaining judgments against defaulting lessees, these lessees may have limited owned assets and/or heavily encumbered assets and the collection and enforcement of a monetary judgment may be unsuccessful. As a result, the remedies available and the relative success and expedience of collection and enforcement proceedings with respect to the containers in various jurisdictions cannot be predicted.

Because substantially all of our revenues are generated in U.S. dollars, but a significant portion of our expenses are incurred in other currencies, exchange rate fluctuations could have an adverse impact on our results of operations.

The U.S. dollar is our primary operating currency. Almost all of our revenues are denominated in U.S. dollars, and approximately 79% of our direct container expenses - owned fleet were denominated in U.S. dollars for the year ended December 31, 2021. Accordingly, a significant amount of our expenses is incurred in currencies other than the U.S. dollar. This difference could lead to fluctuations in net income due to changes in the value of the U.S. dollar relative to the other currencies. During 2021, 2020 and 2019, 21%, 28% and 23%, respectively, of our direct container expenses – owned fleet were paid in different foreign currencies. A decrease in the value of the U.S. dollar against non-U.S. currencies in which our expenses are incurred translates into an increase in those expenses in U.S. dollar terms, which would decrease our net income. While the prices of the used containers we trade or dispose are primarily quoted and billed in U.S. dollars, declines in the currencies where these containers are sold relative to the

U.S. dollar can serve to reduce the market prices for used containers, which will decrease our net income. We do not engage in foreign currency hedging activities which might reduce the volatility associated with exchange rates.

Terrorist attacks, the threat of such attacks or the outbreak of war and hostilities could negatively impact our operations and profitability and may expose us to liability.

Terrorist attacks and the threat of such attacks have contributed to economic instability in the U.S. and elsewhere, and further acts or threats of terrorism, violence, war, or hostilities could similarly affect world trade and the industries in which we and our container lessees operate. For example, worldwide containerized trade dramatically decreased in the immediate aftermath of the September 11, 2001 terrorist attacks in the U.S., which affected demand for leased containers. In addition, terrorist attacks, threats of terrorism, violence, war, or hostilities may directly impact ports, depots, our facilities or those of our suppliers or container lessees and could impact our sales and our supply chain. A severe disruption to the worldwide ports system and flow of goods could result in a reduction in the level of international trade and lower demand for our containers.

Our lease agreements require our lessees to indemnify us for all costs, liabilities and expenses arising out of the use of our containers, including property damage to the containers, damage to third-party property and personal injury. However, our lessees may not have adequate resources to honor their indemnity obligations after a terrorist attack. Accordingly, we may not be protected from liability (and expenses in defending against claims of liability) arising from a terrorist attack.

Risks Related to Our Business Operations

We rely on our proprietary information technology systems to conduct our business. If these systems fail to perform their functions adequately, or if we experience an interruption in their operation, our business, results of operations and financial condition could be harmed.

The efficient operation of our business is highly dependent on our proprietary information technology systems. We rely on our systems to record transactions, such as repair and depot charges, purchases and disposals of containers and movements associated with each of our owned or managed containers. We use the information provided by these systems in our day-to-day business decisions in order to effectively manage our lease portfolio, reduce costs and improve customer service. We also rely on these systems for the accurate tracking of the performance of our managed fleet for each container investor. In 2020, we commenced efforts to replace several legacy computer systems that are central to our business operations, and we implemented our new enterprise resource planning "ERP" system in 2022 to enhance the efficiency and effectiveness of our internal administrative activities and certain financial accounting and reporting processes. The failure of our systems to perform as we expect, or any failure to successfully replace our legacy systems, could disrupt our business, adversely affect our results of operations and cause our relationships with lessees and container investors to suffer. Our information technology systems are vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power loss and computer systems failures and viruses or cyber-attacks. Even though we have developed redundancies and other contingencies to mitigate any disruptions to our information technology systems, these redundancies and contingencies may not completely prevent interruptions to our information technology systems. In recent years we have moved various information technology systems and data to cloud-based storage providers and software vendors. We face additional risks from relying on third parties to store, process and manage our data and software. Any such interruptions could harm our business, results of operations and financial condition.

Cyber-attacks and/or information technology security breaches on us or our customers could materially and adversely affect us.

If we, our customers or other third parties with which we do business were to fall victim to successful cyber-attacks or experience other cybersecurity incidents that cause system failure, downtime, or the loss of sensitive data, we may incur substantial costs and suffer other negative consequences. Our ability to handle the delivery and return of containers, lease billing, and the sale of older containers is dependent on the stable operation of our information technology systems. Our customers' ability to generate revenue and make timely payments to us is similarly dependent on the stable operation of their information technology systems. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of company, customer, or other third-party data or systems; theft of sensitive, regulated, or confidential data; the loss of access to critical data or systems through ransomware, destructive attacks, or other means; and business delays, service or system disruptions or denials of service.

Cybersecurity incidents have increased in number and severity, and it is expected that these trends will continue. Should the Company be affected by such an incident, we may incur substantial costs and suffer other negative consequences, which may include substantial remediation costs, such as liability for stolen assets or information, repairs of system damage, and incentives to customers or business partners in an effort to maintain relationships after an attack, as well as litigation and legal risks.

We face risks from our tank container management agreement with Trifleet Leasing (The Netherlands) B.V.

We entered into a tank container management agreement with Trifleet Leasing (The Netherlands) B.V. ("Trifleet") in June 2013. Under this agreement, we invest funds with Trifleet for the purchase and leasing of tank containers. Trifleet is our exclusive manager for investments in tank containers. Intermodal tank containers are used for the transport and storage of liquid foodstuffs, chemicals, and gases. This is a specialized market subject to a number of regulations and strict operating procedures. As Trifleet is investing funds on our behalf in tank containers, our return on any investments under this management agreement are highly reliant on their skill and performance, as well as the overall investment climate for tank containers. While we approve of the amounts committed under the management agreement, Trifleet selects the lessees, negotiates lease terms, determines equipment specifications, negotiates equipment orders and supervises production, and is responsible for all other management activities

including customer billing, equipment return, re-leasing, maintenance, and repairs. If Trifleet or the tank container market does not perform as we anticipate, we may not receive adequate returns on our investment and our results could be materially impacted. Additionally, given the nature of tank containers and their cargos, our ownership of tank containers could expose us to different and additional risks than we generally face as the owner and lessor of dry freight and refrigerated containers. While lessees, Trifleet and ourselves all maintain insurance, and lessees agree to accept liability for claims caused by the operation of tank containers, this may still be inadequate to shield us from costs and liability from any claims arising from tank containers that we own pursuant to the Trifleet management agreement. In December 2020, Trifleet was purchased by GATX Corporation, a publicly traded company that primarily leases railcars. Given the recent sale of Trifleet, we may face additional risks in the continued performance of our tank investments managed by Trifleet and in our continued relationship with Trifleet.

If our insurance is inadequate or if we are unable to obtain insurance, we may experience losses.

Under all of our leases, our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities. Our depots are also required to maintain insurance and indemnify us against losses. We also maintain our own insurance to cover our containers when they are not on-hire to lessees or when the lessee fails to have adequate primary coverage, and third-party liability insurance for both on-hire and off-hire containers. In addition, we previously maintained insurance that, after satisfying significant deductibles, would cover loss of revenue as a result of default under most of our leases, as well as the recovery cost or replacement value of most of our containers. Given the high premium, significant deductible, and policy exclusions in this policy, we determined to lapse our coverage for 2021. Lessees' and depots' insurance policies and indemnity rights may not protect us against losses. Our own insurance may prove to be inadequate or have too high deductibles to prevent against losses or in the future coverage may be unavailable or uneconomic, and losses could arise from a lack of insurance coverage.

The U.S. government has special contracting requirements that create additional risks.

In January 2019, we were informed that the U.S. Transportation Command Directorate of Acquisition ("USTranscom") had issued a multi-vendor contract that included us as one of the vendors selected to supply leased marine containers and intermodal equipment to the U.S. Military. As a multi-vendor contract, there is no guarantee that the U.S. Military will accept our bids to supply containers and related services. Thus, expected revenues from the USTranscom contract are difficult to predict and may not materialize or prove profitable. If we do not perform in accordance with the terms of the USTranscom contract, we may receive a poor performance report that would be considered by the U.S. Military in making any future awards.

In contracting with the U.S. Military, we are subject to U.S. government contract laws, regulations and other requirements that impose risks not generally found in commercial contracts. For example, U.S. government contracts require contractors to comply with a number of socio-economic requirements and to submit periodic reports regarding compliance, are subject to audit and modification by the U.S. government in its sole discretion, and impose certain requirements relating to software and/or technical data that, if not followed, could result in the inadvertent grant to the U.S. government of broader licenses to use and disclose such software or data than intended.

These laws, regulations and contract provisions also permit, under certain circumstances, the U.S. government unilaterally to:

- suspend or prevent us for a set period of time from receiving new government contracts or extending existing contracts based on violations or suspected violations of laws or regulations;
- terminate the USTranscom contract;
- reduce the scope and value of the USTranscom contract;
- audit our performance under the USTranscom contract and our compliance with various regulations; and
- change certain terms and conditions in the USTranscom contract.

In addition, the U.S. Military may terminate the USTranscom contract either for its convenience at any time or if we default by failing to perform in accordance with the contract schedule and terms. Termination for convenience

provisions generally enable the contractor to recover only those costs incurred or committed, and settlement expenses and profit on the work completed prior to termination. Termination for default provisions do not permit these recoveries and make the contractor liable for excess costs incurred by the U.S. Military in procuring undelivered items from another source.

In addition, the U.S. government could bring criminal and civil charges against us based on intentional or unintentional violations of the representations and certifications that we have made in the USTranscom contract. Although adjustments arising from U.S. government audits and reviews have not seriously harmed our business in the past, future audits and reviews could cause adverse effects. We could also suffer serious harm to our reputation if allegations of impropriety were to be made against us.

We may choose to pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs and we face risks from our joint venture.

We may pursue acquisitions and joint ventures. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- potential disruption of our ongoing business and distraction of management;
- difficulty integrating personnel and financial and other systems;
- hiring additional management and other critical personnel; and
- increasing the scope, geographic diversity, and complexity of our operations.

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business. Acquisitions or joint ventures may not be successful, and we may not realize any anticipated benefits from acquisitions or joint ventures.

Our senior executives are critical to the success of our business and any inability to retain them or recruit and successfully integrate new personnel could harm our business, results of operations and financial condition.

Our senior management has a solid history in the container leasing industry. We rely on this knowledge and experience in our strategic planning and in our day-to-day business operations. Our success depends in large part upon our ability to retain our senior management, the loss of one or more of whom could have a material adverse effect on our business.

Our success also depends on our ability to retain our experienced sales force and technical personnel as well as recruit new skilled sales, marketing, and technical personnel. Competition for these individuals in our industry is intense and we may not be able to successfully recruit, train or retain qualified personnel. If we fail to retain and recruit the necessary personnel, our business, and our ability to obtain new container lessees and provide acceptable levels of customer service could suffer. We have “at will” employment agreements with all of our executive officers.

The lack of an international title registry for containers increases the risk of ownership disputes.

Although the Bureau International des Containers registers and allocates a four letter prefix to every container in accordance with ISO standard 6346 (Freight container coding, identification and marking) to identify the owner/operator and each container has a unique prefix and serial number, there is no internationally recognized system of recordation or filing to evidence our title to containers nor is there an internationally recognized system for filing security interests in containers. Although this has not occurred to date, the lack of a title recordation system with respect to containers could result in disputes with lessees, end-users, or third parties who may improperly claim ownership of containers.

We may incur costs associated with cargo security regulations, which may adversely affect our business, results of operations and financial condition.

We may be subject to regulations promulgated in various countries, including the U.S., seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the U.S. Moreover, the International Convention for Safe Containers, 1972, as amended, adopted by the International Maritime Organization, applies to containers, and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. As these regulations develop and change, we may incur compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet new requirements imposed by such regulations. Additionally, certain companies are currently developing or may in the future develop products designed to enhance the security of containers transported in international commerce. Regardless of the existence of current or future government regulations mandating the safety standards of intermodal shipping containers, our competitors may adopt such products, or our container lessees may require that we adopt such products. In responding to such market pressures, we may incur increased costs, which could have a material adverse effect on our business, results of operations and financial condition.

Environmental liability and regulations may adversely affect our business, results of operations and financial condition.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air, ground and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and costs arising out of third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under or compliance with environmental laws and regulations in connection with our or our lessees' current or historical operations. Under some environmental laws in the U.S. and certain other countries, the owner or operator of a container may be liable for environmental damage, cleanup, or other costs in the event of a spill or discharge of material from the container without regard to the fault of the owner or operator. While we typically maintain certain limited liability insurance and typically require lessees to provide us with indemnity against certain losses, the insurance coverage may not be sufficient to protect against any or all liabilities and such indemnities may not be sufficient, or available, to protect us against losses arising from environmental damage. Moreover, our lessees may not have adequate resources, or may refuse to honor their indemnity obligations and our insurance coverage is subject to large deductibles, coverage limits and significant exclusions.

Environmental regulations also impact container production and operation, including regulations on the use of chemical refrigerants due to their ozone depleting and global warming effects. Our refrigerated containers currently use R134A refrigerant. While R134A does not contain chlorofluorocarbons ("CFCs"), the European Union ("EU") instituted regulations to phase out the use of R134A in automobile air conditioning systems which began in 2011 due to concern that the release of R134A into the atmosphere may contribute to global warming. While the European Union regulations do not currently restrict the use of R134A in refrigerated containers or trailers, it is possible that the phase out of R134A in automobile air conditioning systems will be extended to containers in the future and our operations could be impacted. It has been proposed that R134A usage in containers be banned beginning in 2025, although the final decision has not been made as of yet.

Container production also raises environmental concerns. The floors of dry freight containers are plywood typically made from tropical hardwoods. Due to concerns regarding de-forestation and climate change, many countries have implemented severe restrictions on the cutting and export of this wood. Accordingly, container manufacturers have switched a significant portion of production to alternatives such as birch, bamboo, and other farm grown wood and users are also evaluating alternative designs that would limit the amount of plywood required and are also considering possible synthetic materials. New woods or other alternatives have not proven their durability over the typical life of a dry freight container, and if they cannot perform as well as the hardwoods have historically, the future

repair and operating costs for these containers may be impacted. The insulation foam in the walls of certain refrigerated containers requires the use of a blowing agent that contains CFCs. Manufacturers are phasing out the use of this blowing agent in manufacturing, however, if future regulations prohibit the use or servicing of containers with insulation manufactured with this blowing agent, we could be forced to incur large retrofitting expenses and these containers might bring lower rental rates and disposal prices. EU regulations currently restrict the sale or use of refrigerated containers manufactured with the CFC containing blowing agent and strict enforcement of these regulations could impact our ability to lease or sell these refrigerated containers in EU countries. The container industry in China historically used solvent-based paint systems. Regulations in China for the container industry required stopping the use of solvent-based paint systems in 2017, due to the restrictions on volatile organic compounds used in solvent-based paints. To comply with the regulations, new water borne paint systems were developed and are being used by container manufacturers. The use of water borne paint systems has required significant factory investment and it is problematic to apply water borne paint during the winter in colder parts of China. The conversion to water borne paint impacts factory capacity, increases the cost of containers and requires greater investment by us in container inspection and factory supervision. The industry does not have significant years of experience with water borne paint and the long term durability of water borne paint may not be the same as solvent based paint which could impact the useful life and resale value of containers with water borne paint.

We are subject to certain U.S. laws that may impact our international operations and any investigation or determination that we violated these laws may affect our business and operations adversely.

As a Bermuda corporation that has an indirect wholly-owned U.S. subsidiary with operations in the U.S., our U.S. operations are subject to certain U.S. laws that may also impact our international operations. We are subject to the regulations imposed by the Foreign Corrupt Practices Act, which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business. We are also subject to U.S. Executive Orders and U.S. Treasury sanctions regulations restricting or prohibiting business dealings in or with certain nations and with certain specially designated nationals (individuals and legal entities). Any determination or investigation into violations of these laws and regulations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We could face litigation involving our management of containers for container investors.

We manage containers for container investors under management agreements that are negotiated with each container investor. We make no assurances to container investors that they will make any amount of profit on their investment or that our management activities will result in any particular level of income or return of their initial capital. Although our management agreements contain contractual protections and indemnities that are designed to limit our exposure to such litigation, such provisions may not be effective, and we may be subject to a significant loss in a successful litigation by a container investor.

Tax Risks Related to Our Business and Investment in Our Common and Preferred Shares

U.S. investors in our company could suffer adverse tax consequences if we are characterized as a passive foreign investment company for U.S. federal income tax purposes.

Based upon the nature of our business activities, we could become classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. Such characterization could result in adverse U.S. tax consequences to direct or indirect U.S. investors in our common and preferred shares. For example, if we are a PFIC, our U.S. investors could become subject to increased tax liabilities under U.S. tax laws and regulations and could become subject to burdensome reporting requirements. The determination of whether or not we are a PFIC is made on an annual basis and depends on the composition of our income and assets from time to time. Specifically, for any taxable year we will be classified as a PFIC for U.S. tax purposes if either:

- 75% or more of our gross income in the taxable year is passive income, or
- the average percentage of our assets (which includes cash) by value in a taxable year which produce or are held for the production of passive income is at least 50%.

In applying these tests, we are treated as owning or generating directly our pro rata share of the assets and income of any corporation in which we own at least 25% by value. In addition, the composition of our income and assets will be affected by how, and how quickly, we spend the cash we have raised.

Under the PFIC rules, unless a U.S. investor is permitted to and does elect otherwise under the Internal Revenue Code, such U.S. investor would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common and preferred shares, as if the excess distribution or gain had been recognized ratably over the investor's holding period for our common and preferred shares. Based on the composition of our income, valuation of our assets, and our election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes, we do not believe we were a PFIC for any period after our initial public offering ("IPO") date and we do not expect that we should be treated as a PFIC for our current taxable year. However, there can be no assurance at all in this regard. Because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year or that the U.S. Internal Revenue Service ("IRS") may challenge our determination concerning our PFIC status.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Textainer Group Holdings Limited is a Bermuda company, and we believe that a significant portion of the income derived from our operations will not be subject to tax in Bermuda, which currently has no corporate income tax, or in many other countries in which we conduct activities or in which our customers or containers are located. However, this belief is based on the anticipated nature and conduct of our business, which may change. It is also based on our understanding of our position under the tax laws of the countries in which we have assets or conduct activities. This position is subject to review and possible challenge by taxing authorities and to possible changes in law that may have retroactive effect.

A portion of our income is treated as effectively connected with our conduct of a trade or business within the U.S., and is accordingly subject to U.S. federal income tax. It is possible that the IRS may challenge that a greater portion of our income is effectively connected income that should be subject to U.S. federal income tax.

Our results of operations could be materially and adversely affected if we become subject to a significant amount of unanticipated tax liabilities.

Our U.S. subsidiaries may be treated as personal holding companies for U.S. federal tax purposes now or in the future.

Any of our direct or indirect U.S. subsidiaries could be subject to additional U.S. tax on a portion of its income if it is considered to be a personal holding company ("PHC") for U.S. federal income tax purposes. This status depends on whether more than 50% of the subsidiary's shares by value could be deemed to be owned (taking into account constructive ownership rules) by five or fewer individuals and whether 60% or more of the subsidiary's adjusted ordinary gross income consists of "personal holding company income," which includes certain forms of passive and investment income. The PHC rules do not apply to non-U.S. corporations. We believe that none of our U.S. subsidiaries should be considered PHCs. In addition, we intend to cause our U.S. subsidiaries to manage their affairs in a manner that reduces the possibility that they will meet the 60% income threshold. However, because of the lack of complete information regarding our ultimate share ownership (*i.e.*, particularly as determined by constructive ownership rules), our U.S. subsidiaries may become PHCs in the future and, in that event, the amount of U.S. federal income tax that would be imposed could be material.

Changes in tax laws or their application could adversely affect the results of our operations.

Our worldwide operations are taxed under the laws of the jurisdictions in which we operate. However, the integrated nature of our worldwide operations can produce conflicting claims from revenue authorities in different countries as to the profits to be taxed in the individual countries, including disputes relating to transfer pricing. Some of the jurisdictions in which we operate have double tax treaties with other foreign jurisdictions, which provide a

framework for mitigating the impact of double taxation on our revenues and capital gains. However, mechanisms developed to resolve such conflicting claims are largely uncertain, and can be expected to be very lengthy in coming to a final determination in the applicable jurisdictions.

In recent years, tax authorities around the world have increased their scrutiny of company tax filings, and have become more rigid in exercising any discretion they may have. As part of this, the Organization for Economic Co-operation and Development ("OECD") has proposed a number of tax law changes under its Base Erosion and Profit Shifting ("BEPS") Action Plans to address issues of transparency, coherence and substance.

These OECD tax reform initiatives also need local country implementation, including in Bermuda and the U.S., which may result in significant changes to established tax principles. In response to EU efforts to investigate the tax policies of non-EU jurisdictions, effective December 31, 2018 Bermuda adopted the Economic Substance Act of 2018, which requires that Bermuda registered entities engaged in certain relevant activities (which include finance, leasing and shipping) maintain sufficient economic substance and activities in Bermuda. The failure to comply with the Economic Substance Act may result in fines and penalties and ultimately the striking off of an entity from the Bermuda corporate register. We may be unable to comply with the Economic Substance Act or compliance with the act may materially adversely impact our operations and results. Penalties for noncompliance could adversely affect our operations and results.

On March 27, 2020, the US Coronavirus Aid, Relief, and Economic Security Act ("CARES") of 2020 was signed into law. For applicable impacted years, the CARES Act introduced measures such as (1) additional carryback years as well as the elimination of the 80% taxable income limitation on net operating losses ("NOL") usage; (2) enhanced interest deductibility on 163(j) business interest expense (raising adjusted taxable income deduction limit threshold from 30% to 50%); (3) accelerated AMT credit refunds; (4) retroactive technical correction of qualified improvement property costs recovery period; (5) enhanced deductibility of charitable contributions from 10% of taxable income limitation to 25%; and (6) introduced payroll tax deferral programs and loan forgiveness programs (Paycheck Protection Program). None of these measures have a material impact on the Company's tax situation.

In general, such tax reform efforts, including with respect to tax base or rate, transfer pricing, intercompany dividends, cross border transactions, controlled corporations, and limitations on tax relief allowed on the interest on intercompany debt, will require us to continually assess our organizational structure against tax policy trends, and could lead to an increased risk of international tax disputes and an increase in our effective tax rate, and could adversely affect our financial results.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

We have significant net operating loss carry-forwards in the United States. As of December 31, 2021, we had net operating loss carry-forwards relating to U.S. federal income taxes; $106,151 which will begin to expire from December 31, 2021 (prior to factoring in 2021 net taxable income, estimated to be $2,752, fully offset by existing NOLs) through December 31, 2037 if not utilized and $24,735 has no expiration date.

In the United States, utilization of these net operating loss carry-forwards for federal income tax purposes may be subject to an annual limitation if there is an ownership change within the meaning of Section 382 of the Internal Revenue Code ("Section 382"). In general, an ownership change within the meaning of Section 382 occurs if a transaction or series of transactions over a three-year period result in a cumulative change of more than 50% in the beneficial ownership of a company's stock. We do not believe we have a limitation on the ability to utilize our net operating loss carry-forwards under Section 382 as of December 31, 2021. However, issuances, sales and/or exchanges of our stock (including, potentially, relatively small transactions and transactions beyond our control) occurring after December 31, 2021, taken together with prior transactions with respect to our stock over a three-year period, could trigger an ownership change under Section 382 in the future and therefore a limitation on our ability to utilize our net operating loss carryforwards. Any such limitation could cause some loss carryforwards to expire before we would be able to utilize them to reduce taxable income in future periods, possibly resulting in a substantial income tax expense or write down of our tax assets or both.

The calculation of our income tax expense requires judgment and the use of estimates.

We periodically assess tax positions based on current tax developments, including enacted statutory, judicial, and regulatory guidance. In analyzing our overall tax position, consideration is given to the amount and timing of recognizing income tax liabilities and benefits. In applying the tax and accounting guidance to the facts and circumstances, income tax balances are adjusted appropriately through the income tax provision. We account for income tax positions on uncertainties by recognizing the effect of income tax positions only if those positions are more likely than not of being sustained and maintain reserves for income tax positions we believe are not more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. However, due to the judgment required in estimating those reserves, actual amounts paid, if any, could differ from these estimates.

Risks Related to Our Common Shares, Preferred Shares and Public Listings

Any dividends paid in the future could be reduced or eliminated.

We eliminated our common share dividend payment in the fourth quarter of 2016. In the fourth quarter of 2021, we announced the commencement of dividends on our common shares. While common share dividends have been reinstated, any future dividend could again be eliminated or reduced. The declaration, amount and payment of future dividends are at the discretion of our board of directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given year, in each quarter of a year, or pay any specific amount of dividends. In addition, we will not pay dividends in the event we are not allowed to do so under Bermuda law, are in default under (or such payment would cause a default under) TL's revolving credit facilities or term loan, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid). The reduction, suspension or elimination of dividends may negatively affect the market price of our common and preferred shares. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends as permitted under our lending agreements.

We face risks from our share repurchase program.

In September 2019, we announced a share repurchase program to repurchase up to $25 million of our shares; the program has been increased several times and currently is authorized to repurchase up to a total of $200 million of our shares. Purchases under this program are at our discretion and we may not purchase all $200 million of shares authorized under the program. This program may be increased, reduced, or terminated at any time by us. Share repurchases may reduce our financial flexibility, limit our ability to reduce debt, limit our ability to continue or increase our dividend program and may reduce our funds available for container investments. Using funds to repurchase shares could cause our debt to equity ratio to increase and may impair our ability to comply with the financial covenants in our debt agreements. Share repurchases may also reduce the number of shares available for other investors to purchase in the market which could add to share price volatility for our stock. We face these and other risks related to share repurchases. During 2021, 2020 and 2019, the Company repurchased approximately 2,426,725, 6,736,493 and 879,000 shares, respectively, for a total amount of approximately $72 million, $69 million and $9 million, respectively.

Future changes in accounting rules could significantly impact how we, our managed fleet container investors, and our customers account for our leases.

Our consolidated financial statements are prepared in accordance with U.S. GAAP. In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02") which was adopted by the Company on January 1, 2019. Under this new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, *Revenue from Contracts with Customers*. Lessees were

required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. Additionally, IFRS has issued similar changes to lease accounting under IFRS 16 Leases. Because the new leasing guidance virtually eliminates for lessees the financial statement benefit of entering into operating leases, it could change the way we and our customers conduct our businesses. Future changes in accounting rules will also impact container investors whose containers are managed by us. The accounting of these changes could make it more difficult for such container investors to raise funding and may also make managed container programs less attractive to container investors.

The market price and trading volume of our common and preferred shares, which may be affected by market conditions beyond our control, have been volatile and could continue to remain volatile.

The market price of our common and preferred shares has been and may continue to be highly volatile and subject to wide fluctuations. In addition, the trading volume in our common and preferred shares has fluctuated and may continue to fluctuate, causing significant price variations to occur. Since our initial public offering, our common shares have fluctuated from an intra-day low of $4.23 per share to an intra-day high of $43.96 per share. If the market price of the shares declines significantly, the value of an investment in our shares would decline. The market price of our common and/or preferred shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our common or preferred shares or result in fluctuations in the price or trading volume of our common or preferred shares include:

- variations in our quarterly operating results;
- failure to meet analysts' earnings estimates;
- publication of research reports about us, other intermodal container lessors or the container shipping industry or the failure of securities analysts to cover our shares or our industry;
- additions or departures of key management personnel;
- adverse market reaction to any indebtedness we may incur or preferred or common shares we may issue in the future;
- changes in our dividend payment or share repurchase policies or failure to execute our existing policies;
- actions by shareholders;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community;
- changes or proposed changes in laws or regulations affecting the container shipping industry or enforcement of these laws and regulations, or announcements relating to these matters; and
- impact of global financial crises or stock market disruptions.

Recently and in the past, the stock market has experienced extreme price and volume fluctuations. These market fluctuations could result in extreme volatility in the trading price of our common or preferred shares, which could cause a decline in the value of your investment in our common or preferred shares. In addition, the trading price of our common or preferred shares could decline for reasons unrelated to our business or financial results, including in reaction to events that affect other companies in our industry even if those events do not directly affect us. You should also be aware that price volatility may be greater if the public float and trading volume of our common or preferred shares are low.

We face risks related to our dual listing on the Johannesburg Stock Exchange and our relationship with Trencor.

Trencor Limited, a company traded on the Johannesburg Stock Exchange (the "JSE") in South Africa, owned approximately 47.5% of our issued and outstanding common shares as of December 31, 2018. In December 2019 we commenced a secondary, or dual, listing of our common shares on the JSE under the symbol "TXT". Promptly following our dual listing, Trencor distributed approximately 24.3 million of its shares in the Company to Trencor's own shareholders and these shares are now trading on the JSE. In June 2020, Trencor distributed its remaining 3.0 million shares in the Company to Trencor's own shareholders and those shares trade on the JSE. Following the June 2020 distribution of shares, Trencor no longer holds any shares in the Company. One of our nine directors is also a director of Trencor, and this director owes fiduciary duties to each company and may have conflicts of interest in matters involving or affecting us as well as Trencor. Any sale or transfer of some or all of the common shares owned by large South African shareholders could adversely affect our share price.

While our primary listing remains on the New York Stock Exchange, or NYSE, and we follow the corporate governance requirements applicable to a Bermuda company listed as a foreign private issuer on the NYSE, holders of our TXT shares on the JSE, may seek to impose on us some or all of the corporate governance practices applicable to South African companies which may result in constraints on management and may involve significant costs. These include the King IV Report on Corporate Governance, a document accepted by the JSE and promulgated by the South African Institute of Directors which, among other things, suggests that corporations in their corporate decision-making consider the following stakeholders in addition to the owners of shares: parties who contract with the enterprise; parties who have a non-contractual nexus with the enterprise (including civil society and the environment); and the state.

Any future issuance of securities by us on the JSE would be subject to compliance with JSE rules and subject to review by the JSE and possibly South African exchange control regulations. These requirements could restrict or limit our ability to issue new shares in South Africa. If a significant percentage of our shares remain on the JSE, limits on our ability to issue new equity in South Africa could materially impact our ability to access capital for growth and negatively impact our business.

If we are unwilling or unable to comply with the current or future continuing listing requirements of the JSE we may have our shares delisted from the JSE. The JSE is the primary stock exchange in South Africa and there are restrictions on South African investors holding securities outside South Africa, including on the NYSE. A delisting from the JSE might cause significant sales of our common shares and negatively impact the price of our common shares on the NYSE. If we wish to voluntarily delist our shares from the JSE we may be required to provide a cash tender offer to all holders on the JSE and we may be unwilling or financially unable to do so, which could limit our ability to avoid negative share price impacts from any delisting of our common shares on the JSE.

We are a holding company with no material direct operations and rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and to pay dividends.

We are a holding company with no material direct operations. Our principal assets are the equity interests we directly or indirectly hold in our operating subsidiaries, which own our operating assets. As a result, we are dependent on loans, dividends, and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations and to pay dividends on our common and preferred shares. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions or lending covenants. If we are unable to obtain funds from our subsidiaries, we may be unable to, or our board may exercise its discretion not to pay dividends on our common or preferred shares.

It may not be possible for investors to enforce U.S. judgments against us.

We and all of our direct and indirect subsidiaries, except Textainer Equipment Management (U.S.) Limited and Textainer Equipment Management (U.S.) II LLC, are incorporated in jurisdictions outside the U.S. A substantial portion of our assets and those of our subsidiaries are located outside of the U.S. In addition, several of our directors are non-residents of the U.S., and all or a substantial portion of the assets of these non-residents are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to serve process within the U.S. upon us, our non-U.S. subsidiaries, or our directors, or to enforce a judgment against us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or

where our assets or the assets of our subsidiaries are located would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. federal and state securities laws, or would enforce, in original actions, liabilities against us or our subsidiaries based on those laws.

We are a foreign private issuer and, as a result, under NYSE rules, we are not required to comply with certain corporate governance requirements.

As a foreign private issuer, we are permitted by the NYSE to comply with Bermuda corporate governance practice in lieu of complying with certain NYSE corporate governance requirements. This means that we are not required to comply with NYSE requirements that:

- the board of directors consists of a majority of independent directors;
- independent directors meet in regularly scheduled executive sessions;
- the audit committee satisfy NYSE standards for director independence (although we must still comply with independence standards pursuant to Rule 10A-3 promulgated under the U.S. Securities Exchange Act of 1934, as amended);
- the audit committee have a written charter addressing the committee's purpose and responsibilities;
- we have a corporate governance and nominating committee composed of independent directors with a written charter addressing the committee's purpose and responsibilities;
- we have a compensation committee composed of independent directors with a written charter addressing the committee's purpose and responsibilities;
- we establish corporate governance guidelines and a code of business conduct;
- our shareholders approve any equity compensation plans; and
- there be an annual performance evaluation of the nominating and corporate governance and compensation committees.

Our board of directors has adopted an audit committee charter, a compensation committee charter and a corporate governance and nominating committee charter. Additionally, we have a company code of conduct, corporate governance guidelines, conduct performance evaluations of our board and committees, and have obtained shareholder approval for our equity compensation plan. However, we use some of the exemptions available to a foreign private issuer. As a result, our board of directors may not consist of a majority of independent directors and our compensation committee may not consist of any or a majority of independent directors. Accordingly, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Required public company corporate governance and financial reporting practices and policies have increased our costs, and we may be unable to provide the required financial information in a timely and reliable manner.

Our management may not be able to continue to meet the regulatory compliance and reporting requirements that are applicable to us as a public company. This result may subject us to adverse regulatory consequences, and could lead to a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. If we do not maintain compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or if we or our independent registered public accounting firm identify deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, we could suffer a loss of investor confidence in the reliability of our financial statements, which could cause the market price of our shares to decline.

In addition, if we fail to maintain effective controls and procedures, we may be unable to provide the required financial information in a timely and reliable manner or otherwise comply with the standards applicable to us as a public company. Any failure by us to timely provide the required financial information could materially and adversely impact our financial condition and the market value of our shares. Furthermore, testing and maintaining

internal controls can divert our management's attention from other matters that are important to our business. These regulations have increased our legal and financial compliance costs, we expect the regulations to make it more difficult to attract and retain qualified officers and directors, particularly to serve on our audit and risk committee, and make some activities more difficult, time consuming and costly.

Future sales of a large number of our securities into the public market, or the expectation of such sales, could cause the market price of our common or preferred shares to decline significantly.

Sales of substantial amounts of common securities into the public market, or the perception that such sales will occur, may cause the market price of our common or preferred shares to decline significantly. In September 2012, we completed a sale of 8,625,000 common shares, including 2,500,000 common shares offered by a selling shareholder, Halco. The price of our shares could be negatively impacted if we undertake additional offerings to sell securities. In addition, at our 2019 Annual General Meeting our shareholders approved an amendment and restatement of the 2015 Share Incentive Plan as the 2019 Share Incentive Plan and to increase the maximum number of our common shares issuable pursuant to such plan by 2,500,000 shares and to extend the term of such plan for ten years from the date of the annual meeting of shareholders. The common shares to be issued pursuant to awards under our 2019 Share Incentive Plan have been registered on registration statements on Form S-8 filed with the Securities Exchange Commission and, when issued, will be freely tradable under the Securities Act of 1933.

We have provisions in our bye-laws and in our preferred shares that may discourage a change of control.

Bermuda law and our bye-laws contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These include provisions:

- requiring the approval of not less than 66% of our issued and outstanding voting shares for certain merger or amalgamation transactions that have not been approved by our board of directors;
- prohibiting us from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person becomes an interested shareholder, unless certain conditions are met;
- authorizing our board of directors to issue blank-check preference shares without shareholder approval;
- establishing a classified board with staggered three-year terms;
- only authorizing the removal of directors (i) for cause by the affirmative vote of the holders of a majority of the votes cast at a meeting or (ii) without cause by the affirmative vote of the holders of 66% of the common shares then issued and outstanding and entitled to vote on the resolution; and
- establishing advance notice requirements for nominations for election to our board of directors.

These provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our management and/or our board of directors. Public shareholders who might desire to participate in these types of transactions may not have an opportunity to do so. Additionally on a change of control, subject to certain conditions, preferred shareholders have the right to convert some or all preferred shares to common shares. These provisions could substantially impede the ability of public shareholders to benefit from a change in control or change our management and board of directors and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

As a shareholder of our company, you may have greater difficulties in protecting your interests than as a shareholder of a U.S. or South African corporation.

The Companies Act 1981 of Bermuda, as amended (the "Companies Act"), applies to our company and differs in material respects from laws generally applicable to U.S. or South African corporations and their shareholders. Taken together with the provisions of our bye-laws, some of these differences may result in you having greater difficulties in protecting your interests as a shareholder of our company than you would have as a shareholder of a U.S. corporation listed on NYSE or a South Africa corporation listed on the JSE. This affects, among other things, the circumstances under which transactions involving an interested director are voidable, whether an interested

director can be held accountable for any benefit realized in a transaction with our company, what approvals are required for business combinations by our company with a large shareholder or a wholly-owned subsidiary, what rights you may have as a shareholder to enforce specified provisions of the Companies Act or our bye-laws, and the circumstances under which we may indemnify our directors and officers.

Our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a broad waiver by our shareholders of any claims or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our business began operations in 1979. We reorganized our business in 1993 and incorporated Textainer Group Holdings Limited under the laws of Bermuda as a holding company of a group of corporations involved in the purchase, ownership, management, leasing and disposal of a fleet of intermodal containers. Textainer Group Holdings Limited is incorporated with an indefinite duration under registration number EC18896.

Textainer Group Holdings Limited's common shares are primary listed on the NYSE under the symbol "TGH". The Company's common shares are secondary listed on the JSE in Johannesburg, South Africa under the symbol "TXT". Textainer Group Holdings Limited's headquarters office is located at Century House, 16 Par-La-Ville Road, Hamilton HM 08 Bermuda and our telephone number is (441) 296-2500. Our agent in the United States is Daniel W. Cohen, Textainer Group Holdings Limited, c/o Textainer Equipment Management (U.S.) Limited, 650 California Street, 16th Floor, San Francisco, CA 94108.

At December 31, 2021, Textainer Group Holdings Limited had two directly owned subsidiaries:

- Textainer Equipment Management Limited ("TEML"), our wholly-owned subsidiary incorporated in Bermuda, which together with its four wholly-owned subsidiaries (see Item 4 (C), "*Organizational Structure*") provides container management, acquisition and disposal services to affiliated and unaffiliated container investors; and
- Textainer Limited ("TL"), our wholly-owned subsidiary incorporated in Bermuda, which owns containers directly and via two subsidiaries:
  - Textainer Marine Containers II Limited ("TMCL II"), a Bermuda company which is wholly-owned by TL; and
  - Textainer Marine Containers VII Limited ("TMCL VII"), a Bermuda company which is wholly-owned by TL.

Our internet website address is www.textainer.com. The information contained on, or that can be accessed through, our website is not incorporated into and is not intended to be a part of this Annual Report on Form 20-F.

Significant Business Events

In September 2019, the Company announced that Trencor Limited ("Trencor"), a company publicly traded on the JSE in Johannesburg, South Africa under the symbol "TRE" and the former holder of 27.3 million common shares or approximately 47.5% of the Company's issued and outstanding common shares, filed with the JSE a circular (the "Trencor circular") requesting that Trencor's shareholders approve the unbundling of Trencor's shares in Textainer. The Trencor circular was approved by Trencor's shareholders in October 2019 and the Trencor share unbundling was implemented in December 2019. In June 2020, Trencor distributed the remaining 3.0 million shares

it retained in the Company to Trencor's own shareholders. Following the June 2020 distribution of shares, Trencor no longer holds any shares in the Company.

In December 2019, the Company filed a Pre-Listing Announcement with the JSE to commence a secondary, or dual, listing of the Company's common shares on the Main Board of the JSE under the share code "TXT" with commencement of trading on December 11, 2019. The secondary listing was not in connection with any capital raising effort.

In December 2019, the Company entered into a stock purchase agreement with TAC Limited, a wholly-owned subsidiary of Trencor, to purchase Leased Assets Pool Company Limited ("LAPCO"). The purchase price consideration consisted of $65,527 in cash paid to TAC Limited and cash amounts paid by the Company to fully repay LAPCO's debt facility of $126,289. The Company repaid LAPCO's existing debt at the closing by refinancing this debt in the Company's existing revolving credit facility. LAPCO owned a fleet of approximately 161,000 TEU of intermodal containers managed by the Company and approximately 3,000 TEU of containers managed by other container lessors. In February 2021, the Company dissolved LAPCO, which was a wholly-owned subsidiary of TL (see Note 1 "Nature of Business and Summary of Significant Accounting Policies" to our consolidated financial statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F for additional information).

In January 2021, the Company completed the acquisition of 49.9% of the common shares of TAP Funding Ltd. ("TAP Funding") from TAP Ltd. for a total purchase price consideration of $21.5 million. Following the acquisition, the Company owned 100% of TAP Funding which became a wholly-owned subsidiary of the Company. In February 2021, the Company terminated its TAP Funding Revolving Credit Facility. In May 2021, the Company dissolved TAP Funding (see Note 1 "Nature of Business and Summary of Significant Accounting Policies" to our consolidated financial statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F for additional information).

In April 2021, the Company completed an underwritten public offering of 6,000,000 depositary shares, each representing a 1/1,000th interest in a share of its 7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preference Shares. In August 2021, the Company completed an underwritten public offering of 6,000,000 depositary shares, each representing a 1/1,000th interest in a share of its 6.25% Series B Fixed Rate Cumulative Redeemable Perpetual Preference Shares. For further details on the preferred shares, see Note 13 "Shareholders' Equity" to our consolidated financial statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

See Item 5, "*Operating and Financial Review and Prospects*" for further information regarding recent developments in our business.

B. Business Overview

Our Company

We are one of the world's largest lessors of intermodal containers based on fleet size, with a total fleet of approximately 2.7 million containers, representing 4.3 million TEU. Containers are an integral component of intermodal trade, providing a secure and cost-effective method of transportation because they can be used to transport freight by ship, rail or truck, making it possible to move cargo from point of origin to final destination without repeated unpacking and repacking.

We lease containers to approximately 200 shipping lines and other lessees, including all of the world's leading international shipping lines, as measured by the total TEU capacity of their container vessels. We believe that our scale, global presence, customer service, market knowledge and long history with our customers have made us one of the most reliable suppliers of leased containers. We have a long track record in the industry, operating since 1979, and have developed long-standing relationships with key industry participants. Our top 20 customers, as measured by revenues, have on average been our customers for 29 years. The average utilization of our total fleet during 2021 was 99.8%.

We have provided an average of approximately 420,000 TEU of new containers per year for the past five years and have been one of the largest buyers of new containers over the same period. We are one of the largest sellers of used containers, having sold an average of approximately 130,000 containers per year for the last five years to more than 1,000 customers.

We provide our services worldwide via an international network of 14 regional and area offices and around 400 independent depots.

We operate our business in three core segments.

- *Container Ownership*. As of December 31, 2021, we owned containers accounting for approximately 93% of our fleet.
- *Container Management*. As of December 31, 2021, we managed containers on behalf of 10 unaffiliated container investors, providing acquisition, management and disposal services. As of December 31, 2021, total managed containers accounted for approximately 7% of our fleet.
- *Container Resale*. We generally sell containers from our fleet when they reach the end of their useful lives in marine service or when we believe it is financially attractive for us to do so, considering location, sale price, the cost of repair, and possible repositioning expenses. We also purchase and lease or resell containers from shipping line customers, container traders and other sellers of containers.

Our total revenues primarily consist of leasing revenues derived from the lease of owned and managed containers. The most important driver of our profitability is the extent to which revenues on our owned fleet and management fee income exceed our operating costs. The key drivers of our revenues are fleet size, rental rates, utilization and direct costs. Our operating costs primarily consist of depreciation, container impairment, interest expense, direct operating expenses and administrative expenses. Our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities.

Our container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from these international carriers when the containers are on lease. Substantially all of our leasing related revenues are denominated in U.S. dollars.

Our total fleet consists of containers that we own, and containers owned by other container investors that we manage. In general, owning containers during periods of high demand for containers provides higher margins than managing containers, since we receive all of the net operating income for the containers that we own but only a percentage of the net operating income of the containers that we manage as a management fee. On the other hand,

managing containers during periods of low demand for containers reduces the negative financial impact of such periods since the container investors bear the cost or risk of owning the containers.

For geographic and financial information relating to each of our reportable operating segments, see Note 10 “Segment Information” in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F.

Industry Overview

Containers

Containers are built in accordance with standard dimensions and weight specifications established by the International Organization for Standardization (“ISO”). The industry-standard measurement unit is the Twenty-Foot Equivalent Unit (“TEU”), which compares the length of a container to a standard 20′ container. For example, a 20′ container is equivalent to one TEU and a 40′ container is equivalent to two TEU. Standard dry freight containers are typically 8′ wide, come in lengths of 20′, 40′ or 45′ and are either 8′6″ or 9′6″ high. The principal types of containers are described as follows:

- *Dry freight standard containers*. A dry freight standard container is constructed of steel sides, roof, an end panel on one end and a set of doors on the other end, a wooden floor and a steel undercarriage. Dry freight standard containers are the least expensive and most commonly used type of container. They are used to carry general cargo, such as manufactured component parts, consumer staples, electronics and apparel. The largest portion of our fleet is comprised of dry freight containers, which are by far the most common of the three principal types of intermodal containers.

- *Dry freight specialized containers*. Dry freight specialized containers consist of open-top and flat-rack containers. An open-top container is similar in construction to a dry freight standard container except that the roof is replaced with a tarpaulin supported by removable roof bows. A flat-rack container is a heavily reinforced steel platform with a wood deck and steel end panels. Open-top and flat-rack containers are generally used to transport heavy or oversized cargo, such as marble slabs, building products, vehicles, or machinery.

- *Refrigerated containers*. Refrigerated containers include an integral refrigeration unit on one end which plugs into an outside power source and are fitted with insulation. Refrigerated containers are used to transport perishable goods such as fresh and frozen produce.

- *Other containers*. Other containers include tank containers, 45′ containers, pallet-wide containers and other types of containers. The most prominent type of such containers are tank containers which are stainless steel cylindrical tanks enclosed in rectangular steel frames. Tank containers are used to transport liquid bulk products such as chemicals, oils, and other liquids.

Containers provide a secure and cost-effective method of transportation because they can be used in multiple modes of transportation, making it possible to move cargo from a point of origin to a final destination without repeated unpacking and repacking. As a result, containers reduce transit time and freight and labor costs, as they permit faster loading and unloading of shipping vessels and more efficient transportation of cargo than traditional break bulk shipping methods. The protection provided by containers also reduces damage, loss and theft of cargo during shipment. While the useful life of containers varies based upon the damage and normal wear and tear suffered by the container, we estimate that our useful life for a standard dry freight container used in intermodal transportation is on average 13 to 14 years. Some shipping lines have recently indicated that they intend to keep their containers for longer than 13 to 14 years.

Container Leasing

The *Container Census & Leasing Review and Forecast of the Container Equipment Fleet (2021/2022 Annual Report)*, published by Drewry Maritime Research, estimates that as of December 2020, leasing companies owned approximately 52% of the total worldwide container fleet of approximately 44.2 million TEU. We estimated that

leasing companies owned approximately 53% of the total worldwide container fleet, as of end of 2021. Due to major supply chain disruptions in the global shipping industry primarily caused by port congestion, there was increased container purchasing activity in 2021 from both leasing companies and shipping lines, including some customers of container shipping lines. As trade volume remains elevated, shipping lines have continued to grow their capacity while also positioning additional containers in locations with surplus demand. However, given the uncertainty and variability of export volumes and the fact that shipping lines have difficulty in accurately forecasting their container requirements at different ports, the availability of containers for lease significantly reduces a shipping line's need to purchase and maintain excess container inventory. In addition, leasing a portion of their total container fleets enables shipping lines to serve their manufacturer and retailer customers better by:

- increasing their flexibility to manage the availability and location of containers;
- increasing their ability to meet peak demand requirements, particularly prior to holidays such as Christmas and Lunar New Year; and
- reducing their capital expenditures.

Despite the COVID-19 pandemic, the global container leasing demand significantly increased during 2021 which was attributable to shortage of containers and continued high spending on consumer goods. Manufacturers heavily increased production in 2021 at historically high container price levels to meet a surge in market demand, however, as trade patterns normalized, container prices started to stabilize in late 2021. While new production inventory had increased to around 700,000 TEU, depot inventory is at an historically low level as evidenced by the continued high utilization rates throughout the industry. The 2021 exceptionally high new container price environment led to a much higher average lease duration, averaging in excess of 12 years, for container purchases that were leased out during the year. However, the on-going COVID-19 pandemic has added to uncertainty on trade growth and its impact on our industry.

The shipping business has been characterized by cyclical swings due in part to lengthy periods of excess or scarce vessel capacity. We believe that these sustained periods of vessel supply/demand imbalances are mainly a function of the multi-year ordering and production cycle associated with the manufacture of new vessels, which requires shipping lines to estimate market growth many years into the future, and the shipping line industry's shift to the use of significantly larger vessels. Container leasing companies are partially insulated from the risks of these shipping cycles by the relatively short production time associated with the manufacture of new containers. Lead times for new container orders are typically only a few months, so the rate of new container ordering can be quickly adjusted to reflect unexpected market changes.

Competitive Strengths and Business Strategies

One of the Largest Container Lessors in the Industry and Be the Most Reliable Supplier of Quality Containers.

We operate one of the world's largest fleets of leased intermodal containers, with a total fleet of 4.3 million TEU as of December 31, 2021. We provide our services worldwide via a network of regional and area offices and independent depots. Our consistent presence in the market buying and selling containers provides us with broad market intelligence, and valuable insight into the demand patterns of our shipping line customers and resale container buyers.

We continue to provide superior equipment and ensure that it is available in the right location and at the right time. Having one of the world's largest container fleets, we are in a strong position to be the most reliable supplier of dry freight containers to meet the demands of shipping lines.

Proven Ability to Grow Our Fleet Over Time and Continue to Pursue Attractive Container Related Acquisition Opportunities.

Our ability to invest in our fleet has allowed us to become one the world's largest container lessors. We have demonstrated our ability to increase the size of our container fleet by purchasing containers from manufacturers and by acquiring existing container fleets or their management rights. Over the past 23 years, we have acquired the

rights to manage over 1,500,000 TEU from former competitors and we have acquired approximately 962,000 TEU of containers from our managed fleet. We endeavor to make regular purchases of containers to replace older containers and increase the size of our fleet. As one of the largest buyers of new containers, we have developed strong relationships with container manufacturers. These relationships, along with our large volume buying power and solid financial structure, enable us to reliably purchase containers during periods of high demand and grow our market share with our existing customers.

We believe that the consolidation trend in our industry will continue and may offer us future growth opportunities. We also believe that current economic conditions may result in potential acquisition opportunities, including the purchase and leaseback of customer-owned containers. Purchase and leaseback transactions can be attractive to our customers because they free up cash for other capital needs. These transactions enable us to buy attractively priced containers and at the same time place them on leases for the remainder of their marine service lives.

Ability to Generate Attractive Returns Throughout the Container Life-Cycle and Focus on Maintaining High Levels of Utilization.

One of our strengths is our ability to generate attractive revenue streams throughout the economic life of a container in marine service and upon resale of the container at the end of its marine service life. At the end of a lease's initial term, we generally have the ability to either negotiate an extension of the lease term or to take back the container and re-lease or sell it in order to maximize the container's return. We focus on renewing or extending our long-term container leases beyond their expiration dates, typically from three to five or more years from the start of the lease. In addition, we attempt to negotiate favorable return provisions on all leases and maintain an active presence in the master and spot lease markets. This flexibility, coupled with our international coverage, organization and resources, allows us to deploy containers to those markets where we can re-lease or sell them on comparatively attractive terms in order to optimize our returns and the residual value of our fleet.

We believe that the long-term nature of our lease portfolio, as well as the presence of both owned and managed containers in our fleet, provides us with a more predictable source of revenues and operating cash flow and higher operating margins over time, enabling us to manage and grow our business more effectively. We will prioritize profitability with attractive yields on our assets through our disciplined focus on optimal lease pricing, longer-term leases and portfolio management, and by maintaining a low-cost structure.

Operations

We operate our business through a network of regional and area offices and independent depots. We maintain three regional offices as follows:

- Americas Region in Cranford, New Jersey, USA responsible for North and South America;
- European Region in New Malden, UK responsible for Europe, the Mediterranean, the Middle East, and Africa; and
- Asian Pacific Region in Singapore, responsible for Asia and Australia.

Regional vice presidents are in charge of regional leasing and operations. Marketing directors and assistants located in the regional and area offices handle day-to-day marketing and collection activities. Our operations include a global sales force, container operations group, container resale group and logistics services group. Our headquarters office is in Hamilton, Bermuda. Our administrative office is located in San Francisco, California.

Our Container Fleet

As of December 31, 2021, we operated 4,322,367 TEU. We attempt to continually invest in our container fleet each year in an effort to replace the older containers being retired from marine service and to build our fleet size. We purchased an average of approximately 420,000 TEU of new containers per year over the past five years. Our ability to invest in our fleet on a consistent basis has been instrumental in becoming one of the world's largest container lessors. The containers that we lease are either owned outright by us or owned by third parties and managed by us.

The table below summarizes the composition of our owned and managed fleets, in TEU and CEU, by type of containers as of December 31, 2021:

	TEU			CEU		
	Owned	Managed	Total	Owned	Managed	Total
Standard dry freight	3,763,799	296,497	4,060,296	3,330,239	263,454	3,593,693
Refrigerated	196,381	7,032	203,413	789,795	28,429	818,224
Other specialized	52,906	5,752	58,658	83,311	8,276	91,587
Total fleet	4,013,086	309,281	4,322,367	4,203,345	300,159	4,503,504
Percent of total fleet	92.8%	7.2%	100.0%	93.3%	6.7%	100.0%

The amounts in the table above did not change significantly from December 31, 2021 to the date of this Annual Report on Form 20-F.

Our containers are designed to meet a number of criteria outlined by the ISO. The standard criteria include the size of the container and the gross weight rating of the container. This standardization ensures that the widest possible number of transporters can use containers and it facilitates container and vessel sharing by the shipping lines. The standardization of the container is also an important element of the container leasing business since we can operate one fleet of containers that can be used by all of our customers.

Maintenance and repair of our containers is performed by independent depots that we retain in major port areas and inland locations. Such depots also handle and inspect containers that are either picked up or redelivered by lessees, and store containers that are not leased.

Our Leases

Most of our revenues are derived from leasing our owned fleet and managed fleet of containers to our core shipping line customers. The majority of our container leases are structured as operating leases, though we also provide customers with finance leases. Regardless of lease type, we seek to exceed our targeted return on our owned and managed containers over the life of each container by managing container utilization, lease rates, drop-off restrictions and the disposal process. We lease containers under three different types of operating leases (term leases, master leases and spot leases) and also under finance leases.

The following table provides a summary of our total on-hire container fleet by lease type as of December 31, 2021:

	Percent of Total On-Hire Fleet	
Lease Portfolio	**TEU**	**CEU**
Term leases (included units on-hire under expired term leases)	72.6%	73.0%
Finance leases	23.0%	22.6%
Master leases	3.4%	3.4%
Spot leases	1.0%	1.0%
Total	100.0%	100.0%

Term leases

Term leases (also referred to as long-term leases) provide a customer with a specified number of containers for a specified period, typically for 5 or more years, with an associated set of pick-up and drop-off conditions. Our term leases generally require our lessees to maintain all units on lease for the duration of the lease. Term leases also include lifecycle leases, under which lessees will lease containers until they reach a pre-specified age which is typically near the end of their useful lives rather than for a specified period. Once containers under lifecycle leases are returned to us, they are generally sold due to the age of the containers. Term leases provide us with enhanced cash flow certainty due to their extended duration but carry lower per diem rates than other lease types.

As of December 31, 2021, our term leases had an average remaining duration of 4.0 years, assuming no leases are renewed. However, we believe that many of our customers will renew leases for containers that are less than sale age at the expiration of the lease. In addition, for leases that are not extended our containers typically remain on-hire at the contractual per diem rate for an additional several months beyond the end of the contractual lease term. For additional information about the minimum future rentals under the long-term leases for our owned and managed fleet at December 31, 2021, see Note 5 "Leases" in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

Finance Leases

Finance leases provide our lessees with an alternative method to finance their container acquisitions. Finance leases are long-term in nature, typically ranging from three to thirteen years and require relatively little customer service attention. They ordinarily require fixed payments over a defined period and provide lessees with a right to purchase the subject containers for a nominal amount at the end of the lease term. Per diem rates include an element of repayment of capital and, therefore, typically are higher than rates charged under other leases. Finance leases require the lessee to keep the containers on lease for the entire term of the lease. As of December 31, 2021, our finance leases had an average remaining term of 10.8 years.

Master leases

Master leases provide a framework of terms and conditions pursuant to which lessees can lease containers on an as-needed basis for unspecified periods of time. Master lease terms and conditions are valid for a set period, typically one year, and provide the lessee with greater flexibility than is typical in term leases. Under our master leases, lessees know in advance their per diem rates and drop-off locations, subject to monthly drop-off location limits. In addition, under these master lease agreements, the lessee is generally not committed to leasing a minimum number of containers from us during the lease term and may generally return the containers to us at any time, subject to certain restrictions. Due to their flexibility and duration, master leases command higher per diem rates than term leases.

Spot leases

Spot leases provide the customer with containers for a relatively short lease period with fixed pick-up and drop-off locations. Spot leases are generally used to position a container to a desired location for subsequent lease or sale.

Lease Agreements

In general, our lease agreements consist of two basic elements, a master terms and conditions agreement ("Master Agreement"), and a lease schedule. Lease schedules contain the business terms (including daily rate, term duration and drop-off schedule, among other things) for specific leasing transactions, while Master Agreements outline the general rights and obligations of the lessor and lessee under all of the lease schedules covered by the Master Agreement. For most customers, we have a small number of Master Agreements (often one) and a large number of lease schedules.

Our standard Master Agreements generally require the lessees to pay rentals, depot charges, taxes and other charges when due, to maintain the containers in good condition and repair, to return the containers in good condition in accordance with the return conditions set forth in the Master Agreement, to use the containers in compliance with all laws, and to pay us for the value of the containers as determined under the terms of the agreements if the container is lost or destroyed. The default clause gives us certain legal remedies in the event that the lessee is in breach of the lease.

Maintenance, Repair and Damage Protection

Under all of our leases, our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities. Any damage must be repaired at the expense of the lessee according to standardized guidelines promulgated by the Institute of International Container Lessors ("IICL"). Lessees are also required to obtain insurance to cover loss of the equipment on lease, public liability and property damage insurance as well as indemnify us from claims related to

their usage of the leased containers. In some cases, a Damage Protection Plan ("DPP") is provided whereby the lessee pays us a fee to assume a portion of the financial burden of repairs up to a pre-negotiated amount. A lessee may pay the DPP fee over the term of the lease in the form of a higher per-diem rate (which is recognized as earned over the term of the lease) or a fixed one-time lump sum payment upon the return of a container in exchange for not being charged for certain damages at the end of the lease term. We do not recognize DPP revenue and related expense over the lease term for customers who are billed at the end of the lease term under the DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectability of these amounts from lessees who are billed at the end of the lease term because the amounts due under the DPP are typically re-negotiated at the end of the lease term or the lease term is extended.

This DPP does not cover damages from war or war risks, loss of a container, constructive total loss of the container, damages caused by contamination or corrosion from cargo, damages to movable parts and any costs incurred in removing logos, which are all responsibilities of the lessees. DPP is generally cancelable by either party with prior written notice. Maintenance is monitored through inspections at the time that a container is leased out and returned. We also maintain our own insurance to cover our containers when they are not on-hire to lessees or when the lessee fails to have adequate primary coverage, and third-party liability insurance for both on-hire and off-hire containers.

Management Services

As of December 31, 2021, we owned 93% of the containers in our fleet and managed the rest on behalf of 10 unaffiliated container investors. We earn management fees from management of the container investor's containers, which include the leasing, repair, repositioning and storage of the managed fleet pursuant to management agreements with container investors. Typically, the terms of the management agreements are for the expected economic useful life in marine service of the containers subject to the agreement. Our management fees from leasing services are calculated as a percentage of net operating income of the containers. Our information technology ("IT") systems track revenues and operating expenses attributable to specific containers and the container investors receive payments based on the net operating income of their own containers. Net operating income is calculated as the lease payment and any other revenue attributable to a container, minus operating expenses related to that container (but not depreciation or financing expenses of the container investor). The container investors are responsible for the direct container expenses incurred in the operation of the managed fleet.

The management fee percentage generally varies based upon the type of lease and the terms of the management agreement. Management fee percentages for long-term leases are generally lower than management fee percentages for master or spot leases because less daily involvement by management personnel is required to manage long-term leases. Fees to manage containers typically include acquisition fees of 1% to 2% of the purchase price; daily management fees of 8% to 12% of net operating income; and disposal fees of 5% to 10% of cash proceeds when containers are sold. If operating expenses were to exceed revenues, the container investors would be obligated to pay the excess or we would deduct the excess, including our management fee, from future net operating income.

We continue to serve as a long-standing supplier of leased marine containers and chassis to the U.S. Military since 2003 through our contract with the U.S. Transportation Command Directorate of Acquisition ("USTranscom"). Compared to our shipping line customers, we provide a much broader level of services to the U.S. Military under the USTranscom contract. Furthermore, unlike our shipping line customers, who pick up from and return containers to container depots, for the U.S. Military we are required to arrange transportation from a container depot to a military facility upon lease out and to pick up a container at a military facility and return it to a container depot when the lease period has ended. This requires us to arrange for movement of the empty containers by truck, rail and/or vessel. The USTranscom contract provides added compensation for these services. In January 2019, the USTranscom had issued a multi-vendor contract that included us as one of three vendors. The new contract covers a base year starting on March 1, 2019, with four option years running through February 29, 2024. On March 1, 2022, Textainer exercised the right to supply containers for the fourth out of five years (or third option year).

Resale of Containers

We sell containers to optimize their residual value in multiple markets, including locations with low lease-out demand. Our Resale Division sells off-hire containers from our fleet at the end, typically about 13 years, of their useful lives in marine service or when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair, and possible repositioning expenses. In addition, we buy new trading containers and used trading containers from shipping lines and other third parties that we then lease or resell. We generally sell containers to depots, domestic storage companies, freight forwarders (who often use the containers for one-way trips into less developed countries) and other purchasers of used containers. Our Resale Division has a team of container sales and operations specialists in five offices globally that manage the sale process for these used containers. Our Resale Division is one of the largest sellers of used containers among container lessors, selling an average of approximately 130,000 containers per year for the last five years to more than 1,000 customers.

Re-leasing, Logistics and Depot Management

We believe that managing the period after termination of our containers' first lease is one of the most important aspects of our business. The container shipping industry is characterized by large regional trade imbalances, with loaded containers generally flowing from export-oriented economies in Asia to North America and Western Europe. Because of these trade imbalances, container shipping lines have an incentive to return leased containers in North America and Western Europe to avoid the cost of shipping empty containers back to Asia. Successful management of the deployment of our containers after they come off their first lease requires disciplined re-leasing capabilities, logistics management, depot management, careful cost control and profitable disposals of used containers.

Re-leasing

Since our leases allow our lessees to return their containers, we typically lease a container several times during its life. New containers can usually be leased with a limited sales and customer service infrastructure because initial leases for new containers typically cover large volumes of units and are fairly standardized transactions. Used containers, on the other hand, are typically leased in smaller transactions that are structured to accommodate pick-ups and returns in a variety of locations. Our utilization rates depend in part on our re-leasing capabilities. Factors that affect our ability to re-lease used containers include the size of our lessee base, ability to anticipate lessee needs, their presence in relevant geographic locations and the level of service we provide our lessees. We believe that our global presence and long-term relationships with our container lessees provide us an advantage in re-leasing our containers relative to many of our smaller competitors.

Logistics

Other methods of reducing off-lease risks include:

- *Limiting or prohibiting container returns to low-demand areas*. In order to reduce our repositioning costs, our leases typically include a prohibition on returning containers to specific locations, limitations on the number of containers that may be returned to lower demand locations, drop-off charges for returning containers to lower demand locations or a combination of these provisions.
- *Taking advantage of a robust resale market when available*. In order to optimize the investment return on a container, we have sold containers in our excess inventory and/or weak demand locations when an analysis indicates it is financially more attractive than attempting to re-lease or reposition the container.
- *Seeking one-way lease opportunities to move containers from lower demand locations to higher demand locations*. One-way leases may include incentives, such as free days, credits and limited damage waivers. The cost of offering these incentives is generally less than the cost we would incur if we were to pay to reposition the containers. We also use one-way leases to move containers from locations where the market price for selling containers is low to locations with a higher market price, to improve the resale value of the containers.
- *Paying to reposition our containers to higher demand locations*. At locations where our inventories remain high, despite the efforts described above, we will selectively choose to pay to reposition excess containers to locations with higher demand or higher resale prices.
- *Diversifying our customers*. We have sought to diversify our customers and, correspondingly, the locations where containers are needed around the world.

Depot Management

As of December 31, 2021, we managed our container fleet through approximately 400 independent container depot facilities in approximately 200 locations. Depot facilities are generally responsible for repairing containers when they are returned by lessees and for storing the containers while they are off-hire. Our operations group is responsible for managing our depot relationships and periodically visiting the depot facilities to conduct quality assurance audits to control costs and ensure repairs meet industry standards. Our container repair standards and processes are generally managed in accordance with standards and procedures specified by the IICL. At the time that containers are returned by lessees, the depot arranges an inspection of the containers to assess the repairs required to return the containers to acceptable IICL condition. In general, lessees are responsible for the lessee damage portion of the repair costs, such as dents in the container and debris left in the container, and we are responsible for normal wear and tear.

We occasionally supplement our internal operations group with the use of independent inspection agents. Furthermore, depot repair work is periodically audited to prevent over-charging. We are in regular communication with our depot partners through the use of electronic data interchange (“EDI”) and/or e-mail. The electronic exchange of container activity information with each depot is conducted via the internet, and majority of our depots are able to report container activity and damage detail via EDI. We use the industry standard, ISO 9897 Container Equipment Data Exchange messages, for most EDI reporting. Most of the depot agency agreements follow a standard form and generally provide that the depot will be liable for loss or damage of off-hire containers and, in the event of loss, will pay us the previously agreed loss value of the applicable containers. The agreements require the depots to maintain insurance against container loss or damage and we carry insurance to cover the risk when a depot’s insurance proves insufficient.

Credit Controls

We monitor our customers’ performance and our lease exposures on an on-going basis. Our credit committee sets different maximum credit exposure limits depending on our relationship and previous experience with each customer lessee and container sales customer. Credit criteria may include, but are not limited to, trade route, country, social and political climate, assessments of financial performance including net worth and profitability, asset ownership, bank and trade credit references, credit bureau reports, operational history and financial strength.

Our marketing and resale staff are also responsible for monitoring collections, which positively contributes to our strong collection and credit approval process through our staff's close communication with our customers. Our credit management processes are aided by the long payment experience we have with most of our customer lessees and container sales customers, our broad network of long-standing relationships in the container shipping industry that provides current information about customer lessees' and container sales customers' market reputations and our focus on collections.

We historically have high recovery rates for containers in default situations and the re-marketability of our container fleet reduces our losses resulting from lessee defaults. From 2015 through 2021, we recovered on average, 85% of the containers that were the subject of defaulted contracts where we had completed the recovery process and had at least 1,000 CEU on lease to the customer. The growth in the container shipping industry also helps reduce the risk of customer defaults since the core assets of a poorly performing shipping line, its ships and containers, have historically been needed to meet the demand for world containerized trade. In addition, the law in several major port locations is highly favorable to creditors and many of our large customers call on ports that will allow us to arrest, or seize, the customers' ships or fuel storage bunkers, or repossess our containers if the customer is in default under our container leases. We previously maintained insurance that covered certain costs typically incurred such as repairs and repositioning when containers are recovered after a default. However, after a major bankruptcy in the shipping industry in 2016, the availability of credit insurance protection became much more limited. While we previously maintained insurance to cover some defaults, recent premium increases, large deductible amounts and significant policy exclusions made the coverage uneconomic and we determined to lapse our coverage for 2021.

Marketing and Customer Service

Our global sales and customer service force is responsible for developing and maintaining relationships with senior management staff at our shipping line customers, negotiating lease contracts and maintaining day-to-day coordination with operations staff. This close customer communication often assists us in negotiating lease contracts that satisfy both our financial return requirements and our customers' operating needs. It also makes us more likely to be aware of our customers' potential equipment shortages and makes our customers more likely to be aware of our available container inventories. We have marketing and customer service personnel in North America, Asia, Australia, Europe and in Africa. Our senior sales people have considerable industry experience and we believe that the quality of our customer relationships and the level of communication with our customers represent an important advantage for us.

Customers

Our customers are mainly international shipping lines, but we also lease containers to freight forwarding companies and the U.S. Military. Our scale, long presence in the business and reliability as a supplier of containers in locations where our customers need them has resulted in very strong relationships with our shipping line customers. Our top 20 customers, as measured by revenues, have on average been our customers for 29 years, and include almost all of the world's largest shipping lines, as measured by container vessel fleet size. Our top 20 and top 5 customers accounted for approximately 89.8% and 59.1%, respectively, of our total fleet's 2021 lease rental income. Our three largest customers in 2021 accounted for $158 million or 21.0%, $92 million or 12.2% and $91 million or 12.1% of our total fleet's 2021 lease rental income. A default by any of our major customers could have a material adverse impact on our business, results from operations and financial condition.

Proprietary Information Technology

We have developed proprietary IT systems that allow us to monitor container status and offer our customers a high level of service. Our systems include internet-based updates regarding container availability and booking status. Our systems record the status of and provide the accounting and billing for each of our containers individually by container number. We also have the ability to produce complete management reports for each portfolio of equipment we own and manage. This makes us a preferred candidate to quickly assume management of competitors' container fleets. We also maintain proprietary technology in support of our military business.

In addition, our systems allow our business partners to conduct certain business with us through our website, *www.textainer.com*. These systems allow customers to check our container inventories, review design specifications,

request bookings for container pick-ups, create redelivery bookings and review and approve repair bills. Our website also allows depots to download recent statements for self-billing activity and to check the status of containers.

Suppliers

We have long relationships with all of our major suppliers. We currently purchase all of our containers in the PRC. There are currently three major manufacturers, in addition to few smaller manufacturers, of dry freight standard and specialized containers. Our operations staff reviews the designs for our containers and periodically audits the production facilities of our suppliers. In addition, we use our Asian operations group and occasionally third-party inspectors to visit factories when our containers are being produced to provide an extra layer of quality control. Nevertheless, defects in our containers do sometimes occur. We work with the manufacturers to correct these defects, and our manufacturers have generally honored their warranty obligations in such cases.

Competition

We compete with at least five other major container leasing companies in addition to many smaller lessors, companies and financial institutions offering finance leases, and promoters of container ownership and leasing as a tax-efficient investment. It is common for our shipping line customers to utilize several leasing companies to meet their container needs.

Other lessors compete with us in many ways, including pricing, lease flexibility and supply reliability, as well as the location, availability, quality and individual characteristics of their containers and customer service. While we are forced to compete aggressively on price, we emphasize our supply reliability and high level of customer service to our customers. We invest heavily to ensure container availability in higher demand locations. We dedicate a large part of our organization to building customer relationships, maintaining close day-to-day coordination with customers' operating staff and have developed powerful and user-friendly systems that allow our customers to transact business with us through the internet. We believe that our close customer relationships, experienced staff, reputation for market leadership, scale efficiencies and proprietary systems provide important competitive advantages.

Legal Proceedings

From time to time we are a party to litigation matters arising in connection with the normal course of our business. While we cannot predict the outcome of these matters, in the opinion of our management, any liability arising from these matters will not have a material adverse effect on our business. Nevertheless, unexpected adverse future events, such as an unforeseen development in our existing proceedings, new claims brought against us or changes in our current insurance arrangements could result in liabilities that have a material adverse impact on our business.

Environmental Responsibility

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. While we maintain certain limited liability insurance coverage as well as require our lessees to provide us with indemnity against certain losses, the insurance coverage may not be sufficient to protect us against losses arising from environmental damage and/or systems or services we may be required to install.

Container shipping has been a key element in furthering world trade and related economic development. Containerization and the use of ever larger vessels have a significantly lower environmental footprint than other forms of shipping such as air freight. Additionally, at the end of container's useful life at sea, they are not sent to landfills and have a myriad of additional uses, including as construction sheds, static storage and as shelter or housing. Containers used for these purposes have a positive environmental benefit by reducing the need to use new materials to create these storage or housing solutions.

In addition to environmental regulations affecting container movement, shipping, movement and spillage, environmental regulations also impact container production and operation, including regulations on the use of chemical refrigerants (i.e. CFC's and solvent-based paints) due to their ozone depleting and global warming effects, and regulations on the cutting and export of hardwood due to concerns regarding de-forestation and climate change. These environmental regulations may impact the future repair and operating costs for these containers, and we could be required to incur large retrofitting expenses for our refrigerated containers. To comply with new regulations, water borne paint systems have been developed and are being used by container manufacturers. The conversion to water borne paint may impact factory capacity, increase the cost of containers and require greater investment by us in container inspection and factory supervision.

We are an active member in industry groups such as the International Institute of Container Lessors that participate in industry projects such as the evaluation and development of more environmentally friendly container flooring that use bamboo rather than endangered hardwoods. We worked closely with container factories and others in the industry to complete the shift to container flooring that uses farmed wood, such as larch, birch, eucalyptuses and bamboo and we are also supporting industry efforts to implement a floor design which would reduce approximately 30% of the wood content (by substituting steel for wood). We support industry efforts to explore other flooring materials such as orientated strand board and the use of recycled materials. We have also worked with and supported our container suppliers' transition to the use of waterborne paint that does not use harmful solvents in the drying process. This occurred about five years ago for dry freight containers and the transition is now occurring for refrigerated containers.

For further discussions, see Item 3, "*Key Information -- Risk Factors – Environmental liability and regulations may adversely affect our business, results of operations and financial condition.*"

Regulation

We may be subject to regulations promulgated in various countries, including the U.S., seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. As these regulations develop and change, we may incur increased compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet any new requirements imposed by such regulations. For further discussions, see Item 3, "*Key Information -- Risk Factors – We may incur costs associated with cargo security regulations, which may adversely affect our business, results of operations and financial condition*". We may also be affected by legal or regulatory responses to potential global climate change. Please see Item 3, "*Key Information -- Risk Factors – Environmental liability and regulations may adversely affect our business, results of operations and financial condition.*".

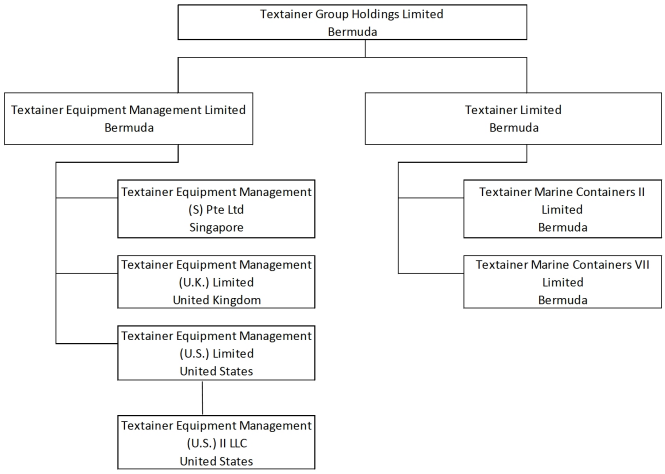
Human Capital Management

We seek to attract, retain, and develop the best talent available in order to drive our continued success and achieve our business goals. Our management team has a solid history in the industry with extensive experience in sourcing, leasing, financing, selling and managing containers. As of December 31, 2021, our global workforce was comprised of approximately 164 employees located in 14 regional and area offices in 13 different countries. We are not a party to any collective bargaining agreements. Our employment policies and procedures are designed to provide a work environment that is responsive to and supportive of each employee's objectives and we provide competitive compensation and benefits, and meaningful recognition programs to inspire outstanding team and individual performance. As an equal employment opportunity employer, we have protections in place for all protected groups through our Code of Business Conduct and Ethics. We strive for an inclusive, safe, and respectful work environment that fosters employee growth and development.

In 2020, the COVID-19 pandemic had a significant impact on our human capital management. In response to the pandemic, the Company has continued to operate in a remote working environment to support the health and well-being of our employees. The majority of our workforce worked remotely beginning in the first quarter of 2020 and continued into 2022 without significant impacts to productivity, and we have put into place health and safety measures to enable our operations to continue without significant impact. Our agile shift to remote work and use of telecommuting resources created a smooth business transition that allowed for continued collaboration.

C. Organizational Structure

Our current corporate structure as of March 17, 2022 is as follows:



D. Property, Plant and Equipment

We maintain an office in Bermuda, where Textainer Group Holdings Limited is incorporated. We have 14 offices including our head office in Bermuda, our administrative office in San Francisco, California and offices in Cranford, New Jersey; New Malden, United Kingdom; Hamburg, Germany; Durban, South Africa; Yokohama, Japan; Seoul, South Korea; Taipei, Taiwan; Singapore; Sydney, Australia; Port Kelang, Malaysia; Hong Kong; and Shanghai, China.

We lease our office space in Bermuda, the U.S., United Kingdom and Singapore and have exclusive agents that secure office space for us in our other locations. The lease for our Bermuda office expires in August 2022, the lease for our San Francisco office expires in May 2027, the lease for our Cranford, New Jersey office expires in January 2025, the lease for our New Malden, United Kingdom office expires in December 2024 and our lease for our Singapore office expires in July 2024. In addition, we have non-exclusive agents who represent us in India, Indonesia, Republic of the Philippines, Sri Lanka, and Thailand. We believe that our current facilities are adequate to meet current requirements and that additional or substitute space will be available as needed to accommodate our expected growth.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following Operating and Financial Review and Prospects should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 20-F. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See "Information Regarding Forward-Looking Statements; Cautionary Language." Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 20-F, particularly in Item 3, "Key Information-- Risk Factors."

Dollar amounts in this section of this Annual Report on Form 20-F are expressed in thousands of U.S. dollars unless otherwise indicated.

For the discussion of the financial condition and results of operations for the years ended December 31, 2020 compared to the year ended December 31, 2019, refer to Item 5 "Operating and Financial Review and Prospects - Operating Results" and "- Liquidity and Capital Resources" in our Form 20-F for the fiscal year ended December 31, 2020 filed with the U.S. Securities and Exchange Commission on March 18, 2021, which discussion is incorporated herein by reference.

Overview

Operating since 1979, we are one of the world's largest lessors of intermodal containers based on fleet size, with a total fleet of approximately 2.7 million containers, representing 4.3 million TEU. During 2021: (i) we invested in approximately $2.0 billion of containers for our fleet, (ii) our utilization averaged 99.8% in 2021 compared to 96.6% in 2020, (iii) our total fleet surpassed 4.5 million CEU as of December 31, 2021, and (iv) we repurchased approximately 2,426,725 shares of our common shares.

Our business comprises of three reportable segments for financial reporting purposes: Container Ownership, Container Management and Container Resale. Our total revenues primarily consist of leasing revenues derived from the leasing of our owned and managed containers and other non-leasing fees received for managing containers owned by third parties, equipment resale and military management. For further details of our business overview, see Item 4, "*Information on the Company.*"

COVID-19 Impact

The COVID-19 pandemic has had significant impacts on global economies. Governments and other organizations around the world have taken, and may take additional or reimpose previous, emergency measures to combat COVID-19's spread, including vaccination requirements, implementation of travel bans, shelter-in-place orders and closures of offices, factories, schools and businesses. The decrease in global trade volumes and economic activity due to the COVID-19 pandemic led to disruptions in global shipping and reduced container demand during the first half of 2020. However, we have seen sharp rebound in cargo volumes and leasing demand since the second half of 2020, and continued into 2022, as high demand for consumer goods and supply chain congestion have caused freight volumes to increase. Even as certain government restrictions are lifted and economies gradually stabilized, the shape of the economic recovery is still uncertain as the global vaccination efforts experienced divergent progress and COVID-19 continues to mutate and spread in many places.

We heavily invested in new containers during 2021 in response to strong container demand, which is expected to remain through late 2022 due to high trade activity and prolonged supply-chain disruptions. We currently believe these disruptions are temporary and we have strongly benefited from the increased global containerized trade disruptions that have emerged since the second half of 2020 and throughout 2021. Although we continue to see opportunities for growth at attractive yields for 2022, we are starting to see more normalized levels of container capital expenditures in the new year. While macro uncertainty from COVID-19 remains, we are strategically well positioned in the market as we look out at 2022 and beyond, due to our strong financial performance, our customers' improved financial performance and strengthening credit profile, the stability provided by the long tenors of our fixed-rate leases and fixed-rate debt, and the overall strong market fundamentals arising from expected elevated

cargo volumes through late 2022. For additional information regarding the risk and uncertainties that we could encounter as a result of the COVID-19 pandemic and related global conditions, see Item 3, "*Key Information - Risk Factors*" and elsewhere in this Annual Report on Form 20-F.

Key Factors Affecting Our Performance

We believe there are a number of key factors that have affected, and are likely to continue to affect, our operating performance. These key factors include the following, among others:

- the demand for leased containers;
- lease rates;
- steel prices and the price and availability of other container components;
- interest rates and availability of debt financing at acceptable terms;
- our ability to lease our new containers shortly after we purchase them;
- access to container production capacity;
- prices of new and used containers and the impact of changing prices on containers held for sale and the residual value of our in-fleet owned containers;
- remarketing risk;
- the creditworthiness of our customers;
- further consolidation among shipping lines and/or container lessors;
- further consolidation of container manufacturers and/or decreased access to new containers; and
- global and macroeconomic factors that affect trade generally, such as recessions, terrorist attacks, pandemics, such as the COVID-19 pandemic, or the outbreak of war and hostilities.

For further details of these and other factors which may affect our business and results of operations, see Item 3, "*Key Information-- Risk Factors.*"

Key Operating Metrics

The most important driver of our profitability is the extent to which our leasing revenues exceed our operating costs. The key drivers of our leasing revenues are fleet size, lease rates, and utilization. Our operating costs primarily consist of depreciation, direct costs related to the operations of our owned and managed fleet, and interest expense. Our profitability is also driven by the gains or losses we realize on the sale of our containers.

Fleet Size. Our total fleet consists of containers that we own, and containers owned by other container investors that we manage. The size of our fleet increased in 2021 as we heavily invested in new containers in response to strong container demand. During 2021, we purchased approximately $2.0 billion of containers for our fleet, virtually all of which are currently on lease with tenors in excess of 12 years. The table below summarizes the composition of our total fleet, in TEU and CEU, by type of container as of December 31, 2021, 2020 and 2019. TEU and CEU are standard industry measures of container size and relative value and are used to measure the quantity of containers that make up our revenue earning assets:

	Total Fleet in TEU			Total Fleet in CEU		
	2021	2020	2019	2021	2020	2019
Standard dry freight	4,060,296	3,522,809	3,265,890	3,593,693	3,139,487	2,926,534
Refrigerated	203,413	191,593	168,684	818,224	772,458	681,688
Other specialized	58,658	59,651	66,238	91,587	93,015	102,930
Total fleet	4,322,367	3,774,053	3,500,812	4,503,504	4,004,960	3,711,152

Lease Rates. We generate lease rental income by leasing our owned container fleet and managed container fleet to container shipping lines and other customers. Lease rental income on operating lease contracts comprises daily per diem rental charges due under the lease agreements and on finance lease contracts represents interest income earned under finance lease contracts, together with payments for other charges set forth in the leases, such as handling fees, drop-off charges and pick-up charges and credits (together "geography revenue") and charges for a DPP. For further details of our types of leases, see Item 4, "*Information of the Company—Business Overview.*"

Lease rental income is affected by per diem rates. The per diem rate for a lease is set at the time we enter into a lease agreement. Our long-term per diem rate for new containers has historically been strongly influenced by new container pricing (which in turn is heavily influenced by the cost of container manufacturing inputs such as steel, paint, wood, labor and other components), interest rates, the balance of supply and demand for containers at a particular time and location, our estimate of the residual value of the container at the end of its useful life in marine service, type of the container being leased, container purchasing activities by container shipping lines and competitors, and efficiencies in container utilization by container shipping lines. Average per diem rates for containers in our owned fleet and in the portfolios of containers comprising our managed fleet change slowly in response to changes in new container prices because existing lease agreements can only be re-priced upon expiration of the lease. New container prices significantly increased during 2021, and current price quotes for 20' dry containers are in the range of $3,400. Average lease rates of our containers on operating leases increased by 5.1% in 2021 compared to 2020, primarily reflecting the favorable current market environment and impact of higher new container prices.

Utilization. Utilization is a key performance indicator that demonstrates how much of our equipment is on lease at a point in time or over a period of time. We measure utilization on the basis of CEU on lease, dividing the actual number of CEU days on-hire by actual CEU days available for lease. We calculate containers available for lease by excluding containers that have been manufactured for us but have not yet been delivered to a lessee and containers designated as held for sale units. Our utilization is primarily a function of our current lease structure, overall level of container demand, the location of our available containers and prevailing lease terms by location. The location of available containers is critical because containers available in high-demand locations are more readily leased and are typically leased on more favorable terms than containers available in low-demand locations.

During 2021, our average utilization increased as trade volumes and global supply-chain disruptions have continued to drive container demand, which is expected to continue through most of 2022. The following table summarizes our average total fleet utilization (CEU basis) for the years ended December 31, 2021, 2020 and 2019.:

	2021	2020	2019
Average utilization	99.8%	96.6%	97.4%

Container Sales. Containers are generally sold at the end of their useful lives in marine service or when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair and possible repositioning expenses. In addition, we purchase new trading containers and used containers from third parties, primarily shipping lines, and resell these containers to a wide variety of buyers. Disposal volumes were lower during 2021 compared to 2020 due to our limited inventory of containers available for sale. Sales prices of our containers increased in 2021 compared to 2020 primarily due to increase in trade volumes, increased demand and general shortage of containers.

Operating Expenses. Storage, handling, maintenance, repositioning, agency costs, insurance expenses and other direct container expenses are operating costs of our fleet. Storage and handling expenses occur when our customers drop off containers at depots around the world. Storage and handling expenses vary significantly by location. Other direct container expenses include maintenance expenses, which are the result of normal wear and tear on the containers, and repositioning expenses, which are incurred when we contract to move containers from locations where our inventories exceed actual or expected demand to locations with higher demand. Storage, handling, maintenance, repositioning, and other direct container expenses are directly related to the number of containers in our fleet and inversely related to our utilization rate for those containers. As utilization increases, we typically have lower storage, handling, maintenance and repositioning expenses.

Our operating costs primarily consist of depreciation expense on our owned fleet. We depreciate our standard dry freight containers over a period of 13 to 14 years, refrigerated containers over a period of 12 years, tank containers over a period of 20 years and open top and flat rack containers over a period of 14 to 16 years, on a straight-line basis to a fixed residual value. We regularly assess both the estimated useful life of our containers and the expected residual values, and, when warranted, adjust our depreciation estimates accordingly. Depreciation expense will vary over time based upon the size and the purchase price of containers in our owned fleet.

Interest Expense. Interest expense increased $4,039 from 2020 to 2021 due to a higher average debt balance from funding increased container investment of our owned fleet, partially offset by a decrease in average effective interest rate mainly driven by refinancing of our debt as we took advantage of the low interest rate environment.

A. Operating Results

Comparison of the Years Ended December 31, 2021 and 2020

The following table summarizes our revenues and gain on sale of owned fleet containers, net for the years ended December 31, 2021 and 2020 and changes between those periods:

	Year Ended December 31,		2021 vs 2020	
	2021	2020	$ Change	% Change
	(Dollars in thousands)			
Lease rental income - owned fleet	$ 694,693	$ 538,425	$ 156,268	29.0%
Lease rental income - managed fleet	$ 56,037	62,448	(6,411)	(10.3%)
Lease rental income	$ 750,730	$ 600,873	$ 149,857	24.9%
Management fees - non-leasing	$ 3,360	$ 5,271	$ (1,911)	(36.3%)
Trading container sales proceeds	$ 32,045	$ 31,941	$ 104	0.3%
Cost of trading containers sold	(21,285)	(28,409)	7,124	(25.1%)
Trading container margin	$ 10,760	$ 3,532	$ 7,228	204.6%
Gain on sale of owned fleet containers, net	$ 67,229	$ 27,230	$ 39,999	146.9%

Lease rental income - increased $149,857 from 2020 to 2021 primarily due to an increase of $58,435 in the growth of our fleet on finance leases, an increase of $40,290 (8.1%) in our total operating fleet that was available for lease, an increase of $40,219 (5.1%) in average per diem rental rates and an increase of $21,093 (3.8%) in utilization, partially offset by a decrease of $15,115 in ancillary lease revenues due to lower drop-off activity.

Management fees – non-leasing decreased $1,911 from 2020 to 2021 primarily due to a decrease of $1,763 in sales commissions primarily due to a reduction in the managed fleet size.

Trading container margin increased $7,228 from 2020 to 2021; $8,934 of the increase resulted from an improvement in per unit margin due to a significant increase in container selling prices, partially offset by a $1,706 decrease which resulted from a reduction in unit sales volume due to our limited inventory of containers available for sale.

Gain on sale of owned fleet containers, net, increased $39,999 from 2020 to 2021; $50,697 of the increase resulted from an improvement in average gain per container sold due to a significant increase in container selling prices and $2,769 of the increase resulted from an increase in day-one gain on sales-type leases, partially offset by a $13,467 decrase which resulted from a reduction in the number of containers being sold due to very low container drop-off volumes and our limited inventory of containers available for sale as a result of high utilization rates.

The following table summarizes our total operating expenses for the years ended December 31, 2021 and 2020 and changes between those periods:

	Year Ended December 31,		2021 vs 2020	
	2021	2020	$ Change	% Change
	(Dollars in thousands)			
Direct container expense - owned fleet	$ 23,384	$ 55,222	$ (31,838)	(57.7%)
Distribution expense to managed fleet container investors	50,360	57,311	(6,951)	(12.1%)
Depreciation expense	281,575	261,665	19,910	7.6%
Amortization expense	2,540	2,572	(32)	(1.2%)
General and administrative expense	46,462	41,880	4,582	10.9%
Bad debt recovery, net	(1,285)	(1,668)	383	(23.0%)
Container lessee default recovery, net	(1,088)	(1,675)	587	(35.0%)
Total operating expenses	$ 401,948	$ 415,307	$ (13,359)	(3.2%)

Direct container expense – owned fleet decreased $31,838 from 2020 to 2021 primarily due to a $18,649 decrease in storage expense and a $9,362 decrease in maintenance and handling expense, resulting from higher utilization, and a $2,437 decrease in insurance expense predominately resulting from our termination of the customer default coverage at the end of 2020.

Distribution expense to managed fleet container investors decreased $6,951 from 2020 to 2021 primarily due to a decrease in lease rental income of the managed fleet resulting from a reduction in the managed fleet size.

Depreciation expense increased $19,910 from 2020 to 2021; $31,389 of the increase was due to a net increase in the size of our owned depreciable fleet, partially offset by a $11,479 decrease due to a net decrease in writing down the value of containers held for sale to their estimated fair value less cost to sell, predominately resulting from improved mark to market value adjustments on certain containers held for sale.

General and administrative expense increased $4,582 from 2020 to 2021, primarily due to a $4,023 increase in incentive compensation and employee benefit costs resulting from improved company performance and IT system enhancement costs.

Bad debt recovery, net, decreased $383 from 2020 to 2021 primarily due to a decrease in the estimates for credit loss reserve on our net investment in finance leases and container leaseback financing receivable in 2021, partially offset by a larger improvement in collections and our general customer credit profile in 2020.

Container lessee default recovery, net for 2021 amounted to a recovery of $1,088, which is summarized in the below table,

	(Dollars in thousands)
Cost to recover containers with insolvent lessees	$ (3,781)
Charge for written off containers that were deemed unlikely to be recovered from insolvent lessees	(2,793)
Gain associated with recoveries, net of container recovery costs, on containers previously estimated as lost with an insolvent lessee in 2019 who subsequently exited out of bankruptcy	7,662
Container lessee default recovery, net	$ 1,088

Container lessee default expense recovery, net for 2020 amounted to a recovery of $1,675, primarily due to aggregate payments of $1,386 received on a settlement agreement with an insolvent lessee in the second quarter of 2020.

The following table summarizes other income (expenses) and income tax benefit (expense) for the years ended December 31, 2021 and 2010 and changes between those periods:

	Year Ended December 31,		2021 vs 2020	
	2021	2020	$ Change	% Change
	(Dollars in thousands)			
Interest expense	$ (127,269)	$ (123,230)	$ (4,039)	3.3%
Debt termination expense	(15,209)	(8,750)	(6,459)	73.8%
Interest income	123	531	(408)	(76.8)%
Realized loss on financial instruments, net	(5,634)	(12,295)	6,661	(54.2)%
Unrealized gain (loss) on financial instruments, net	4,409	(6,044)	10,453	(172.9)%
Other, net	(490)	1,488	(1,978)	(132.9)%
Net other expense	$ (144,070)	$ (148,300)	$ 4,230	(2.9)%
Income tax (expense) benefit	$ (1,773)	$ 374	$ (2,147)	(574.1)%

Interest expense increased $4,039 from 2020 to 2021 primarily due to a $32,003 increase resulting from an increase in the average debt balance of $987,767, partially offset by a $27,364 decrease resulting from a reduction in average interest rates of 0.57 percentage point.

Debt termination expense for 2021 amounted to $15,209, which included $10,631 loan termination expense and $1,235 write-off of unamortized debt issuance costs resulting from the early redemption of Textainer Marine Containers VI Limited (“TMCL VI”) Term Loan and $2,857 on the write-off of unamortized debt issuance costs of the early redemption of 2019-1 Bonds. Debt termination expense for 2020 amounted to $8,750, primarily related to the early redemption of 2017-1 Bonds, 2017-2 Bonds and 2018-1 Bonds.

Realized loss on financial instruments included amounts for our marketable securities and derivative instruments. Realized loss on marketable securities for 2021 amounted to $226, which was related to certain of the shares of marketable equity securities of a lessee that we received in the second quarter of 2021 for a bankruptcy settlement that were sold in the second half of 2021. Realized loss on derivative instruments, net decreased $6,887 from 2020 to 2021; the decrease was primarily due to the termination of all our interest rate swaps during the second and third quarters of 2021 that were not designated as cash flow hedges. See Note 9 "Derivative instruments" in Item 18, “Financial Statements” in this Annual Report on Form 20-F for further information.

Unrealized gain (loss) on financial instruments included amounts for our marketable securities and derivative instruments. Unrealized loss on marketable securities for 2021 amounted to $811, which was related to a fair value change in the marketable equity securities of a lessee that we received in the second quarter of 2021 for a bankruptcy settlement. Unrealized gain (loss) on derivative instruments, net changed from a net loss of $6,044 for 2020 to a net gain of $5,220 for 2021. These changes were primarily due to a reduction in the value of the interest rate derivatives in 2020 compared to an increase in the value of the interest rate derivatives in 2021, mainly resulting from a decrease and an increase in the forward LIBOR curve at the end of the respective periods. All our interest rate swaps that were not designated as cash flow hedges were terminated during the second and third quarters of 2021. See Note 9 "Derivative instruments" in Item 18, “Financial Statements” in this Annual Report on Form 20-F for further information.

Other, net for 2020 amounted to $1,488, which included aggregate payments of $830 received on a non-refundable deposit of a cancelled container purchase and lease arrangement with a customer and fee for the early release of cash withheld in escrow account for our acquisition of the LAPCO fleet in 2019.

Income tax (expense) benefit changed from a benefit of $374 for 2020 to an expense of $1,773 for 2021. This change is primarily due to an increase in pre-tax income, partially offset by an increased proportion of the Company’s income generated in lower tax jurisdictions in 2021. See Note 7 “Income Taxes” to our consolidated financial statements in Item 18, “Financial Statements” in this Annual Report on Form 20-F for further information.

Segment Information

For further discussion, see Note 1 “Nature of Business and Summary of Significant Accounting Policies” and Note 10 “Segment Information” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F.

The following table summarizes our income before income taxes attributable to each of our business segments for the years ended December 31, 2021 and 2020 (before inter-segment eliminations) and percentage changes between those periods:

	Year Ended December 31,		2021 vs 2020	
	2021	2020	$ Change	% Change
	(Dollars in thousands)			
Container ownership	$ 239,857	$ 41,831	$ 198,026	473.4%
Container management	46,706	23,641	23,065	97.6%
Container resale	19,166	16,433	2,733	16.6%
Other	(4,845)	(3,254)	(1,591)	48.9%
Eliminations	(14,823)	(5,352)	(9,471)	177.0%
Income before income tax	$ 286,061	$ 73,299	$ 212,762	290.3%

Income before income taxes attributable to the Container Ownership segment increased $198,026 from 2020 to 2021. The following table summarizes the variances included within this increase:

	From 2020 to 2021
Increase in lease rental income - owned fleet	$ 156,511
Increase in gain on sale of owned fleet containers, net	39,999
Decrease in direct container expense	17,419
Change from unrealized loss to unrealized gain on derivative instruments, net	11,264
Decrease in realized loss on derivative instruments, net	6,887
Increase in depreciation expense	(21,209)
Increase in debt termination expense	(6,459)
Increase in interest expense	(3,765)
Other	(2,621)
	$ 198,026

Income before income taxes attributable to the Container Management segment increased $23,065 from 2020 to 2021. The following table summarizes the variances included within this increase:

	From 2020 to 2021
Increase in management fees	$ 28,418
Decrease in distribution expense to managed fleet container investors	6,951
Decrease in lease rental income - managed fleet	(6,411)
Increase in general and administrative expense	(4,137)
Other	(1,756)
	$ 23,065

Income before income taxes attributable to the Container Resale segment increased $2,733 from 2020 to 2021. The following table summarizes the variances included within this increase:

	From 2020 to 2021
Increase in gain on container trading, net	$ 7,238
Decrease in management fees	(4,384)
Other	(121)
	$ 2,733

Loss before income taxes attributable to Other activities unrelated to our reportable business segments increased $1,591 from 2020 to 2021 primarily due to change from foreign exchange gain to foreign exchange loss and an increase in general and administrative expense.

Segment eliminations increased $9,471 from 2020 to 2021. This change consisted of a $10,940 increase in acquisition fees received by our Container Management segment from our Container Ownership segment, partially offset by a $1,470 increase in depreciation expense related to capitalized acquisition fees received by our Container Management segment from our Container Ownership segment. Our Container Ownership segment capitalizes acquisition fees billed by our Container Management segment as part of containers, net and records depreciation expense to amortize the acquisition fees over the useful lives of the containers, which is eliminated in consolidation.

Currency

Almost all of our revenues are denominated in U.S. dollars and our direct container expenses and operating expenses were substantially denominated in U.S. dollars. However, we pay our non-U.S. employees in local currencies and certain operating expenses are denominated in foreign currencies. Our operations in locations outside of the U.S. have some exposure to foreign currency fluctuations, and trade growth and the direction of trade flows can be influenced by large changes in relative currency values. For further detail on foreign currencies, see Note 1 “Nature of Business and Summary of Significant Accounting Policies” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F).

B. Liquidity and Capital Resources

As of December 31, 2021, we had cash and cash equivalents (including restricted cash) of $282,572. For the year ended December 31, 2021, cash provided by operating activities, together with the proceeds from container leaseback financing receivable and proceeds from sale of containers and fixed assets was $784,178. In addition, we had $863,401 of maximum borrowing capacity remaining under our debt facilities as of December 31, 2021. We have successfully utilized a wide variety of debt financing alternatives to fund our growth, including revolving credit facilities, term loans and bonds payable. We believe this diversity of debt funding, combined with our access to the public equity markets, provides us with an advantage in terms of both cost and availability of capital, versus our smaller competitors and also some of our shipping line customers. It is likely that we will generate sufficient operating cash flow to meet these ongoing obligations in the foreseeable future.

Our principal sources of liquidity have been our cash flows from operations including the sale of containers and borrowings under debt facilities. Our cash inflows from operations are affected by the utilization rate of our fleet and the per diem rates of our leases, whereas the cash inflows from proceeds for the sale of containers are affected by market demand for used containers and our available inventory of containers for sale. Our cash outflows are affected by payments and expenses primarily related to our purchasing of containers, required principal and interest payments on our debt obligations, and any dividends and share repurchases. Also, see our discussion in Note 11 “Commitments and Contingencies” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F, which may place demands on our short-term liquidity.

Assuming that our lenders remain solvent, and lessees meet their lease payment obligations, we currently believe that our existing cash and cash equivalents, cash flows generated from operations, proceeds from the sale of containers and borrowing availability under our debt facilities are sufficient to meet our working capital needs and other capital and liquidity requirements for the next twelve months. While we are not yet through the pandemic, the financial performance of our customers has generally held up better than anticipated since our customers continue to

benefit from recent high cargo volumes and high freight rates. We will continue to monitor our liquidity and the credit markets in light of the global economic uncertainty and financial market conditions caused by the COVID-19 pandemic. However, we cannot predict with any certainty the impact on the Company of any further disruptions in the credit environment.

Capital Expenditures and Commitments

As of December 31, 2021, we had container contracts payable to manufacturers of $140,968. During 2021, we paid $2,102,524 for containers and fixed assets, including for containers under leaseback financing receivable, and we have $486,885 of total purchase commitments for future container investments for delivery in 2022. Our capital requirements are primarily financed through cash flows from operations and our debt facilities. The timing of our debt refinancing will depend on our level of future purchases of containers, the size of our debt facilities in the future, and prevailing conditions in the debt markets.

As of December 31, 2021, we had $12,329 of future payment obligations related to our office operating leases, of which $2,271 is due within the next twelve months (for further detail, see Note 5 “Leases” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F).

As of December 31, 2021, we had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Dividends

During 2021, we paid $9,975 of cash dividends to our preferred shareholders. As of December 31, 2021, we have cumulative unpaid preferred dividends of $854. For further detail of our preferred shares, see Note 13 “Shareholders’ Equity” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F.

Our board of directors approved the reinstatement of the common share dividend program and declared a $0.25 cash dividend per common share during 2021 for a total aggregate amount of $12,285 to our common shareholders.

Share Repurchase Program

Since the inception of the program in 2019, we repurchased an aggregate total of $149,310 under our share repurchase program, of which $72,220 were repurchased during 2021 (for further detail, see Item 16E, “*Purchases of Equity Securities by the Issuer and Affiliated Purchasers*”).

Preferred Share Offering

During 2021, we completed the offering of our Series A Preferred Shares and Series B Preferred Shares which generated aggregate gross proceeds of $300,000. The net proceeds of $289,580 from the offering were used for general corporate purposes, including the purchase of additional containers (for further discussions, see Note 13 “Shareholders’ Equity” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F).

Description of Indebtedness

As of December 31, 2021, the total outstanding principal balance on our debt facilities was $5,381,163, of which $388,831 are due within the next twelve months. Final maturities on these debt facilities are between September 2023 and August 2046. As of December 31, 2021, approximately 92% of our debt facilities have either fixed interest rates or floating interest rates that have been synthetically fixed through interest rate swap agreements. From time to time, we may issue additional debt in order to raise capital for future requirements. For further discussions and detail on the estimated future principal payments on our debt obligations, see Note 8 “Debt” to our consolidated financial statements in Item 18, “*Financial Statements*” in this Annual Report on Form 20-F.

As of December 31, 2021, our estimated future aggregate interest payments on debt obligations amounted to $475,430 (including amounts due within the next twelve months of $107,956), and our estimated future aggregate interest payments on net interest rate swap payables amounted to $60,591 (including amounts due within the next twelve months of $13,365).

As of December 31, 2021, we had the following outstanding borrowings and borrowing capacities per debt facility (in thousands):

Facility:	Current Borrowing	Additional Borrowing Commitment	Total Commitment	Current Borrowing	Available Borrowing, as Limited by the Borrowing Base	Current and Available Borrowing
TL Revolving Credit Facility	$ 1,062,858	$ 437,142	$ 1,500,000	$ 1,062,858	$ 299,494	$ 1,362,352
TL 2019 Term Loan	138,578	—	138,578	138,578	—	138,578
TL 2021-1 Term loan	65,804	—	65,804	65,804	—	65,804
TL 2021-2 Term Loan	206,635	—	206,635	206,635	—	206,635
TMCL II Secured Debt Facility	1,073,741	426,259	1,500,000	1,073,741	—	1,073,741
TMCL VII 2020-1 Bonds (1)	388,194	—	388,194	388,194	—	388,194
TMCL VII 2020-2 Bonds (1)	535,690	—	535,690	535,690	—	535,690
TMCL VII 2020-3 Bonds (1)	195,861	—	195,861	195,861	—	195,861
TMCL VII 2021-1 Bonds (1)	513,333	—	513,333	513,333	—	513,333
TMCL VII 2021-2 Bonds (1)	616,469	—	616,469	616,469	—	616,469
TMCL VII 2021-3 Bonds (1)	584,000	—	584,000	584,000	—	584,000
Total (2)	$ 5,381,163	$ 863,401	$ 6,244,564	$ 5,381,163	$ 299,494	$ 5,680,657

(1) Amounts for bonds payable exclude unamortized discounts in an aggregate amount of $613.

(2) Current borrowing for all debts excludes prepaid debt issuance costs in an aggregate amount of $40,030.

Debt Covenants

All of our debt facilities are secured by specific pools of containers and related assets owned by the Company. TGH also acts as an unconditional guarantor of the TL Revolving Credit Facility, the TL 2019 Term Loan, the TL 2021-1 Term Loan, and the TL 2021-2 Term Loan. In addition to customary events of default as defined in our credit agreements and indenture and various restrictive financial covenants, the Company's debt facilities also contain other various debt covenants and borrowing base minimums. The TL Revolving Credit Facility, TL 2019 Term Loan, TL 2021-1 Term Loan, and TL 2021-2 Term Loan also contain cross default provisions that may result in an acceleration of principal repayment under these debt facilities if an uncured default condition were to exist.

The debt agreements are the obligations of our subsidiaries and related debt covenants may be calculated at the consolidated or subsidiary level. We are subject to financial covenants such as those related to leverage, interest coverage, container sales proceeds ratio, net income and debt levels, including limitations on certain liens, indebtedness and investments.

The table below reflects the key covenants for the Company that cover the majority of our debt agreements as of December 31, 2021:

Financial Covenant	TGH	TL	TEML
Consolidated leverage ratio	Shall not exceed 3.80:1	Shall not exceed 3.80:1	—
Consolidated fixed charge coverage ratio	Shall not be less than 1.20:1	—	—
Consolidated interest coverage ratio	—	Shall not be less than 4.00:1	—
Consolidated funded debt	—	—	Shall not exceed $1,000
Consolidated tangible net worth	Shall not be less than $972,000 plus 50% of TGH's net income after Q2 2018	—	—
Annual after-tax profit	—	—	Shall not be less than $2,000

All of the Company's debt facilities also contain restrictive covenants on borrowing base minimums. As of December 31, 2021, we were in compliance with all of the applicable debt covenants.

Cash Flow

The following table summarizes our cash flow information for the years ended December 31, 2021 and 2020:

	Year Ended December 31,		2021 vs 2020	
	2021	2020	$ Change	% Change
	(Dollars in thousands)			
Net cash provided by operating activities	611,783	396,255	215,528	54.4%
Net cash used in investing activities	(1,930,129)	(689,902)	(1,240,227)	179.8%
Net cash provided by financing activities	1,395,832	220,730	1,175,102	532.4%

Operating Activities

Net cash provided by operating activities increased $215,528 from 2020 to 2021. The increase in net cash provided by operating activities was due to a $227,459 increase in net income adjusted for depreciation and other non-cash items, partially offset by an $11,931 decrease in net working capital adjustment. The decrease in net working capital adjustment provided by operating activities was primarily due to an increase of $39,999 in gain on sale of owned fleet containers, net, $19,922 on net changes in accounts receivable due to increased level of revenues and timing of customer collections, $9,122 on net changes in trading containers, partially offset by a $60,201 increase in receipt of payments on finance leases, net of income earned.

Investing Activities

Net cash used in investing activities increased $1,240,227 from 2020 to 2021 primarily due to a $1,239,068 increase in payments for container purchases, including containers under leaseback financing receivable, to support the strong container demand.

Financing Activities

Net cash provided by financing activities increased $1,175,102 from 2020 to 2021 primarily due to an increase of $2,749,496 in proceeds from debt, partially offset by an increase of $1,825,162 in principal repayments of debt and a $10,631 payment for loan termination related to the early redemption of TMCL VI Term Loan. Additionally, the increase in cash provided by financing activities was due to the Company's Series A and Series B preferred shares offering which generated net proceeds of $289,580 and an increase of $16,305 in proceeds from container leaseback financing liability, which were offset by $22,260 cash dividend payments to preferred and common shareholders and a cash payment of $21,500 for the purchase of noncontrolling interest which resulted in the Company's 100% ownership of TAP Funding.

C. Research and Development, Patents and Licenses, etc.

We do not carry out research and development activities and our business and profitability are not materially dependent upon any patents or licenses. We have registered "TEXTAINER," "TEX" and "tex" (logo) in the U.S. Patent and Trademark Office and in the patent and trademark agencies of thirteen countries as trademarks.

D. Trend Information

Please see Item 5, "*Operating and Financial Review and Prospects – Liquidity and Capital Resources*" for a description of identifiable trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, our liquidity either increasing or decreasing at present or in the foreseeable future. Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenues, net income, profitability,

liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

E. Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to use judgment in making estimates and assumptions that affect the reported amounts and disclosures as of the date of the financial statements. We have identified the estimates below as among those critical to our business operations and the understanding of our results of operations. We evaluate our estimates on an ongoing basis, and our estimates and judgments are based on historical experience, various other assumptions that we believe are reasonable under the circumstances and the relevant information available at the end of each period.

Due to the COVID-19 pandemic, there has been uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require updates to our estimates or judgments or require us to revise the carrying value of our assets or liabilities as of March 17, 2022, the date of issuance of this Annual Report on Form 20-F. These estimates may change as new events occur and additional information is obtained. Actual results could differ from these estimates under different assumptions or conditions.

Container Rental Equipment

Depreciation. When we acquire containers, we record the cost of the container on our balance sheet. We then depreciate the container using the straight-line method over its estimated useful life (which represents the number of years we expect to be able to lease the container to shipping lines) to its estimated "residual value" (which represents the amount we estimate we will recover upon the sale or other disposition of the equipment at the end of its "useful life" as a shipping container). Depreciation on leasing equipment commences on the date of first on-hire. Our estimates of useful life are based on our actual historical experience with our fleet, and our estimates of residual value are based on a number of factors including average selling prices.

The Company estimates the useful lives and residual values of its containers to be as follows:

	As of December 31, 2021 and 2020	
	Estimated useful life (years)	Residual Value
Dry containers other than open top and flat rack containers:		
20'	13	$ 1,000
40'	14	$ 1,200
40' high cube	13	$ 1,400
45' high cube	13	$ 1,500
Refrigerated containers:		
20'	12	$ 2,750
20' high cube	12	$ 2,049
40' high cube	12	$ 4,000
Open top and flat rack containers:		
20' folding flat rack	15	$ 1,300
40' folding flat rack	16	$ 1,700
20' open top	15	$ 1,500
40' open top	14	$ 2,500
Tank containers	20	10% of cost

We review our depreciation policies, including estimates of useful lives and residual values, on a regular basis to determine whether a change in estimates of useful lives and residual values is warranted.

We completed our 2021 annual depreciation policy review during the second half of the year and concluded no change was necessary. To perform the assessment for our estimated residual value, we analyzed sales data over a minimum of a ten-year period from 2011 to August 2021, which reflected the cyclical nature of the global economic environment and more specifically, our industry, and assessed whether the average selling prices fall within a reasonable range compared to current residual values. We believe a ten-year length of time includes sufficient periods of high and low used container prices to allow us to more accurately predict future residual values. If the ten-year period was outside of the range of a container type, we evaluated the trend in average selling prices over three, five, and seven-year periods to corroborate the trend in the ten-year period. To perform the assessment for our estimated useful lives, we also analyzed the average age at disposal for containers sold over the same ten-year period data used for our analysis of residual values. We then performed a peer comparison to evaluate if there were significant differences between the residual values of our containers as compared to peers within the industry.

Valuation of Leasing Equipment. On a quarterly basis, we evaluate our containers held for use in our leasing operation to determine whether there has been any event such as a decline in results of operations or residual values that would cause the book value of our containers held for use to be impaired. We performed an annual quantitative impairment assessment of our containers held for use as of December 31, 2021 to corroborate that there were no impairment triggers by comparing the total expected undiscounted cash flows of each asset group to its carrying value. When testing for impairment, the evaluation is performed at the lowest level of identifiable cash flows which we have determined to be groups of containers based on equipment type. The estimated undiscounted cash flows are based on historical lease operating revenue, expenses and residual values, adjusted to reflect current market conditions. The key assumptions used to determine future undiscounted cash flows are expected utilization, remaining useful lives, expected future lease rates, and expected sales prices of used containers.

Impairment exists when the estimated future undiscounted cash flows to be generated by an asset group are less than the net book value of that asset group. When an impairment exists, containers held for use are written down to their fair value and the amount of the write down is recorded in depreciation expense. As of December 31, 2021, the estimated undiscounted future cash flows exceeded the carrying value of our containers held for use in our leasing operations. There were no key indicators of impairment, and we did not record any impairment charges related to our leasing equipment for the years ended December 31, 2021, 2020 and 2019.

Containers Held for Sale

We also evaluate all off-lease containers to determine whether the containers will be repaired and returned to service or sold based upon what we estimate will be the best economic alternative. If we designate a container as held for sale, depreciation on the container ceases, and the container is reported at the lower of (1) its recorded value or (2) the amount we expect to receive upon sale (less the estimated cost to sell the container). Containers held for sale are evaluated for impairment on a quarterly basis based on sale prices for similar types of equipment in the locations in which the containers are stored. When the Company is required to write down the cost basis of its containers identified for sale to fair value less cost to sell, the Company measures the fair value of its containers identified for sale under a Level 2 input. The Company relies on its recent sales prices for identical or similar assets in markets, by geography, that are active. The Company records impairments to write down the value of containers identified for sale to their estimated fair value less cost to sell.

Any write-down of containers held for sale is reflected in our statement of operations as an expense. If a large number of containers are designated as held for sale or prices for used containers drop, impairment charges for containers held for sale may increase which would result in decreased net income. Subsequent additions or reductions to the fair values of these written down assets are recorded as adjustments to the carrying value of the equipment held for sale. Any subsequent increase in fair value is recognized as a reversal to container impairment but not in excess of the cumulative loss previously recognized. During the years ended December 31, 2021, 2020 and 2019, we recorded container impairment (reversals) charges of $(385), $11,094 and $14,238, respectively, to write down the value of containers held for sale to their estimated fair value less cost to sell, net of reversals of previously recorded impairments on containers held for sale, due to rising used container prices. We will continue to monitor the performance of our container fleet and evaluate the key factors driving market conditions and assess the assumptions used in our impairment testing analysis should market conditions warrant a reassessment.

Significant Accounting Policies and Recent Accounting Pronouncements

For further discussion, see Note 1 "Nature of Business and Summary of Significant Accounting Policies" to our consolidated financial statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of March 17, 2022. Our board of directors is elected annually on a staggered basis and each director holds office for three years or until his successor has been duly elected, except in the event of his death, resignation, removal or earlier termination of his office. Our bye-laws provide for, among other things, the election of our board of directors on a staggered basis. The business address of each of our executive officers and non-management directors is Century House, 16 Par-La-Ville Road, Hamilton HM 08, Bermuda.

David M. Nurek, Robert D. Pedersen and Grace Tang are designated Class III directors, to hold office until our 2023 annual general meeting of shareholders, Olivier Ghesquiere, James Earl and Cynthia Hostetler are designated Class II directors, to hold office until our 2024 annual general meeting of shareholders and John A. Maccarone, Dudley R. Cottingham, and Hyman Shwiel are designated Class I directors, to hold office until our 2022 annual general meeting of shareholders. Directors may be re-elected when their term of office expires.

In December 2019, we commenced a secondary, or dual, listing of our common shares on the JSE in Johannesburg, South Africa under the symbol "TXT". Promptly following our dual listing, Trencor distributed approximately 24.3 million of its shares in the Company to Trencor's own shareholders and those shares are trading on the JSE. In June 2020, Trencor distributed its remaining 3.0 million shares or approximately 5.3% of our outstanding share capital to Trencor's own shareholders and these shares are trading on the JSE. Following the June 2020 distribution of shares, Trencor no longer holds any shares in the Company. See Item 7, "*Major Shareholders and Related Party Transactions*" for an explanation of the relationship between us and Trencor.

Executive Officers and Directors	Age	Position
Hyman Shwiel (1)	77	Chairman
Olivier Ghesquiere	55	Director, President and Chief Executive Officer
Dudley R. Cottingham (1)(2)	70	Director
John A. Maccarone (2)(3)	77	Director
David M. Nurek (2)(3)(4)	72	Director
Robert D. Pedersen	62	Director
Grace Tang (1)	62	Director
James Earl (1)(2)	65	Director
Cynthia Hostetler (1)(3)	59	Director
Michael K. Chan	59	Executive Vice President and Chief Financial Officer

(1) Member of the Audit and Risk Committee.

(2) Member of the Compensation Committee.

(3) Member of the Corporate Governance and Nominating Committee.

(4) Chairman of Trencor. Following the June 2020 unbundling of the remaining shares, Trencor no longer hold any share interest in the Company.

Certain biographical information about each of these individuals is set forth below.

Directors

Hyman Shwiel has been a member of our board of directors since September 2007. Mr. Shwiel was a partner with Ernst & Young LLP for 25 years. He served during that period in various roles, including Area Managing Partner and as National Director of Enterprise and Professional Risk. Upon his retirement in 2005, he became a consultant to Ernst & Young until 2007. Mr. Shwiel holds a C.T.A. and a M.B.A. from the University of Cape Town and is a Chartered Accountant (South Africa) and a CPA.

Olivier Ghesquiere was appointed President and Chief Executive Officer and to our board of directors in August 2018. Mr. Ghesquiere served as our Executive Vice President – Leasing from January 2017 to August 2018,

responsible for worldwide sales and marketing related activities and operations. Mr. Ghesquiere served as our Senior Vice President – Marketing and Sales since December 2015. Mr. Ghesquiere worked at Groupe Ermewa S.A. as Chief Operating Officer and then Chief Executive Officer from January 2009 through February 2015 where he was responsible for growing the railcar and locomotive fleet to become the second largest in Europe. During that time Mr. Ghesquiere was also chairman of Eurotainer SA for which he was the Managing Director from April 2004 through December 2008 where he developed their tank container business focusing on higher value segments of the market. Mr. Ghesquiere has served as Vice Chairman and chairman of the International Tank Container Organization (ITCO) leasing committee from 2006 through 2010. Mr. Ghesquiere holds a degree in Applied Economics from the Louvain School of Management, Belgium.

Dudley R. Cottingham has been a member of our board of directors since December 1993 and served as assistant Secretary and/or secretary between December 1993 and October 2007. He has also served in the past as president of certain of our subsidiaries and continues to serve as a director of our Bermuda subsidiaries. Mr. Cottingham has over 35 years of experience in public accounting for a variety of international and local clients. He is a director and the audit committee chairman of Bermuda Press (Holdings) Ltd., a newspaper publishing and commercial printing company listed on the Bermuda Stock Exchange and is chairman of the listing committee of the Bermuda Stock Exchange. He is chairman and an Investment and Operational Committee member of the Aurum Funds which are listed on the Bermuda Stock Exchange. He was a managing director of and was formerly a partner of Arthur Morris & Company Limited, a provider of audit and accounting services for international clients, since 1982. Mr. Cottingham is currently a consultant and had served as vice president and director of Continental Management Ltd., a Bermuda company providing corporate representation, administration and management services, since 1982 and a director of Continental Trust Corporation Ltd., a Bermuda company that provides corporate and individual trust administration services, since 1994. He is a director of Morris, Cottingham & Co. Ltd. and their other group companies in Turks & Caicos Islands. Mr. Cottingham is a Chartered Accountant.

John A. Maccarone served as our President and Chief Executive Officer from January 1999 until October 2011 when he retired from Textainer and as a member of our board of directors since December 1993. Mr. Maccarone co-founded Intermodal Equipment Associates, a marine container leasing company based in San Francisco, and held a variety of executive positions with the company from 1979 until 1987, when he joined the Textainer Group as President and Chief Executive Officer of TEML, now a subsidiary of our company. From 1977 through 1978, Mr. Maccarone was Director of Marketing based in Hong Kong for Trans Ocean Leasing Corporation, a San Francisco-based company. From 1969 to 1976, Mr. Maccarone was a marketing representative for IBM Corporation in Chicago, Illinois. From 1966 to 1968, he served as a Lieutenant in the U.S. Army Corps of Engineers in Thailand and Virginia. Mr. Maccarone holds a B.S. in Engineering Management from Boston University and an M.B.A. from Loyola University of Chicago.

David M. Nurek has been a member of our board of directors since September 2007. Mr. Nurek was appointed as an alternate director of Trencor in November 1992 and as a non-executive member of its board of directors in July 1995. He is chairman of Trencor and a member of Trencor's audit, remuneration, social and ethics, risk and governance committees. In August 2019, Mr. Nurek retired from his position as an executive of Investec Bank Limited, a subsidiary of Investec Limited, which is listed on the JSE. Investec Limited has entered into a dual listed company structure with Investec plc, which is quoted on the London Stock Exchange (collectively, the "Investec Group"). He was the regional chairman of Investec Limited's various businesses in the Western Cape, South Africa, and also the Investec Group's worldwide head of legal risk. Prior to joining Investec Limited in June 2000, Mr. Nurek served as chairman of the South African legal firm Sonnenberg Hoffmann & Galombik, which has since changed its name to Edward Nathan Sonnenbergs Inc. Mr. Nurek serves as a non-executive on the boards of directors of various listed and unlisted companies in South Africa and holds a Diploma in Law and a Graduate Diploma in Company Law from the University of Cape Town and completed a Program of Instruction for Lawyers at Harvard Law School and a Leadership in Professional Services Firms program at Harvard Business School.

Robert D. Pedersen has been a member of our board of directors since April 2017. Mr. Pedersen was appointed President and Chief Executive Officer of TEML, our management company, in October 2011 and retired on March 31, 2017. Mr. Pedersen served as our Executive Vice President responsible for worldwide sales and marketing related activities and operations since January 2006. Mr. Pedersen was Senior Vice President of our leasing group from 1999 to 2005. From 1991 to 1999, Mr. Pedersen held several positions within our company, and from 1978 through 1991, he worked in various capacities for Klinge Cool, a manufacturer of refrigerated container cooling units, XTRA, a container lessor, and Maersk Line, a container shipping line. Mr. Pedersen is a graduate of

the A.P. Moller Shipping and Transportation Program and the Merkonom Business School in Copenhagen, where he majored in Company Organization.

Grace Tang has been a member of our board of directors since August 2020. Ms. Tang was a partner with PwC for 22 years until her retirement in 2020. She served on the Board of Partners of the PwC China, Hong Kong, Taiwan and Singapore firms. She served as the leader of the Industrial Products sector and also the multinational client practice in China where she assisted domestic Chinese and international clients. Ms. Tang serves as an instructor of the Master of Business Administration and Master of Professional Accounting degree programs at the Peking University. Ms. Tang is a US certified public accountant, a member of the American Institute of Certified Public Accountants, and a fellow of the Hong Kong Institute of Certified Public Accountants. Ms. Tang has a B.S. from the University of Utah and an M.B.A. from Utah State University.

James Earl has been a member of our board of directors since May 2021. Mr. Earl was an executive with GATX Corporation, a publicly traded lessor of railcars, from 1988 to 2018, ultimately serving as Executive Vice President, President of its Rail International division and CEO of GATX's American Steamship Company. Previously Mr. Earl held management positions with the Soo Line Railroad and Southern Pacific Transportation Company. Mr. Earl serves on the Board of Directors of Harsco Corporation, a NYSE listed global market leader providing environmental solutions for industrial and specialty waste streams, and innovative technologies for the rail sector. Mr. Earl has a B.S. from Washington University in St. Louis and an M.B.A. from the Wharton School at the University of Pennsylvania.

Cynthia Hostetler has been a member of our board of directors since May 2021. Ms. Hostetler serves as a Trustee of Invesco Ltd. and is a member of the boards of TriLinc Global Fund, an impact investment company, Vulcan Materials Company, an NYSE listed producer of construction aggregates and Resideo Technologies, Inc., an NYSE listed manufacturer and distributor of security, energy efficiency and control systems for homes. Ms. Hostetler also has served on the board of the Investment Company Institute since 2018. From 2001 to 2009, Ms. Hostetler served as Head of Investment Funds and Private Equity at the Overseas Private Investment Corporation (OPIC). She also served on the Board of Directors of Edgen Group, a global energy infrastructure company, prior to its acquisition by Sumitomo and the Board of Directors of Genesse & Wyoming, Inc. prior to its sale. Additionally, she has served as President and a member of the Board of Directors of First Manhattan Bancorporation, a bank holding company in the Midwest. She began her career as a corporate lawyer with Simpson Thacher & Bartlett in New York. Ms. Hostetler has a J.D. from the University of Virginia and a B.A. from Southern Methodist University.

Executive Officers

For certain biographical information about Olivier Ghesquiere, see "Directors" above.

Michael K. Chan was appointed Executive Vice President and Chief Financial Officer (CFO) in September 2018. Mr. Chan served as our Vice President and Senior Vice President of Finance from April 2017 through August 2018, responsible for overseeing treasury, investor relations, accounting, financial reporting, and financial planning and analysis. Mr. Chan also served as a Controller from 1994 to 2006. Prior to re-joining the company in 2017, Mr. Chan was CFO at Ygrene Energy Fund from 2015 to 2017, a market-leading specialty finance company, where he raised nearly $1 billion in capital and achieved the industry's first AAA rating on the company's senior notes. From 2011 to 2015, Mr. Chan worked as Senior Director of Treasury and Capital Markets for The Cronos Group, a leading global container leasing company which was acquired by Shenzhen Stock Exchange listed Bohai Leasing Company. Before that, Mr. Chan held the CFO position at The Chartres Lodging Group from 2006 to 2011, where he was instrumental in executing key acquisitions and sales for the hotel investment and asset management company. Mr. Chan joined Coopers & Lybrand in 1989, now PricewaterhouseCoopers (PwC) and held the position of Audit Manager. Mr. Chan is a member of the American Institute of Certified Public Accountants (AICPA) and holds a B.S. in Business Administration – Accounting from California State University East Bay.

Board of Directors

Our board of directors currently consists of nine members. Our bye-laws provide that our board of directors shall consist of five to twelve directors, as the board of directors may determine from time to time.

B. Compensation

Executive Compensation

The aggregate direct compensation we paid to our two senior executives (CEO and CFO) as a group for the year ended December 31, 2021 was approximately $3,718, which included approximately $976 in STIP bonuses paid in 2021 (representing STIP earned for calendar year 2020 but paid in early 2021), approximately $1,534 in restricted stock awards that vested in 2021 from grants made in prior years, and approximately $74 funds set aside or accrued to provide for health and life insurance, retirement, or similar benefits. This amount does not include expenses we incurred for other payments, including dues for professional and business associations, business travel and other expenses, which amounted to approximately $10. We did not pay our senior executives who also serve as directors any separate compensation for their directorship during 2021, other than reimbursements for travel expenses.

During 2021, our executive officers as a group were granted 60,224 performance-based restricted share units and 19,122 time-based restricted share units through our 2019 Share Incentive Plan.

Director Compensation

The aggregate direct compensation we paid to our directors who are not officers for their services as directors as a group for the year ended December 31, 2021 was approximately $2,837, which included approximately $2,176 in restricted stock awards that vested in 2021 from grants made in prior year. Effective from May 2021, each director who is not an officer is entitled to a base annual cash retainer of $60 (with the exception of the Chairman of the Board who receives an additional base annual cash retainer of $30) plus a restricted stock grant valued at $120 on the date of grant (with the exception of the Chairman of the Board who receives an additional restricted stock grant value of $24). This grant vests in full one year after grant. During 2021, our non-executive directors as a group were granted 34,047 time-based restricted share units through our 2019 Share Incentive Plan.

Effective from May 2021, members of our Audit and Risk Committee receive an additional annual fee of $15 and members of all other Committees receive an additional annual fee of $10. The head of the Audit and Risk Committee receives an additional annual fee of $15 and the head of all other Committees receive an additional annual fee of $10. Directors were also reimbursed for expenses incurred to attend board or committee meetings which amounted to approximately $3 during 2021.

2019 Share Incentive Plan

The 2019 Plan provides for the grant of share options, restricted shares, restricted share units, share appreciation rights and dividend equivalent rights, collectively referred to as “awards.” Share options granted under the 2019 Plan may be either incentive share options under the provisions of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), or non-qualified share options. We may grant incentive share options only to our employees or employees of any parent or subsidiary of Textainer Group Holdings Limited. Awards other than incentive share options may be granted to our employees, directors and consultants or the employees, directors and consultants of any parent or subsidiary of Textainer Group Holdings Limited.

Our board of directors or a committee designated by our board of directors, referred to as the “plan administrator,” administers the 2019 Plan, including selecting the award recipients, determining the number of shares to be subject to each award, the types of awards, the value and timing of awards, determining the exercise or purchase price of each award and determining the vesting and exercise periods of each award. Awards under the plan may vest upon the passage of time or upon the attainment of certain performance criteria.

Authorized Shares

Our board of directors adopted the 2007 Share Incentive Plan ("2007 Plan") on August 9, 2007, and our shareholders approved the 2007 Plan on September 4, 2007. The maximum number of common shares of Textainer Group Holdings Limited that could be granted pursuant to the 2007 Plan was 3,808,371 shares, representing 8% of the number of common shares issued and outstanding 45 days following our initial public offering on October 9, 2007, subject to adjustments for share splits, share dividends or other similar changes in our common shares or our capital structure. In February 2010, the Company's Board of Directors approved an increase in the maximum number of shares available for future issuance by 1,468,500, which was approved by the Company's shareholders at the annual meeting of shareholders. In May 2015, this was further increased by 2,000,000 shares and extended the term of such plan for ten years from the date of the annual meeting of shareholders. In May 2019, this was further increased by 2,500,000 shares. At December 31, 2021, 2,105,418 shares were available for future issuance under the 2019 Plan.

Unless terminated sooner, the 2019 Plan will automatically terminate in 2029. The board of directors will have authority to amend or terminate the 2019 Plan. To the extent necessary to comply with applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to awards granted to residents therein, we will obtain shareholder approval of any such amendment to the 2019 Plan in such a manner and to such a degree as required.

Restricted Share Units

Restricted share units represent rights to receive shares of our common stock at a future date which may be subject to vesting conditions based on the passage of time (time-based restricted share units or "RSU") or the attainment of performance criteria (performance-based restricted share units or "PSU").

Time-based RSUs granted prior to 2020 vest in increments of 25% per year beginning approximately one year after an award's grant date. Time-based RSUs granted starting from 2020 will vest in increments of 33.33% per year beginning approximately one year after an award's grant date.

Starting in 2020, PSUs were granted to executive officers to provide variable compensation in the form of equity that rewards executives when we achieve long-term results that align with stockholders' interests, to motivate executive officers in achieving long-range goals and for long term retention. Our board of directors approved the mix of awards for executives to provide the appropriate balance of time-based and performance-based compensation to support our long-term strategy as shown in the table below:

Award Type	Allocation Percentage	Alignment to Stockholder Interests
Performance-based restricted share units	75%	Payout depends on market condition based on our Total Shareholder Return performance relative to our peer group at the end of a three-year performance period. The value of the earned award depends on our stock price at the end of the performance period.
Time-based restricted share units	25%	Value of award depends on our stock price at the time of vesting

Subject to the grantee's continuous service through the performance period, the number of units that may be earned will be based on the Company's Total Shareholder Return (TSR) relative to the Russell 2000 Index TSR over the performance period (the "Company's Rank"). At the end of the three-year performance period, the Company's Rank will be utilized to determine the percentage of the target units, as set forth in the following table:

Performance Goal Achievement (1)	Percentage of Target Units Earned (2)
At or above the 75th percentile	200%
At the 50th percentile	100%
At the 25th percentile	25%
Less than the 25th percentile	0%

(1) The PSUs granted in 2020 and 2021 for the 2020-2023 performance period and 2021-2024 performance period, respectively, have a 3-year cliff vesting based on the Company's TSR measured as a percentile ranking in comparison with the peer group. The TSR is calculated using the average closing prices of the Company's common stock during the 30 trading days prior to and including the first day of the performance period, reinvested dividends during the performance period and the average closing prices during the final 30 trading days of the performance period.

(2) The percentage of target units earned is limited to 100% if our TSR over the performance period is negative. As of December 31, 2021, the estimated target payout for PSUs granted in October 2020 and October 2021 is at 200% and 142%, respectively.

Stock Options

The exercise price of all share options granted under the 2019 Plan will be at least equal to 100% of the fair market value of our common shares on the date of grant. If, however, incentive share options are granted to an employee who owns shares possessing more than 10% of the voting power of all classes of our common shares or the shares of any parent or subsidiary, the exercise price of any incentive share option granted must equal at least 110% of the fair market value on the grant date and the maximum term of these incentive share options must not exceed five years. Share options vest in increments of 25% per year beginning approximately one year after an option's grant date. The maximum term of all other awards under the 2019 Plan will be ten years. The plan administrator will determine the term and exercise, or purchase price of any other awards granted under the 2019 Plan. There were no stock options granted since 2020.

2021 Short-Term Incentive Program (STIP)

Annually, our board of directors or the Compensation Committee set objective performance criteria when determining the annual short-term incentive bonuses to be awarded to our executive officers. The Compensation Committee believes that our STIP, which provides an annual cash bonus to all employees, including employees of our dedicated agents and our executive officers, based on performance relative to Company and individual achievement goals provides executives' incentives to increase shareholder value and helps ensure that we attract and retain talented personnel.

To align our compensation closer to Company performance and to reward executive officers for their contributions, starting in calendar year 2021 the STIP for our executive officers was changed so STIP payments for executive officers will only occur if company performance is at least 80% of budgeted performance (previously the minimum threshold was 50%) and STIP award targets as a percentage of base salary were increased for executive officers to bring compensation closer to market levels. Under the STIP program for 2021, all eligible employees received an incentive award based on their respective job classification and our return on equity and adjusted net income. In 2021, all STIP participants, including our executive officers received 200% of their target incentive award that applied to calendar year 2020 performance with the incentive award paid in early 2021. The 2021 STIP payout will occur in March 2022 and will be included in the total compensation amount detailed for senior executives for 2022.

Employment with Executive Officers and Directors

We have entered into employment agreements with our executive officers. Each of these employment agreements contains provisions requiring us to make certain severance payments in case the executive officer is terminated without cause. Employment is at-will for each of our executive officers and their employment may be terminated at any time for any reason.

Other than as disclosed above, none of our directors has service contracts with us or any of our subsidiaries providing for benefits upon termination of employment.

C. Board Practices

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of Bermuda. Therefore, we are exempt from many of the NYSE corporate governance practices, other than the establishment of a formal audit committee satisfying the requirements of Rule 10A-3 under the Exchange Act and notification of non-compliance with NYSE listing requirements pursuant to Rule 10A-3 promulgated under the Exchange Act. For further discussion on the practices that we follow in lieu of the NYSE's corporate governance rules, see Part II Item 16G, "Corporate Governance" in this Annual Report on Form 20-F.

D. Employees

See Item 4, "*Information of the Company*" for information regarding our human capital management.

E. Share Ownership

See Item 7, "*Major Shareholders and Related Party Transactions*" for information regarding director and senior management ownership of our common shares.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table presents information regarding the beneficial ownership of our common shares as of December 31, 2021:

- each person or entity that we know beneficially owns more than 5% of our issued and outstanding shares;
- each director, director nominee and executive officer; and
- all of our directors, director nominees and executive officers as a group.

For the purposes of the following table, beneficial ownership of our common shares is determined in accordance with the rules of the SEC and generally includes any common shares over which a person exercises sole or shared voting or investment power. The percentage of beneficial ownership of our common shares is based on 48,831,855 common shares issued and outstanding on December 31, 2021. We do not believe that we are directly or indirectly owned or controlled by any foreign government. The voting rights of our common shares held by major shareholders are the same as the voting rights of shares held by all other common shareholders. We are unaware of any arrangement that might result in a change of control of the Company.

	Number of Common Shares Beneficially Owned	
Holders	**Shares (8)**	**% (1)**
5% or More Shareholders		
Coronation Asset Management (Pty) Ltd. (2)	5,939,582	12.2%
MandG Investment Managers (Pty) Ltd. (3)	4,989,109	10.2%
Dimensional Fund Advisors LP (4)	2,971,609	6.1%
Directors and Executive Officers		
John A. Maccarone (5)	1,063,275	2.2%
Olivier Ghesquiere	435,117	*
Robert D. Pedersen	211,681	*
Michael K. Chan	130,455	*
Hyman Shwiel	49,228	*
Dudley R. Cottingham (6)	46,397	*
David M. Nurek (7)	43,397	*
Grace Tang	7,596	*
Cynthia Hostetler	4,152	*
James Earl	4,152	*
Current directors and executive officers (10 persons) as a group	1,995,450	4.1%

* Less than 1%.

(1) Percentage ownership is based on 48,831,855 total shares outstanding as of December 31, 2021. There are 16,328,592 common shares issued and outstanding in a secondary, or dual, listing of our common shares on the JSE in South Africa under the symbol “TXT”.

(2) Based on the Schedule 13G filed with the SEC on February 10, 2022 by Coronation Asset Management (Pty) Ltd. (a South African company), it had sole voting and dispositive power over the 5,939,582 shares it beneficially owned as of December 31, 2021.

(3) Based on the Schedule 13G filed with the SEC on January, 25 2022 by MandG Investment Managers (Pty) Ltd. (a South African company), it had sole voting and dispositive power over the 4,989,109 shares it beneficially owned as of December 31, 2021.

(4) Based on the Schedule 13G filed with the SEC on February 8, 2022 by Dimensional Fund Advisors LP (a Delaware limited partnership), it had sole voting power over 2,897,274 shares and sole power to direct the disposition of 2,971,609 shares it beneficially owned as of December 31, 2021.

(5) Includes 805,100 shares held by the Maccarone Family Partnership L.P. and 251,573 shares held by the Maccarone Revocable Trust.

(6) Includes 42,245 shares held by Caribbean Dream Limited, a company owned by a trust in which Mr. Cottingham is the principal beneficiary.

(7) Mr. Nurek is a member of our board of directors and board of directors of Trencor. In June 2020, Trencor distributed its remaining 3.0 million shares in the Company to Trencor's own shareholders. Following the June 2020 distribution of shares, Trencor no longer holds any shares in the Company.

(8) Beneficial ownership by a person assumes the exercise of all share options, warrants and rights held by such person, even if not vested. Common shares beneficially owned include the following outstanding share options, restricted share units and performance restricted share units:

	Grant Date								
	11/14/2013	**11/19/2014**	**5/18/2017**	**11/30/2017**	**11/30/2018**	**11/30/2019**	**10/01/2020**	**5/26/2021**	**10/05/2021**
Share options									
Exercise price	$ 38.36	$ 34.14	$ 9.75	$ 22.95	$ 11.15	$ 9.13	N/A	N/A	N/A
Expiration date	11/14/2023	11/19/2024	5/18/2027	11/30/2027	11/30/2028	11/30/2029	N/A	N/A	N/A
Olivier Ghesquiere	—	—	—	17,760	40,000	40,000	—	—	—
Michael K. Chan	—	—	3,750	4,750	20,000	20,000	—	—	—
Robert D. Pedersen	26,000	13,910	—	—	—	—	—	—	—
Performance restricted share units									
Olivier Ghesquiere	—	—	—	—	—	—	72,957	—	46,841
Michael K. Chan	—	—	—	—	—	—	21,887	—	13,383
Restricted share units									
Olivier Ghesquiere	—	—	—	—	10,000	20,000	14,849	—	14,873
Michael K. Chan	—	—	—	—	5,000	10,000	4,454	—	4,249
Hyman Shwiel	—	—	—	—	—	—	—	4,983	—
John A. Maccarone	—	—	—	—	—	—	—	4,152	—
Robert D. Pedersen	—	—	—	—	—	—	—	4,152	—
Dudley R. Cottingham	—	—	—	—	—	—	—	4,152	—
David M. Nurek	—	—	—	—	—	—	—	4,152	—
Grace Tang	—	—	—	—	—	—	—	4,152	—
James Earl	—	—	—	—	—	—	—	4,152	—
Cynthia Hostetler	—	—	—	—	—	—	—	4,152	—

As of December 31, 2021, an aggregate of 48,513,596 of our outstanding common shares were held by Cede & Company, which includes an aggregate of 16,328,592 of our outstanding common shares that trade under secondary, or dual, listing on the JSE. The shares held by Cede & Company, a nominee of the Depository Trust Company ("DTC"), include common shares beneficially owned by holders in the United States and by non-U.S. beneficial owners. As of December 31, 2021, based on information available to the Company, 117,297 of our outstanding common shares were held in Bermuda, our domicile and headquarter country, by two holders of record. As of December 31, 2021, based on information available to the Company, an aggregate of 32,237,630 of our outstanding common shares were held by 17 registered holders in the United States, one of which was Cede & Company (nominee of DTC). The actual number of beneficial owners is greater than the number of shareholders of record because a large portion of our outstanding common shares are held in street name by brokers and other nominees.

B. Related Party Transactions

We do not have a corporate policy regarding related party transactions, nor are there any provisions in our memorandum of association or bye-laws regarding related party transactions, other than the provision, as permitted

by Bermuda law, that we, or one of our subsidiaries, may enter into a contract in which our directors or officers are directly or indirectly interested if the director or officer discloses his interest to our board of directors at the first opportunity at a meeting of directors or in writing.

Loans to Executive Officers

As permitted by Bermuda law, in the past, we had extended loans to certain employees in connection with their acquisition of our common shares in accordance with our various employees' share arrangements. As of December 31, 2021, 2020, and 2019, no amounts were outstanding on such loans to employees. Currently, there are no loans outstanding to our directors or executive officers, nor will we extend loans to our directors or executive officers in the future, in compliance with the requirements of Section 402 of the Sarbanes-Oxley Act of 2002 and Section 13(k) of the Securities Exchange Act of 1934, as amended.

Indemnification of Officers and Directors

We have entered into indemnification agreements with each of our directors and executive officers to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the scope of indemnification set forth in our bye-laws, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in our bye-laws. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of their status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

Agreements with Maccarone Container Fund, LLC

TEML has entered into a management agreement with Maccarone Container Fund, LLC, related to TEML's management of containers owned by Maccarone Container Fund, LLC effective 2016. Director John Maccarone and his family members are the beneficial owners of Maccarone Container Fund, LLC. In 2021, 2020 and 2019, we managed approximately 1,300 TEU (for which we received approximately $17 per year in management fees) for Maccarone Container Fund, LLC.

Relationships and Agreements with Trencor Limited

Trencor Limited, a company traded on the Johannesburg Stock Exchange (the "JSE") in South Africa, owned approximately 47.5% of our issued and outstanding common shares as of December 31, 2018. On December 11, 2019, we commenced a secondary, or dual, listing of our common shares on the JSE in Johannesburg, South Africa under the symbol "TXT". Promptly following our dual listing, Trencor distributed approximately 24.3 million of its shares in the Company to Trencor's own shareholders and these shares are now trading on the JSE. As of December 31, 2019, Trencor held 5.3% or 3.0 million of the Company's common shares.

In June 2020, Trencor distributed its remaining 3.0 million of our common shares to Trencor's own shareholders and these shares are now trading on the JSE. Following the June 2020 distribution of shares, Trencor no longer hold any shares in the Company. David M. Nurek is a member of the Company's board of directors and the board of directors of Trencor.

In September 2020, the Company received $330 from Trencor in exchange for the early distribution of escrow funds that were held under the escrow agreement in relation to our acquisition of LAPCO in December 2019.

The Company's personnel assisted Trencor with the conversion of the Company's financial information from U.S. GAAP to IFRS. Trencor paid $0, $145 and $432 for these accounting services in 2021, 2020 and 2019, respectively.

Relationships and Agreements with Leased Assets Pool Company Limited

On December 2, 2019, we entered into a stock purchase agreement with TAC Limited, a wholly-owned subsidiary of Trencor, to purchase Leased Assets Pool Company Limited ("LAPCO"). On December 31, 2019, we completed the acquisition of LAPCO and the purchase price consideration consisted of $65,527 in cash paid to TAC

Limited, cash amounts paid by the Company to fully repay LAPCO's debt facility of $126,289 and transaction costs incurred to complete the transaction of $104. We repaid LAPCO's existing debt at the closing date by refinancing this debt in our existing revolving credit facility. LAPCO owned a fleet of approximately 161,000 TEU of intermodal containers managed by the Company and approximately 3,000 TEU of containers managed by other container lessors. The transaction is substantially an acquisition of LAPCO's container fleet because substantially all the fair value of the gross assets we acquired (excluding cash) was concentrated in a single identifiable asset which are containers.

On December 31, 2019, the management agreement between the Company and LAPCO was terminated as a result of our acquisition of LAPCO. There were no stated contractual settlement provisions relating to the management agreement. After the acquisition, LAPCO became a wholly-owned subsidiary of the Company effective on December 31, 2019. In February 2021, the Company dissolved LAPCO. (see Note 1 (b) "Nature of Business and Summary of Significant Accounting Policies – Principles of Consolidation and Variable Interest Entity" to our consolidated financial statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F for additional information).

Transactions with Continental Management Ltd.

A member of our board of directors, Dudley R. Cottingham, was a member of the board of directors of Continental Management Ltd ("Continental") as of December 31, 2018 and became a consultant effective January 1, 2019. Continental is a Bermuda company that provides corporate representation, administration, and management services. In 2021, 2020, and 2019, the Company incurred $0, $43, and $13, respectively, primarily for professional services rendered by Continental.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial Statements

Our audited consolidated financial statements which are comprised of our consolidated balance sheets as of December 31, 2021 and 2020 and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2021 and the notes to those statements and the report of independent registered public accounting firm thereon, are included under Item 18, "*Financial Statements*" of this Annual Report on Form 20-F. Also, see Item 5, "*Operating and Financial Review and Prospects*" for additional financial information.

Legal Proceedings

See Item 4, "*Information on the Company – Business Overview—Legal Proceedings*" for information on our legal proceedings which may have, or have had in the recent past, significant effects on our financial position or profitability.

Dividend Policy

In the fourth quarter of 2021, we announced the commencement of dividends on our common shares. Our board of directors approved and declared a cash dividend of $0.25 per share on our issued and outstanding common shares for a total aggregate amount of $12,285, paid on December 15, 2021 to holders of record as of December 3, 2021. Additionally, our board of directors approved and declared quarterly preferred cash dividends on our Series A Preferred Shares and Series B Preferred Shares. For further detail of our dividends, see Note 13 "Shareholders' Equity" to our consolidated financial statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

Our board of directors has adopted a dividend policy which reflects its judgment that our shareholders would be better served if we distributed to them, at the discretion of our board of directors, a part of the total shareholder return, balancing near term cash needs for potential acquisitions or other growth opportunities, rather than retaining such excess cash or using such cash for other purposes.

We are not required to pay common share dividends, and our common shareholders do not have contractual or other rights, to receive dividends. Our preferred shareholders are entitled to a cumulative quarterly preferred dividend, when declared by our board of directors. Each series of preferred shares rank senior to the common shares with respect to dividend rights. If we fail to pay preferred dividends for six or more quarterly periods (whether or not consecutive), preferred shareholders will be entitled to elect two additional directors to the board of directors and the size of the board of directors will be increased to accommodate such election. Such right to elect two directors will continue until such time as there are no accumulated and unpaid preferred dividends in arrears. The timing and amount of future dividends will be at the discretion of our board of directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given period. See Item 3, "*Key Information – Risk Factors,"* for a discussion of these factors. Our board of directors may decide, in its discretion, at any time, to decrease the amount of dividends, otherwise modify or repeal the dividend policy or discontinue entirely the payment of dividends.

In addition, we will not pay dividends in the event we are not allowed to do so under Bermuda law, are in default under (or such payment would cause a default under) the revolving credit facility of TL, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as a minimum tangible net worth level (which level would decrease by the amount of any dividend paid) and a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid). Please see Item 5, "*Operating and Financial Review and Prospects—Liquidity and Capital Resources*" for a description of these covenants. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

In 2014, we began calculating our earnings and profits under U.S. federal income tax principles for purposes of determining whether distributions exceed our current and accumulated earnings and profits. We believe that some or all of our distributions will be treated as a return of capital to our U.S. shareholders, and we report each quarter on our website at www.textainer.com whether that quarter's distribution exceeds our current accumulated earnings and profits. The taxability of the dividends does not impact our corporate tax position. You should consult with a tax advisor to determine the proper tax treatment of these distributions.

B. Significant Changes

Except as disclosed in the Annual Report on Form 20-F, no significant changes have occurred since December 31, 2021, which is the date of our audited consolidated financial statements included in this Annual Report on Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Trading Markets and Price History

Our common shares have been primary listed on the NYSE under the symbol "TGH" since October 10, 2007. Prior to that time, there was no public market for our common shares. Our common shares are secondary or dual listed on the JSE in Johannesburg, South Africa under the symbol "TXT" since December 2019. The following table sets forth the high and low closing sale prices, as reported on the NYSE for our common shares for the periods indicated:

	High	Low
Annual Highs and Lows:		
2021	$ 40.33	$ 17.73
2020	$ 19.82	$ 6.51
2019	$ 13.95	$ 6.74
2018	$ 25.85	$ 9.30
2017	$ 23.55	$ 8.50
Quarterly Highs and Lows (two most recent full financial years):		
Fourth quarter 2021	$ 40.33	$ 32.40
Third quarter 2021	$ 37.27	$ 28.79
Second quarter 2021	$ 35.25	$ 24.57
First quarter 2021	$ 29.10	$ 17.73
Fourth quarter 2020	$ 19.82	$ 13.96
Third quarter 2020	$ 14.87	$ 7.70
Second quarter 2020	$ 9.54	$ 6.88
First quarter 2020	$ 10.95	$ 6.51
Monthly Highs and Lows (over the most recent six month period):		
February 2022	$ 41.57	$ 35.51
January 2022	$ 40.38	$ 36.47
December 2021	$ 36.44	$ 32.40
November 2021	$ 39.78	$ 32.67
October 2021	$ 40.33	$ 34.44
September 2021	$ 36.06	$ 31.11

Transfer Agent

The transfer agent and registrar for our common shares is Computershare Shareholder Services, Inc. and its fully owned subsidiary Computershare Trust Company, N.A., having its principal office at 250 Royall Street, Canton, MA 02021. Computershare Investor Services (PTY) LTD and Computershare (PTY) LTD provide administration services and act as the nominee registrar for the common shares traded on the JSE. The address of Computershare Investor Services (PTY) LTD and Computershare (PTY) LTD is 15 Biermann Avenue, Rosebank 2196, South Africa.

B. Plan of Distribution

Not applicable.

C. Markets

See Item 9, "*Offer and Listing Details – Trading Markets*" above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number EC18896. We were incorporated on December 3, 1993 under the name Textainer Group Holdings Limited, prior to that time our business was based in Panama. Our headquarters office is located at 16 Par-La-Ville Road, Hamilton HM 08 Bermuda.

We incorporate by reference into this Annual Report on Form 20-F the description of our memorandum of association and our bye-laws contained in "Description of Share Capital" of our Registration Statement on Form F-1 filed with the SEC on September 26, 2007. Such information is a summary which does not purport to be complete and is qualified in its entirety by reference to our memorandum of association and our bye-laws, copies of which have been filed as Exhibits 3.1 and 3.2, respectively, to such Registration Statement.

C. Material Contracts

We have not entered into any material contracts during the two years immediately preceding the date of this Annual Report on Form 20-F other than contracts entered into in the ordinary course of business and other than those described in Item 4, "*Information on the Company—History and Development of the Company—Significant Events*" or elsewhere in this Annual Report on Form 20-F.

D. Exchange Controls

Our common shares are secondary or dual listed on the JSE in Johannesburg, South Africa under the symbol "TXT". South Africa's exchange control regulations provide for restrictions on exporting capital from South Africa and transactions between South African residents (including corporations) and non-residents are subject to these exchange controls. While the South African government has, to some extent, relaxed exchange controls in recent years, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the future.

E. Taxation

The following discussion is a summary of the material Bermuda and U.S. federal income tax consequences of an investment in our common and preferred shares. This discussion is not exhaustive of all possible tax considerations. In particular, this discussion does not address the tax consequences under state, local, and other national (e.g., non-Bermuda and non-U.S.) tax laws. Accordingly, we urge you to consult your own tax advisor regarding your particular tax circumstances and the tax consequences under state, local, and other national tax laws. The following discussion is based upon laws and relevant interpretations thereof in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect.

Bermuda Tax Consequences

The following is a summary of the material Bermuda tax consequences of an investment in our common and preferred shares. The following discussion is not exhaustive of all possible tax considerations. We urge you to consult your own tax advisor regarding your particular tax circumstances.

Taxation of the Companies

We and our Bermuda subsidiaries have obtained an assurance from the Bermuda Minister of Finance under the Exempted Undertakings Tax Protection Act 1966 that, if any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain, or appreciation, or any tax in the nature of estate duty or inheritance tax, then such tax will not until March 31, 2035 be applicable to us or any of our operations, or to any of our shares, debentures, or other obligations, except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda. As an exempted company, we are required to pay an annual Bermuda government fee based on our assessable capital.

Taxation of Holders

Currently, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by our shareholders in respect of our common and preferred shares. The issue, transfer, or redemption of our common and preferred shares is not currently subject to stamp duty.

United States Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences of an investment in our common and preferred shares. The following discussion is not exhaustive of all possible tax considerations. This summary is based upon the Code, regulations promulgated under the Code by the U.S. Treasury Department (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently available and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Any such change could materially and adversely affect the tax consequences described below. No assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences described below.

This summary does not address all aspects of U.S. federal income taxation that may be important to a particular holder in light of its investment or tax circumstances or to holders subject to special tax rules, such as banks; financial institutions; insurance companies; dealers in stocks, securities, or currencies; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; tax-exempt organizations; real estate investment trusts; regulated investment companies; qualified retirement plans, individual retirement accounts, and other tax-deferred accounts; certain former citizens or long-term residents of the U.S.; persons subject to the alternative minimum tax; persons holding common and preferred shares as part of a straddle, hedge, conversion transaction, or other integrated transaction; persons who acquired common shares pursuant to the exercise of any employee share option or otherwise as compensation for services; persons actually or constructively holding 10% or more of our voting shares; and U.S. Holders (as defined below) whose functional currency is other than the U.S. dollar.

This discussion is not a comprehensive description of all of the U.S. federal tax consequences that may be relevant with respect to an investment in common and preferred shares. We urge you to consult your own tax advisor regarding your particular circumstances and the U.S. federal income and estate tax consequences to you of owning and disposing of common and preferred shares, as well as any tax consequences arising under the laws of any state, local, foreign or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws.

This summary is directed solely to persons who hold their common and preferred shares as capital assets within the meaning of Section 1221 of the Code, which includes property held for investment. For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of common and preferred shares that is any of the following:

- a citizen or resident of the U.S. or someone treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source;
- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all substantial decisions of the trust; or
- a trust in existence on August 20, 1996 that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The term "Non-U.S. Holder" means a beneficial owner of common and preferred shares that is not a U.S. Holder or an entity treated as a partnership for U.S. federal income tax purposes. As described in "—Taxation of Non-U.S. Holders" below, the tax consequences to a Non-U.S. Holder may differ substantially from the tax consequences to a U.S. Holder.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of common and preferred shares, the U.S. federal income tax consequences to a partner in the partnership will depend on the status of the partner and the activities of the partnership. A holder of common and preferred shares that is a partnership and the partners in such partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of an investment in common and preferred shares.

Taxation of the Companies

Textainer and Non-U.S. Subsidiaries

A non-U.S. corporation deemed to be engaged in a trade or business within the U.S. is subject to U.S. federal income tax on income which is treated as effectively connected with the conduct of that trade or business. Such income tax, if imposed, is based on effectively connected income computed in a manner similar to the manner in which the income of a domestic corporation is computed, except that a foreign corporation will be entitled to deductions and credits for a taxable year only if it timely files a U.S. federal income tax return for that year. In addition, a non-U.S. corporation may be subject to the U.S. federal branch profits tax on the portion of its effectively connected earnings and profits, with certain adjustments, deemed repatriated out of the U.S. Currently, the maximum U.S. federal income tax rates are 21% for a corporation's effectively connected income and 30% for the branch profits tax.

A portion of our income is treated as effectively connected with the conduct of a trade or business within the U.S., and such effectively connected income is subject to U.S. federal income tax. U.S. federal income tax returns have been filed declaring such effectively connected income.

The determination of whether a person is engaged in a U.S. trade or business is based on a highly factual analysis. In general, there is no clear test as to the nature and scope of activities that constitute being engaged in a U.S. trade or business, and it is unclear how a court would construe the existing authorities with respect to our activities. Accordingly, it is possible that the IRS could assert that a significantly greater portion of our income than we currently report is derived from the conduct of a U.S. trade or business and therefore, is effectively connected income that is subject to U.S. federal income tax.

In addition to U.S. federal income tax on income associated with a U.S. trade or business, we are also subject to a 30% U.S. withholding tax imposed on the gross amount of certain "fixed or determinable annual or periodic gains, profits and income" derived from sources within the U.S. (such as rents, dividends and interest on investments), to the extent such amounts are not effectively connected income. This 30% U.S. withholding tax is

subject to reduction by applicable treaties. Distributions by our U.S. subsidiaries to us are expected to be subject to this 30% U.S. withholding tax.

U.S. Subsidiaries

Our U.S. subsidiaries are subject to U.S. federal income tax on their worldwide income subject to reduction by allowable foreign tax credits. Certain foreign sourced income earned by the U.S. subsidiaries may be taxed at a rate lower than 21%.

Transfer Pricing

Under U.S. federal income tax laws, transactions among taxpayers that are owned or controlled directly or indirectly by the same interests generally must be at arm's-length terms. The IRS may distribute, apportion, or allocate gross income, deductions, credits, or allowances between or among such taxpayers if it determines that such transactions are not at arm's-length terms and that such distribution, apportionment, or allocation is necessary in order to clearly reflect the income of any of such taxpayers. Additionally, if we have not met the requirements of the new CBC Regulations (effective for our taxable years beginning on or after June 30, 2016), we may become subject to penalties and the IRS may pursue a further investigation or audit of our operations, which may result in an adjustment to our transfer pricing policies as described in the immediately preceding sentence. In such a situation, we may incur increased tax liability, possibly materially, thereby reducing our profitability and cash flows.

Taxation of U.S. Holders

The discussion in "—Distributions on Common and Preferred Shares" and "—Dispositions of Common and Preferred Shares" below assumes that we will not be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. For a discussion of the rules that apply if we are treated as a PFIC, see "—Passive Foreign Investment Company" below.

Distributions on Common and Preferred Shares

General. Subject to the discussion in "—Passive Foreign Investment Company" below, if you actually or constructively receive a distribution on shares, you must include the distribution in gross income as a taxable dividend on the date of your receipt of the distribution, but only to the extent of our current or accumulated earnings and profits, as calculated under U.S. federal income tax principles. Such amount must be included without reduction for any foreign taxes withheld. Dividends paid by us will not be eligible for the dividends received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by us may or may not be eligible for preferential rates applicable to qualified dividend income, as described below. In addition, certain non-corporate U.S. Holders may be subject to an additional 3.8% Medicare tax on dividend income whether or not it is "qualified dividend income." See "—Medicare Tax" below.

To the extent a distribution exceeds our current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of your adjusted tax basis in the shares, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to non-corporate U.S. Holders. In addition, certain non-corporate U.S. Holders may be subject to an additional 3.8% Medicare tax on capital gain. See "—Medicare Tax" below.

Qualified Dividend Income. With respect to non-corporate U.S. Holders (i.e., individuals, trusts, and estates), the maximum individual U.S. federal income tax rate applicable to "qualified dividend income" ("QDI") generally is 20%. Among other requirements, dividends will be treated as QDI if either (i) our shares are readily tradable on an established securities market in the U.S., or (ii) we are eligible for the benefits of a comprehensive income tax treaty with the U.S. which includes an information exchange program and which is determined to be satisfactory by the Secretary of the U.S. Treasury. The income tax treaty between the U.S. and Bermuda (the jurisdiction of our incorporation) does not qualify for these purposes. However, subject to the discussion below, under "*—Passive Foreign Investment Company—Mark-to-Market Election*," we expect that under current administrative guidance, our shares are "readily tradable" on an established securities market as a result of being listed on the NYSE.

In addition, for dividends to be treated as QDI, we must not be a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year. We do not believe that we were a PFIC for our prior taxable year and we intend to conduct our business so that we should not be treated as a PFIC for our current taxable year or any future taxable year. However, because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year. Please see the discussion under "—Passive Foreign Investment Company" below. Additionally, in order to qualify for QDI treatment, you generally must have held the shares for more than 60 days during the 121-day period beginning 60 days prior to the ex-dividend date. However, your holding period will be reduced for any period during which the risk of loss is diminished.

Since the QDI rules are complex, you should consult your own tax advisor regarding the availability of the preferential tax rates for dividends paid on shares.

In-Kind Distributions. Generally, distributions to you of new shares or rights to subscribe for new shares that are received as part of a pro rata distribution to all of our shareholders will not be subject to U.S. federal income tax. The adjusted tax basis of the new shares or rights so received will be determined by allocating your adjusted tax basis in the old shares between the old shares and the new shares or rights received, based on their relative fair market values on the date of distribution. However, in the case of a distribution of rights to subscribe for shares, the adjusted tax basis of the rights will be zero if the fair market value of the rights is less than 15% of the fair market value of the old shares on the date of distribution and you do not make an election to determine the adjusted tax basis of the rights by allocation as described above. Your holding period for the new shares or rights should include the holding period for the old shares on which the distribution was made.

Foreign Tax Credits. Subject to certain conditions and limitations, any foreign taxes paid on or withheld from distributions from us and not refundable to you may be credited against your U.S. federal income tax liability or, alternatively, may be deducted from your taxable income. This election is made on a year-by-year basis and applies to all foreign taxes paid by you or withheld from you that year.

Distributions will constitute foreign source income for foreign tax credit limitation purposes. The foreign tax credit limitation is calculated separately with respect to two specific classes of income. For this purpose, distributions characterized as dividends distributed by us are expected to constitute "passive category income" or, in the case of certain U.S. Holders, "general category income." Special limitations may apply if a dividend is treated as QDI (as defined above).

Since the rules governing foreign tax credits are complex, you should consult your own tax advisor regarding the availability of foreign tax credits in your particular circumstances.

Dispositions of Common and Preferred Shares

Subject to the discussion in "—Passive Foreign Investment Company" below, you will recognize taxable gain or loss on the sale or other taxable disposition of shares equal to the difference between the U.S. dollar value of (i) the amount realized on the disposition (i.e., the amount of cash plus the fair market value of any property received), and (ii) your adjusted tax basis in the shares. Such gain or loss will be capital gain or loss.

If you have held the shares for more than one year at the time of disposition, such capital gain or loss will be long-term capital gain or loss. Preferential tax rates for long-term capital gain apply for non-corporate U.S. Holders. The maximum rate for individuals on net long-term capital gain is currently 20%. In the case of a corporation, capital gains are taxed at the same rate as ordinary income, the maximum rate for which is currently 35%. If you have held the shares for one year or less, such capital gain or loss will be short-term capital gain or loss taxable as ordinary income. The deductibility of capital losses is subject to limitations. In addition, certain U.S. persons, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on capital gain income. See "—Medicare Tax" below.

Any gain or loss recognized on the disposition of shares is not expected to give rise to foreign source income for U.S. foreign tax credit purposes.

You should consult your own tax advisor regarding the U.S. federal income tax consequences if you receive currency other than U.S. dollars upon the disposition of shares.

Passive Foreign Investment Company

We will be a PFIC under Section 1297 of the Code if, for a taxable year, either (a) 75% or more of our gross income for such taxable year is passive income (the "income test") or (b) 50% or more of the average percentage, generally determined by fair market value, of our assets during such taxable year either produce passive income or are held for the production of passive income (the "asset test"). "Passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. However, rents meeting certain requirements are treated as derived from the conduct of an active trade or business and are not treated as passive income.

Certain "look through" rules apply for purposes of the income and asset tests described above. If we own, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, we will be treated as if we (a) held directly a proportionate share of the other corporation's assets, and (b) received directly a proportionate share of the other corporation's income. In addition, passive income does not include any interest, dividends, rents, or royalties that are received or accrued by us from a "related person" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to income of such related person that is not passive income.

Under the income and asset tests, whether or not we are a PFIC will be determined annually based upon the composition of our income and the composition and valuation of our assets, all of which are subject to change. In analyzing whether we should be treated as a PFIC, we are relying on the amount and character of our projected revenues and the amount and character of our projected capital expenditures, the valuation of our assets, and our election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes. If the amount and character of our actual revenues and capital expenditures do not match our projections, we may be a PFIC. In these calculations, we have valued our intangible assets based on our market capitalization, determined using the market price of our shares. Such market price may fluctuate. If our market capitalization is less than anticipated or subsequently declines, this will decrease the value of our intangible assets and we may be a PFIC. Furthermore, we have made a number of assumptions regarding the value of our intangible assets. We believe our valuation approach is reasonable. However, it is possible that the IRS could challenge the valuation of our intangible assets, which may result in our being a PFIC.

We do not believe that we were a PFIC for our prior taxable year and we intend to conduct our business so that we should not be treated as a PFIC for our current taxable year or any future taxable year. However, because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year or that the IRS may challenge our determination concerning our PFIC status.

Default PFIC Rules under Section 1291 of the Code. If we are a PFIC, the U.S. federal income tax consequences to a U.S. Holder of an investment in shares will depend on whether such U.S. Holder is permitted to make and makes (i) an election to treat us as a qualified electing fund ("QEF") under Section 1295 of the Code (a "QEF Election") or (ii) a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A U.S. Holder owning shares while we were or are a PFIC that has not made either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder."

If you are a Non-Electing U.S. Holder, you will be subject to the default tax rules of Section 1291 of the Code with respect to:

- any "excess distribution" paid on shares, which means the excess (if any) of the total distributions received by you during the current taxable year over 125% of the average distributions received by you during the three preceding taxable years (or during the portion of your holding period for the shares prior to the current taxable year, if shorter); and
- any gain recognized on the sale or other taxable disposition (including a pledge) of shares.

Under these default tax rules:

- any excess distribution or gain will be allocated ratably over your holding period for the shares;
- the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC will be treated as ordinary income in the current year;
- the amount allocated to each of the other years will be treated as ordinary income and taxed at the highest applicable tax rate in effect for that year; and
- the resulting tax liability from any such prior years will be subject to the interest charge applicable to underpayments of tax.

In addition, notwithstanding any election you may make, dividends that you receive from us will not be eligible for the preferential tax rates applicable to QDI (as discussed above in "—Distributions on Common and Preferred Shares") if we are a PFIC either in the taxable year of the distribution or the preceding taxable year, but will instead be taxable at rates applicable to ordinary income.

Special rules for Non-Electing U.S. Holders will apply to determine U.S. foreign tax credits with respect to foreign taxes imposed on distributions on shares.

If we are a PFIC for any taxable year during which you hold shares, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold shares, regardless of whether we actually continue to be a PFIC.

QEF Election. We currently do not intend to prepare or provide you with certain tax information that would permit you to make a QEF Election to avoid the adverse tax consequences associated with owning PFIC stock.

Mark-to-Market Election. U.S. Holders may make a Mark-to-Market Election, but only if the shares are marketable stock. The shares will be "marketable stock" as long as they remain listed on the NYSE and are regularly traded. Shares are "regularly traded" for any calendar year during which it is traded (other than in *de minimis* quantities) on at least fifteen days during each calendar quarter. There can be no assurances, however, that our shares will be treated, or continue to be treated, as regularly traded.

If you make a Mark-to-Market Election, you generally will not be subject to the default rules of Section 1291 of the Code discussed above. Rather, you will be required to recognize ordinary income for any increase in the fair market value of the shares for each taxable year that we are a PFIC. You will also be allowed to deduct as an ordinary loss any decrease in the fair market value to the extent of net marked-to-market gain previously included in prior years. Your adjusted tax basis in the shares will be adjusted to reflect the amount included or deducted.

The Mark-to-Market Election will be effective for the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to be marketable stock or the IRS consents to the revocation of the election. You should consult your own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Since the PFIC rules are complex, you should consult your own tax advisor regarding them and how they may affect the U.S. federal income tax consequences of an investment in shares.

Medicare Tax

Certain U.S. persons, including individuals, estates and trusts, may be required to pay an additional 3.8% on, among other things, dividends and capital gains from the sale or disposition of Shares. For individuals, the additional Medicare tax applies to the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" over $200,000 ($250,000 if married and filing jointly or $125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. U.S. Holders likely will not be able to credit foreign taxes against the 3.8% Medicare

tax. You should consult your tax advisors regarding the implications of the additional Medicare tax resulting from your ownership and disposition of our shares.

Information Reporting and Backup Withholding

Information reporting requirements will apply to distributions on shares or proceeds from the disposition of shares paid within the U.S. (and, in certain cases, outside the U.S.) to a U.S. Holder unless such U.S. Holder is an exempt recipient, such as a corporation. Furthermore, backup withholding (currently at 28%) may apply to such amounts unless such U.S. Holder (i) is an exempt recipient that, if required, establishes its right to an exemption, or (ii) provides its taxpayer identification number, certifies that it is not currently subject to backup withholding, and complies with other applicable requirements. A U.S. Holder may avoid backup withholding if it furnishes a properly completed IRS Form W-9 and is able to make the required certifications.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your U.S. federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Information Reporting Regarding PFICs and Specified Foreign Financial Assets

If we are a PFIC, all U.S. Holders may be required to file annual tax returns (including on Form 8621) containing such information as the U.S. Treasury requires.

U.S. Holders who are individuals will be subject to reporting obligations with respect to their shares if they do not hold their shares in an account maintained by a financial institution and the aggregate value of their shares and certain other "specified foreign financial assets" exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its shares under these rules and fails to do so.

In the event a U.S. Holder does not file the information reports described above relating to ownership of a PFIC or disclosure of specified foreign financial assets, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related tax year will not close before such report is filed.

If you are a U.S. Holder, you are urged to consult with your own tax advisor regarding the application of the PFIC and specified foreign financial assets information reporting requirements and related statute of limitations tolling provisions with respect to our shares.

Taxation of Non-U.S. Holders

Distributions on Common and Preferred Shares

Subject to the discussion in "—Information Reporting and Backup Withholding" below, as a Non-U.S. Holder, you generally will not be subject to U.S. federal income tax, including withholding tax, on distributions received on shares, unless the distributions are effectively connected with a trade or business that you conduct in the U.S. and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the U.S.

If distributions are effectively connected with a U.S. trade or business and (if applicable) attributable to a U.S. permanent establishment, you will be subject to tax on such distributions in the same manner as a U.S. Holder, as described in "Taxation of U.S. Holders – Distributions on Common and Preferred Shares" above. In addition, any such distributions received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Dispositions of Common and Preferred Shares

Subject to the discussion in "—Information Reporting and Backup Withholding" below, as a Non-U.S. Holder, you generally will not be subject to U.S. federal income tax, including withholding tax, on any gain recognized on a sale or other taxable disposition of shares, unless (i) the gain is effectively connected with a trade or business that you conduct in the U.S. and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the U.S., or (ii) you are an individual and are present in the U.S. for at least 183 days in the taxable year of the disposition, and certain other conditions are met.

If you meet the test in clause (i) above, you generally will be subject to tax on any gain that is effectively connected with your conduct of a trade or business in the U.S. in the same manner as a U.S. Holder, as described in "Taxation of U.S. Holders – Dispositions of Common and Preferred Shares" above. Effectively connected gain realized by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you meet the test in clause (ii) above, you generally will be subject to tax at a 30% rate on the amount by which your U.S. source capital gain exceeds your U.S. source capital loss during the taxable year.

Information Reporting and Backup Withholding

Payments to Non-U.S. Holders of distributions on, or proceeds from the disposition of, shares are generally exempt from information reporting and backup withholding. However, a Non-U.S. Holder may be required to establish that exemption by providing certification of non-U.S. status on an appropriate IRS Form W-8.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your U.S. federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Whenever a reference is made in this Annual Report on Form 20-F to any contract, agreement or other document, the reference may not be complete, and you should refer to the copy of that contract, agreement or other document filed as an exhibit to one of our previous SEC filings. You can read our SEC filings over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Copies of reports and other information may also be inspected in the offices of the NYSE, 20 Broad Street, New York, New York 10005.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of changes in value of a financial instrument, derivative or non-derivative, caused by fluctuations in foreign exchange rates and interest rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Foreign Exchange Rate Risk. Although we have significant foreign-based operations, the U.S. dollar is our primary operating currency. Thus, substantially all of our revenue and the majority of our expenses in 2021, 2020 and 2019 was denominated in U.S. dollars. We do not hedge these container expenses as there are no significant payments made in any one foreign currency. Foreign exchange fluctuations did not materially impact our financial results in those periods.

Interest Rate Risk. We have entered into various interest rate swap agreements to mitigate our exposure associated with our variable rate debt. The swap agreements involve payments by us to counterparties at fixed rates in return for receipts based upon variable rates indexed to LIBOR or SOFR. All of our derivative agreements are with highly rated financial institutions. Credit exposures are measured based on the market value of outstanding derivative instruments.

As of December 31, 2021, all of our interest rate swap agreements are designated as cash flow hedges for accounting purposes, and any unrealized gains or losses related to the changes in fair value are recognized in accumulated comprehensive income and re-classed to interest expense as they are realized. Our valuation reflects our credit standing and the credit standing of the counterparties to the interest rate swaps. The valuation technique we utilized to calculate the fair value of the interest rate swaps was the income approach. This approach represents the present value of future cash flows based upon current market expectations.

The notional amount of the interest rate swap agreements was $1,724,250 as of December 31, 2021, with expiration dates between February 2023 and May 2031. We pay fixed rates between 0.17% and 1.48% under the interest rate swap agreements. The net fair value of these agreements was a liability of $2,139 and an asset of $12,278 as of December 31, 2021.

As of December 31, 2021, approximately 92% of our debt is either fixed or hedged using derivative instruments which helps mitigate the impact of changes in short-term interest rates. It is estimated that a 1% increase in interest rates on our unhedged debt would result in a net increase of $6,217 in interest expense over the next twelve months.

Quantitative and Qualitative Disclosures About Credit Risk

Credit risk is mitigated by our assessment of the creditworthiness of container shipping lines that lease containers from us and our ongoing monitoring of our container lessees' performance and outstanding accounts receivable balances. Our top 20 customers have an average Dynamar credit rating, a common credit report used in the maritime sector, of 3.6 as of December 31, 2021. The Dynamar credit rating ranges from 1 to 10, with 1 indicating low credit risk. In managing this risk, we also established allowance for credit losses on our billed accounts receivable and unbilled amounts under net investment in finance leases and container leaseback financing receivable. Our determination of the collectability of future lease payments is made by management on the basis of available information, including the current creditworthiness of container lessees, historical collection results and review of specific past due receivables (for further discussion, see Note 1 "Nature of Business and Summary of Significant Accounting Policies" and Note 6 "Allowance for Credit Losses" to our consolidated statements in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F).

As of December 31, 2021, customers in Switzerland, Singapore, France, Taiwan, and PRC (including Hong Kong) accounted for approximately 26.3%, 14.7%, 12.4%, 11.1% and 10.6%, respectively, of our total fleet container lease billings. Customers in no other country accounted for greater than 10.0% of our total fleet container lease billings for the same period.

Due to the COVID-19 pandemic, we may be unable to collect receivables from those shipping line customers that may be significantly impacted by COVID-19. While we are not yet through the pandemic, the financial performance of our customers has generally held up better than anticipated since our customers benefited from elevated cargo volumes and high freight rates and we will continue to closely monitor our customers' payment performance.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15€ and 15d-15(e) under the Exchange Act) as of December 31, 2021.

The "disclosure controls and procedures" means our controls and other procedures that are designed to provide reasonable assurance that the information required to be disclosed by us in the reports that we filed or submitted to the SEC, such as this Annual Report on Form 20-F, was (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon that evaluation, it was concluded that, as of such date, the disclosure controls and procedures were effective as of December 31, 2021

B. Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Management, including our Chief Executive Officer and Chief Financial Officer under the oversight of our Board of Directors, assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework (2013)," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management concluded that our internal control over financial reporting was effective for the year ended December 31, 2021.

All internal control systems and procedures, no matter how well designed, have inherent limitations. Therefore, even those internal control systems and procedures determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

C. Report of the Registered Public Accounting Firm

Our internal control over financial reporting as of December 31, 2021 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included under Item 18, "Financial Statements" on page F-4 in this Annual Report on Form 20-F.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

In accordance with NYSE rules, we have an audit and risk committee responsible for advising the board regarding the selection of independent auditors and evaluating our internal controls. As a foreign private issuer, we are not required to comply with NYSE requirements that our audit and risk committee has a minimum of three members and that all of our audit and risk committee members satisfy the NYSE's requirements for independence. Our audit and risk committee has five members, Mr. Shwiel, Mr. Cottingham, Mr. Earl, Ms. Tang and Ms. Hostetler. Our Board of Directors determined that all members of the Audit and Risk Committee are independent as that term is defined in Rule 10A-3 under the Exchange Act. The board affirmatively determined that Mr. Shwiel, Mr. Cottingham and Ms. Tang are audit committee financial experts. Mr. Shwiel is also the chairman of our board of directors. Our board of directors has adopted an audit committee charter effective October 9, 2007.

ITEM 16B. CODE OF ETHICS

We have adopted the Textainer Group Holdings Limited Code of Business Conduct and Ethics (the "Code of Business Conduct and Ethics"), which covers members of our board of directors and all of our employees (including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions).

The Code of Business Conduct and Ethics addresses, among other things, the following items:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- accountability for adherence to the code.

During 2021, no waivers or amendments were made to the Code of Business Conduct and Ethics for any of our directors or executive officers. We have posted the text of the Code of Business Conduct and Ethics on our website at www.textainer.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our audit and risk committee pre-approves all services provided by our principal accountants, KPMG LLP. All of the services and fees described below were reviewed and pre-approved by our audit and risk committee. Our audit and risk committee has delegated to the chairman of the audit and risk committee certain limited authority to grant pre-approvals. These decisions to pre-approve a service must be presented to the full audit and risk committee at its next scheduled meeting.

The following is a summary of the fees billed to us by our principal accountants for professional services rendered for 2021 and 2020:

Fee Category	2021 Fees	2020 Fees
Audit Fees	$ 1,883	$ 1,888
Audit-Related Fees	555	235
Tax Fees	20	8
Total Fees	$ 2,458	$ 2,131

Audit Fees—Consists of fees billed for professional services rendered for the audit of our financial statements and services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-Related Fees—Consists of fees for assurance and related services, including services associated with compliance reporting on our certain specific lender requirements and preferred shares offerings, other than those described above as Audit Fees.

Tax Fees—Consists of fees billed for professional services for tax compliance, tax advice and tax planning.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

The disclosure required by Rule 10A-3(b)(1)(iv)(D) under the Exchange Act regarding exemption from the listing standards for audit committee is not applicable to the Company's audit and risk committee.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In August 2019, our board of directors approved a share repurchase program of up to $25,000 of the Company's common shares. Under the program, the Company may purchase its common shares from time to time in the open market, in privately negotiated transactions or such other manner as will comply with applicable laws and regulations. The authorization did not obligate us to acquire a specific number of shares during any period, but it may be modified, suspended or terminated at any time at the discretion of the Company's board of directors. In March 2020, our board of directors approved an increase in the program by $25,000, and in September 2020 the program was further increased by $50,000.

In May 2021, our board of directors had approved an amendment to increase the share repurchase program from $100,000 to an aggregate of $150,000. In September 2021, our board of directors had approved an amendment to further increase the share repurchase program from $150,000 to an aggregate of $200,000 (including all common shares repurchased under the program prior to the amendments), commencing in September 2019 up to and including January 1, 2024.

The table below is a summary of the shares repurchased by us and the average price paid per share (excluding commissions) during the year ended December 31, 2021. All shares were repurchased in the open market pursuant to the share repurchase program.

	Issuer Purchases of Common Shares			
Period	Total number of shares purchased (3)	Average price paid per share	Total number of shares purchased as part of publicly announced plan	Approximate dollar value of shares that may yet be purchased under the plan
January 1, 2021 through January 31, 2021	489,055	$ 19.81	489,055	$ 13,5
February 1, 2021 through February 28, 2021	57,165	$ 18.50	57,165	$ 12,4
March 1, 2021 through March 31, 2021	-	$ -	-	$ 12,4
April 1, 2021 through April 30, 2021	322,044	$ 27.79	322,044	$ 3,5
May 1, 2021 through May 31, 2021 (1)	33,065	$ 26.32	33,065	$ 52,(
June 1, 2021 through June 30, 2021	260,571	$ 32.83	260,571	$ 44,(
July 1, 2021 through July 31, 2021	287,325	$ 30.96	287,325	$ 35,1
August 1, 2021 through August 31, 2021	67,258	$ 32.16	67,258	$ 33,(
September 1, 2021 through September 30, 2021 (2)	169,079	$ 32.55	169,079	$ 77,5
October 1, 2021 through October 31, 2021	234,450	$ 36.63	234,450	$ 68,9
November 1, 2021 through November 30, 2021	133,767	$ 36.81	133,767	$ 64,(
December 1, 2021 through December 31, 2021	372,946	$ 34.52	372,946	$ 51,1
Total	2,426,725	$ 29.70	2,426,725	

(1) In May 2021, the Board authorized to increase an additional $50,000 to our share repurchase program.
(2) In September 2021, the Board authorized to increase an additional $50,000 to our share repurchase program.
(3) During 2021, we repurchased 552,501 of our common shares on the JSE.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

We conducted a comprehensive, competitive process to determine our independent registered public accounting firm for the year ending December 31, 2022. Pursuant the results of this process, on February 17, 2022, our Board of Directors approved the decision to change auditors and replace KPMG upon completion of its remaining engagement responsibilities. This change became effective upon issuance by KPMG of its reports on our consolidated financial statements as of and for the year ended December 31, 2021 and the effectiveness of internal control over financial reporting as of December 31, 2021 included in the filing of this annual report on Form 20-F. The Board of Directors also approved the engagement of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the year ending December 31, 2022 which will occur after the replacement of KPMG is effective.

KPMG's audit reports on our consolidated financial statements as of and for the years ended December 31, 2021 and 2020 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles except as follows:

KPMG's report on the consolidated financial statements of Textainer Group Holdings Limited and subsidiaries for the year ended December 31, 2020, contained a separate paragraph stating, "As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Update No. 2016-02, Leases (Topic 842)".

During the years ended December 31, 2021 and 2020 and the subsequent interim period through March 17, 2022, there were (i) no disagreements between us and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, any of which, if not resolved to KPMG's satisfaction, would have caused KPMG to make reference thereto in their reports, and (ii) no reportable events pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

During the years ended December 31, 2021 and 2020 and the subsequent interim period through March 17, 2022, neither we nor anyone on our behalf has consulted with Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, auditing, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

The Company provided KPMG with a copy of this disclosure and requested that KPMG furnish a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the statements made herein. A copy of KPMG's letter, dated March 17, 2022, is furnished as Exhibit 99.1 to this Form 20F dated March 17, 2022.

ITEM 16G. CORPORATE GOVERNANCE

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of Bermuda. Therefore, we are exempt from many of the NYSE corporate governance practices, other than the establishment of a formal audit committee satisfying the requirements of Rule 10A-3 under the Exchange Act and notification of non-compliance with NYSE listing requirements pursuant to Rule 10A-3 promulgated under the Exchange Act. The practices that we follow in lieu of the NYSE's corporate governance rules are described below.

- We are not required under Bermuda law to maintain a board of directors with a majority of independent directors. However, as of March 2022 eight of our nine directors are independent, as that term is defined by the NYSE.
- We are not required by Bermuda law to hold regular meetings of the board of directors at which only independent directors are present. However, we regularly hold non-executive sessions of our board of directors, where Mr. Ghesquiere, our President and Chief Executive Officer is not present.
- Mr. Shwiel serves as the Chairman of our board of directors and he has been determined to be independent under applicable NYSE rules. If the Chairman of our board of directors is not an independent director, our Corporate Governance Guidelines provide that a lead independent director who is an independent director as defined by applicable NYSE rules will be appointed and annually elected by the independent directors of the board. The lead independent director will be responsible for coordinating the activities of the independent directors and shall perform such other duties and responsibilities as the board may determine. In addition to the duties of all board members, the specific responsibilities of the lead independent director are as follows:
    - Act as the principal liaison between the independent directors of the board and the chairman of the board;
    - Develop the agenda for and preside at executive sessions of the board's independent directors when needed;
    - If requested by the chairman, approve with the chairman of the board the agenda for board and board committee meetings and the need for special meetings of the board, and serve as deputy board chairman;
    - Advise the chairman of the board as to the quality, quantity and timeliness of the information submitted by the Company's management that is necessary or appropriate for the independent directors to effectively and responsibly perform their duties;
    - Recommend to the board the retention of advisors and consultants who report directly to the board;
    - Assist the board and Company officers in ensuring compliance with and implementation of the Corporate Governance Guidelines;

- Serve as chairman of the board when the chairman is not present; and
- Serve as a liaison for consultation and communication with shareholders.

- Under Bermuda law, compensation of executive officers need not be determined by an independent committee. We have established a compensation committee that reviews and approves the compensation and benefits for our executive officers and other key executives, makes recommendations to the board regarding compensation matters and is responsible for awarding compensation to our executive officers and other employees under our share compensation plans. The committee also has the discretion to interpret and amend the terms of, and take all other actions necessary to administer, the 2019 Share Incentive Plan. All members of our compensation committee are independent, as that term is defined by the NYSE. The members of our compensation committee are Messrs. Cottingham, Maccarone, Nurek and Earl. Our board of directors has also adopted a compensation committee charter.
- We have established an audit and risk committee responsible for (i) advising the board regarding the selection of independent auditors, (ii) overseeing the Company's accounting and financial reporting processes, (iii) evaluating our internal controls, (iv) overseeing compliance with policies and legal requirements with respect to financial reporting, and (v) monitoring the Company's operational, business and financial risks and supervising the Company's risk mitigation and management efforts. Our audit and risk committee need not comply with the NYSE's requirements that the audit committee have a minimum of three members or the NYSE's standards of independence for domestic issuers. Our audit and risk committee has five members, Mr. Cottingham, Mr. Earl, Ms. Tang, Ms. Hostetler, and Mr. Shwiel. Our Board determined that all members of the Audit and Risk Committee are independent as that term is defined in Rule 10A-3 under the Exchange Act.
- We have established a corporate governance and nominating committee comprised solely of independent directors, as would be required of a domestic issuer. Our corporate governance and nominating committee has three members, Mr. Maccarone, Mr. Nurek, and Ms. Hostetler. As of March 2022, Mr. Maccarone, Mr. Nurek and Ms. Hostetler satisfy the NYSE's standards for director independence. Our board of directors has also adopted a corporate governance and nominating committee charter.
- Under Bermuda law, we are not required to obtain shareholder consent prior to issuing securities or adopting share compensation plans. Nonetheless, we sought and received the approval of our shareholders for our 2007 Share Incentive Plan on September 4, 2007, on May 21, 2015 we received shareholder approval for the amendment and restatement of our 2007 Share Incentive Plan as the 2015 Share Incentive Plan, and on May 23, 2019 we received shareholder approval for the amendment and restatement of our 2015 Share Incentive Plan as the 2019 Share Incentive Plan. We are also required under Bermuda law to obtain the consent of the Bermuda Monetary Authority for the issuance of securities in certain circumstances.
- Under Bermuda law, we are not required to adopt corporate governance guidelines or a code of business conduct. Nonetheless, we have adopted both corporate governance guidelines and a code of business conduct.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to the NYSE. However, we have provided a proxy statement to the NYSE and expect to continue to do so in the future.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 “Financial Statements.”

ITEM 18. FINANCIAL STATEMENTS

Reference is made to pages F-1 through F-47 and is incorporated herein by reference.

ITEM 19. EXHIBITS

The exhibits filed as part of this Annual Report on Form 20-F are listed in the Exhibit Index.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Textainer Group Holdings Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries' (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedules I to II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 17, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

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

Residual values of certain container types

As discussed in Note 1 to the consolidated financial statements, the net book value of containers as of December 31, 2021 was $4.7 billion, including $4.6 billion for 20 foot dry, 40 foot dry, 40 foot high cube dry, and 40 foot high cube refrigerated containers. Containers are recorded at cost and depreciated to an estimated residual value on a straight-line basis over the estimated useful lives. To estimate the residual values of the containers, the Company evaluates the average selling prices for used containers over a ten-year period and assesses whether the average selling prices fall within a reasonable range as compared to current residual values. If the average selling prices over the ten-year period are outside of the range, the Company evaluates the trend in average selling prices over three, five, and seven-year periods to corroborate the trend in the ten-year period. The Company then performs a peer comparison to evaluate if there are significant differences between the residual values of the Company's 20 foot dry, 40 foot dry, 40 foot high cube dry, and 40 foot high cube refrigerated containers as compared to peers within the industry. The collective results of the Company's methodology provide a framework to allow the Company to estimate when a change in residual values is needed.

We identified the assessment of residual values of 20 foot dry, 40 foot dry, 40 foot high cube dry, and 40 foot high cube refrigerated containers as a critical audit matter. This was due to the high degree of auditor judgment required given the significant measurement uncertainty of the residual values and the evaluation of the appropriateness of the methodology used by the Company.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's process to determine the residual value of containers. This included controls over the relevance and reliability of the average selling prices for used containers, the appropriateness of the Company's methodology, including the range and the time periods evaluated, and the peer comparison. We tested the average selling prices for used containers by comparing the prices to third party evidence and considering their relevance and reliability. We performed sensitivity analyses over the average selling prices for used containers based on historical data to assess the impact on the analysis. We compared the average selling prices for used containers to published industry reports. We performed sensitivity analyses over the methodology, specifically the appropriateness of the range as well as the time periods used and evaluated the impact if these were changed. We compared the estimated residual values to publicly available peer data. We evaluated the collective results of the procedures performed to assess the sufficiency of the audit evidence obtained related to the critical audit matter.

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

San Francisco, California
March 17, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Textainer Group Holdings Limited:

Opinion on Internal Control Over Financial Reporting

We have audited Textainer Group Holdings Limited and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedules I to II (collectively, the consolidated financial statements), and our report dated March 17, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

San Francisco, California
March 17, 2022

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Operations
Years ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands, except per share amounts)

	2021	2020	2019
Revenues:			
Lease rental income - owned fleet	$ 694,693	$ 538,425	$ 517,859
Lease rental income - managed fleet	56,037	62,448	101,901
Lease rental income	750,730	600,873	619,760
Management fees - non-leasing	3,360	5,271	7,590
Trading container sales proceeds	32,045	31,941	58,734
Cost of trading containers sold	(21,285)	(28,409)	(51,336)
Trading container margin	10,760	3,532	7,398
Gain on sale of owned fleet containers, net	67,229	27,230	21,397
Operating expenses:			
Direct container expense - owned fleet	23,384	55,222	45,831
Distribution expense to managed fleet container investors	50,360	57,311	93,858
Depreciation expense	281,575	261,665	260,372
Amortization expense	2,540	2,572	2,093
General and administrative expense	46,462	41,880	38,142
Bad debt (recovery) expense, net	(1,285)	(1,668)	2,002
Container lessee default (recovery) expense, net	(1,088)	(1,675)	7,867
Gain on insurance recovery and legal settlement	—	—	(14,881)
Gain on settlement of pre-existing management agreement	—	—	(1,823)
Total operating expenses	401,948	415,307	433,461
Income from operations	430,131	221,599	222,684
Other (expense) income:			
Interest expense	(127,269)	(123,230)	(153,185)
Debt termination expense	(15,209)	(8,750)	—
Interest income	123	531	2,505
Realized (loss) gain on financial instruments, net	(5,634)	(12,295)	1,946
Unrealized gain (loss) on financial instruments, net	4,409	(6,044)	(15,442)
Other, net	(490)	1,488	(4)
Net other expense	(144,070)	(148,300)	(164,180)
Income before income taxes	286,061	73,299	58,504
Income tax (expense) benefit	(1,773)	374	(1,948)
Net income	284,288	73,673	56,556
Less: Dividends on preferred shares	10,829	—	—
Less: Net income (loss) attributable to the noncontrolling interest	—	851	(168)
Net income attributable to common shareholders	$ 273,459	$ 72,822	$ 56,724
Net income attributable to common shareholders per share:			
Basic	$ 5.51	$ 1.37	$ 0.99
Diluted	$ 5.41	$ 1.36	$ 0.99
Weighted average shares outstanding (in thousands):			
Basic	49,624	53,271	57,349
Diluted	50,576	53,481	57,459

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
Years ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands, except per share amounts)

	2021	2020	2019
Net income	284,288	73,673	56,556
Other comprehensive income (loss), before tax:			
Change in derivative instruments designated as cash flow hedges	10,986	(12,307)	(110)
Reclassification of realized loss (gain) on derivative instruments designated as cash flow hedges	8,771	2,806	(7)
Foreign currency translation adjustments	(79)	177	42
Comprehensive income, before tax	303,966	64,349	56,481
Income tax (expense) benefit related to items of other comprehensive income	(184)	91	—
Comprehensive income, after tax	303,782	64,440	56,481
Less: Dividends on preferred shares	10,829	—	—
Less: Comprehensive income (loss) attributable to the noncontrolling interest	—	851	(168)
Comprehensive income attributable to common shareholders	$ 292,953	$ 63,589	$ 56,649

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets
December 31, 2021 and 2020
(All currency expressed in United States dollars in thousands)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 206,210	$ 131,018
Accounts receivable, net of allowance of $1,290 and $2,663, respectively	125,746	108,578
Net investment in finance leases, net of allowance of $100 and $169, respectively	113,048	78,459
Container leaseback financing receivable, net of allowance of $38 and $98, respectively	30,317	27,076
Trading containers	12,740	9,375
Containers held for sale	7,007	15,629
Prepaid expenses and other current assets	14,184	13,713
Due from affiliates, net	2,376	1,509
Total current assets	511,628	385,357
Restricted cash	76,362	74,147
Marketable securities	2,866	—
Containers, net of accumulated depreciation of $1,851,664 and $1,619,591, respectively	4,731,878	4,125,052
Net investment in finance leases, net of allowance of $643 and $1,164, respectively	1,693,042	801,501
Container leaseback financing receivable, net of allowance of $75 and $326, respectively	323,830	336,792
Derivative instruments	12,278	47
Deferred taxes	1,073	1,153
Other assets (1)	14,487	17,327
Total assets	$ 7,367,444	$ 5,741,376
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 22,111	$ 24,385
Container contracts payable	140,968	231,647
Other liabilities	4,895	2,288
Due to container investors, net	17,985	18,697
Debt, net of unamortized costs of $8,624 and $8,043, respectively	380,207	408,365
Total current liabilities	566,166	685,382
Debt, net of unamortized costs of $32,019 and $18,639, respectively	4,960,313	3,706,979
Derivative instruments	2,139	29,235
Income tax payable	10,747	10,047
Deferred taxes	7,589	6,491
Other liabilities	39,236	16,524
Total liabilities	5,586,190	4,454,658
Equity:		
Textainer Group Holdings Limited shareholders' equity:		
Preferred shares, $0.01 par value, $25,000 liquidation preference per share. Authorized 10,000,000 shares		
7.00% Series A fixed-to-floating rate cumulative redeemable perpetual preferred shares, 6,000 shares issued and outstanding (equivalent to 6,000,000 depositary shares at $25.00 liquidation preference per depositary share)	150,000	—
6.25% Series B fixed rate cumulative redeemable perpetual preferred shares, 6,000 shares issued and outstanding (equivalent to 6,000,000 depositary shares at $25.00 liquidation preference per depositary share)	150,000	—
Common shares, $0.01 par value. Authorized 140,000,000 shares; 59,503,710 shares issued and 48,831,855 shares outstanding at 2021; 58,740,919 shares issued and 50,495,789 shares outstanding at 2020	595	587
Treasury shares, at cost, 10,671,855 and 8,245,130 shares, respectively	(158,459)	(86,239)
Additional paid-in capital	428,945	416,609
Accumulated other comprehensive income (loss)	9,750	(9,744)
Retained earnings	1,200,423	938,395
Total Textainer Group Holdings Limited shareholders' equity	1,781,254	1,259,608
Noncontrolling interest	—	27,110
Total equity	1,781,254	1,286,718
Total liabilities and equity	$ 7,367,444	$ 5,741,376

(1) Amount for the year ended December 31, 2020 has been reclassified to conform with the 2021 presentation (see Note 1 (w) "Reclassifications and Changes in Presentation").

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity
Years ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands, except share amounts)

	Preferred shares		Common shares		Treasury shares		Additional paid-in capital	Accumulated other comprehensive (loss) income	Retained earnings	Total Textainer Group Holdings Limited shareholders' equity	Noncontrolling interest	Total equity
	Shares	Amount	Shares	Amount	Shares	Amount						
Balances, December 31, 2018	—	$ —	58,032,164	$ 581	(630,000)	$ (9,149)	$ 406,083	$ (436)	$ 809,734	$ 1,206,813	$ 29,178	$ 1
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(2,744)	
Purchase of treasury shares	—	—	—	—	(878,637)	(8,597)	—	—	—	(8,597)	—	
Restricted share units vested	—	—	281,377	2	—	—	(2)	—	—	—	—	
Exercise of share options	—	—	13,014	—	—	—	126	—	—	126	—	
Share-based compensation expense	—	—	—	—	—	—	4,388	—	—	4,388	—	
Net income	—	—	—	—	—	—	—	—	56,724	56,724	(168)	
Other comprehensive income (loss):												
Change in derivative instruments designated as cash flow hedges	—	—	—	—	—	—	—	(110)	—	(110)	—	
Reclassification of realized gain on derivative instruments designated as cash flow hedges	—	—	—	—	—	—	—	(7)	—	(7)	—	
Foreign currency translation adjustments	—	—	—	—	—	—	—	42	—	42	—	
Total other comprehensive loss												
Balances, December 31, 2019	—	—	58,326,555	583	(1,508,637)	(17,746)	410,595	(511)	866,458	1,259,379	26,266	1
Cumulative adjustment for adoption of ASU 2016-13	—	—	—	—	—	—	—	—	(885)	(885)	(7)	
Purchase of treasury shares	—	—	—	—	(6,736,493)	(68,493)	—	—	—	(68,493)	—	
Restricted share units vested	—	—	300,404	3	—	—	(3)	—	—	—	—	
Exercise of share options	—	—	113,960	1	—	—	1,294	—	—	1,295	—	
Share-based compensation expense	—	—	—	—	—	—	4,723	—	—	4,723	—	
Net income	—	—	—	—	—	—	—	—	72,822	72,822	851	
Other comprehensive income (loss):												
Change in derivative instruments designated as cash flow hedges	—	—	—	—	—	—	—	(12,307)	—	(12,307)	—	
Reclassification of realized loss on derivative instruments designated as cash flow hedges	—	—	—	—	—	—	—	2,806	—	2,806	—	
Foreign currency translation adjustments	—	—	—	—	—	—	—	177	—	177	—	
Income tax benefit related to items of other comprehensive loss	—	—	—	—	—	—	—	91	—	91	—	
Total other comprehensive loss												
Balances, December 31, 2020	—	—	58,740,919	587	(8,245,130)	(86,239)	416,609	(9,744)	938,395	1,259,608	27,110	1
Issuance of preferred shares, net of offering expenses	12,000	300,000	—	—	—	—	(10,420)	—	—	289,580	—	
Restricted share units vested	—	—	285,688	3	—	—	(3)	—	—	—	—	
Exercise of share options	—	—	477,103	5	—	—	9,038	—	—	9,043	—	
Purchase of treasury shares	—	—	—	—	(2,426,725)	(72,220)	—	—	—	(72,220)	—	
Share-based compensation expense	—	—	—	—	—	—	6,699	—	—	6,699	—	
Purchase of noncontrolling interest	—	—	—	—	—	—	7,022	—	—	7,022	(27,110)	
Preferred shares dividends declared	—	—	—	—	—	—	—	—	(9,975)	(9,975)	—	
Dividends declared to common shareholders ($0.25 per common share)	—	—	—	—	—	—	—	—	(12,285)	(12,285)	—	
Net income	—	—	—	—	—	—	—	—	284,288	284,288	—	
Other comprehensive income (loss):												
Change in derivative instruments designated as cash flow hedges	—	—	—	—	—	—	—	10,986	—	10,986	—	
Reclassification of realized loss on derivative instruments designated as cash flow hedges	—	—	—	—	—	—	—	8,771	—	8,771	—	
Foreign currency translation adjustments	—	—	—	—	—	—	—	(79)	—	(79)	—	
Income tax expense related to items of other comprehensive income	—	—	—	—	—	—	—	(184)	—	(184)	—	
Total other comprehensive income												
Balances, December 31, 2021	12,000	$ 300,000	59,503,710	$ 595	(10,671,855)	$ (158,459)	$ 428,945	$ 9,750	$ 1,200,423	$ 1,781,254	$ —	$ 1

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands)

	2021	2020	2019
Cash flows from operating activities:			
Net income	$ 284,288	$ 73,673	$ 56,556
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	281,575	261,665	260,372
Bad debt (recovery) expense, net	(1,285)	(1,668)	2,002
Container (recovery) write-off from lessee default, net	(4,868)	(260)	7,179
Unrealized (gain) loss on financial instruments, net	(4,409)	6,044	15,442
Amortization of unamortized debt issuance costs and accretion of bond discounts (1)	9,845	8,112	7,953
Debt termination expense (1)	15,209	8,750	—
Amortization of intangible assets	2,540	2,572	2,093
Gain on sale of owned fleet containers, net	(67,229)	(27,230)	(21,397)
Gain on settlement of pre-existing management agreement	—	—	(1,823)
Share-based compensation expense	6,699	4,723	4,388
Decrease (increase) in:			
Accounts receivable, net	(6,686)	11,539	25,530
Trading containers, net	(1,911)	7,211	19,549
Receipt of payments on finance leases, net of income earned	104,770	44,569	49,796
Interest portion of container leaseback financing receivable	122	(933)	(2,286)
Prepaid expenses and other current assets	(2,577)	1,103	8,693
Due from affiliates, net	(867)	371	(39)
Receipt of marketable securities from a lessee	(5,789)	—	—
Proceeds from sale of marketable securities	2,112	—	—
Other assets	1,139	502	(10,000)
Increase (decrease) in:			
Accounts payable and accrued expenses	(2,350)	981	(4,363)
Other liabilities	14,823	(1,354)	13,519
Due to container investors, net	(712)	(3,281)	(6,407)
Settlement of interest rate swaps	(14,350)	—	—
Long-term income tax payable	700	138	339
Deferred taxes, net	994	(972)	1,449
Total adjustments	327,495	322,582	371,989
Net cash provided by operating activities	611,783	396,255	428,545
Cash flows from investing activities:			
Purchase of containers and fixed assets	(2,083,819)	(746,145)	(466,993)
Payments on container leaseback financing receivable	(18,705)	(116,263)	(281,445)
Payment for Leased Assets Pool Company Limited, net of cash acquired	—	—	(171,841)
Proceeds from sale of containers and fixed assets	142,276	151,021	150,742
Receipt of principal payments on container leaseback financing receivable	30,119	21,485	7,745
Net cash used in investing activities	(1,930,129)	(689,902)	(761,792)
Cash flows from financing activities:			
Proceeds from debt	4,863,756	2,114,260	1,439,223
Payments on debt	(3,635,663)	(1,799,870)	(1,049,857)
Payment of debt issuance costs	(27,895)	(13,637)	(9,417)
Proceeds from container leaseback financing liability, net	16,305	—	17,448
Principal repayments on container leaseback financing liability, net	(3,314)	(12,825)	—
Issuance of preferred shares, net of underwriting discount	290,550	—	—
Purchase of treasury shares	(72,220)	(68,493)	(8,597)
Issuance of common shares upon exercise of share options	9,043	1,295	126
Dividends paid on common shares	(12,285)	—	—
Dividends paid on preferred shares	(9,975)	—	—
Dividends paid to noncontrolling interest	—	—	(2,744)
Purchase of noncontrolling interest	(21,500)	—	—
Other	(970)	—	—
Net cash provided by financing activities	1,395,832	220,730	386,182
Effect of exchange rate changes	(79)	177	42
Net increase (decrease) in cash, cash equivalents and restricted cash	77,407	(72,740)	52,977
Cash, cash equivalents and restricted cash, beginning of the year	205,165	277,905	224,928
Cash, cash equivalents and restricted cash, end of the year	$ 282,572	$ 205,165	$ 277,905
Supplemental disclosures of cash flow information:			
Cash paid for interest expense and realized (loss) gain on derivative instruments, net	$ 145,711	$ 126,958	$ 142,248
Net income taxes paid	$ 1,567	$ 34	$ 42
Supplemental disclosures of noncash operating activities:			
Right-of-use asset for leased properties	$ 272	$ 574	$ 11,276
Supplemental disclosures of noncash investing activities:			
(Decrease) increase in accrued container purchases	$ (90,679)	$ 222,253	$ (33,316)
Containers placed in finance leases	$ 1,043,323	$ 635,004	$ 173,856

(1) Amounts for the years ended December 31, 2020 and 2019 have been reclassified to conform with the 2021 presentation (see Note 1 (w) "Reclassifications and Changes in Presentation").

See accompanying notes to consolidated financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Operations

Textainer Group Holdings Limited ("TGH") is incorporated in Bermuda. TGH is the holding company of a group of companies, consisting of TGH and its subsidiaries (collectively, the "Company"), involved in the purchase, management, leasing and resale of a fleet of marine cargo containers. The Company also manages and provides administrative support to the third-party owners' (the "Container Investors") container fleets.

The Company conducts its business activities in three main areas: Container Ownership, Container Management and Container Resale. These activities are described below (also see Note 10 "Segment Information").

Container Ownership

The Company's containers consist primarily of standard dry freight containers, but also include refrigerated and other special-purpose containers. These owned containers are financed through retained earnings; revolving credit facilities, secured debt facilities and a term loan provided by banks; bonds payable to investors; and a public offering of TGH's common and preferred shares. Expenses related to lease rental income of the owned fleet primarily include direct container expenses, depreciation expense and interest expense.

Container Management

The Company manages, on a worldwide basis, a fleet of containers for and on behalf of the Container Investors. All rental operations are conducted worldwide in the name of the Company who, as agent for the Container Investors, acquires and sells containers, enters into leasing agreements and depot service agreements, bills and collects lease rentals from the lessees, disburses funds to depots for container handling, and remits net amounts, less management fees and commissions, to the Container Investors.

Fees earned by the Company under the management agreements are typically a percentage of net operating income of each Container Investor's fleet and consist of fees for leasing services related to the management of the containers, sales commissions and net acquisition fees earned on the acquisition of containers. Lease rental income and expenses arising from the operation of the managed fleet are presented on a gross basis, whereby revenue billed to shipping lines and expenses incurred and distributions to the container investors of the managed fleet are presented in the Company's consolidated statements of operations. Accounts receivable and vendor payables arising from direct container operations of the managed containers are presented on a gross basis in the Company's consolidated balance sheets. See Note 3 "Managed Container Fleet" for information on the managed fleet containers.

Container Resale

The Company buys and subsequently resells containers (trading containers) from third parties. Container sales revenue represents the proceeds on the sale of containers purchased for resale. Cost of containers sold represents the cost of equipment purchased for resale that were sold as well as the related selling costs. The Company earns sales commissions related to the sale of the containers that it manages.

(b) Principles of Consolidation and Variable Interest Entity

The consolidated financial statements of the Company include TGH and all of its subsidiaries in which the Company has a controlling financial interest. All significant intercompany accounts and balances have been eliminated in consolidation. The Company determines whether it has a controlling financial interest in an entity by evaluating whether the entity is a variable interest entity ("VIE") or a voting interest entity ("VME"). If it is

determined that the Company does not have a variable interest in the entity, no further analysis is required, and the Company does not consolidate the entity.

TAP Funding

TAP Funding Ltd. ("TAP Funding") (a Bermuda company) was a joint venture between the Company's wholly-owned subsidiary, Textainer Limited ("TL") (a Bermuda company) and TAP Ltd. ("TAP") in which TL owned 50.1%, TAP owned 49.9% of the common shares of TAP Funding, and TAP Funding was a VME. The Company consolidated TAP Funding as the Company had a controlling financial interest in TAP Funding. In January 2021, the Company completed the acquisition of 49.9% of the common shares of TAP Funding from TAP for a total purchase price consideration of $21,500. After the acquisition of the noncontrolling interest ("NCI"), the Company owned 100% of TAP Funding and TAP Funding became a wholly-owned subsidiary of the Company. The Company accounted for this equity transaction as a reduction in the related NCI, and the difference between the carrying value of the NCI on January 1, 2021, and the cash consideration was recognized as an increase in additional paid-in capital ("APIC") of $7,022. Prior to the Company's dissolution of TAP Funding in May 2021, TAP Funding's assets and liabilities were transferred to TL.

Prior to the acquisition of the NCI, the equity owned by TAP in TAP Funding was shown as NCI on the Company's consolidated balance sheet as of December 31, 2020 and the net income was shown as net income attributable to the NCI on the Company's consolidated statements of operations for the years ended December 31, 2020 and 2019. After the capital restructuring, there is no NCI in TAP Funding on the Company's consolidated balance sheet as of December 31, 2021 and there is no net income attributable to the NCI on the Company's consolidated statements of operations for the year ended December 31, 2021.

Leased Assets Pool Company Limited

On December 31, 2019, the Company completed the acquisition of Leased Assets Pool Company Limited ("LAPCO") (a Bermuda company) from Trencor Limited. After the acquisition, LAPCO became a wholly-owned subsidiary of TL. As a result of the LAPCO acquisition which was accounted for as an asset acquisition of LAPCO's container fleet, the management agreement between the Company and LAPCO was terminated and effectively settled the pre-existing contractual relationship at acquisition date. Under the terms of the management agreement, the Company previously managed a substantial portion of LAPCO's container fleet. Because the terms of the pre-existing management agreement were determined to be favorable to the Company compared to current market terms for similar arrangements, a portion of the excess of the fair value of the net assets acquired over the purchase consideration was deemed to be applicable to the effective settlement of the management agreement. Therefore, a gain of $1,823 was recorded on the acquisition date in the consolidated statements of operations as "gain on settlement of pre-existing management agreement" during the year ended December 31, 2019. Prior to the Company's dissolution of LAPCO in February 2021, LAPCO's assets and liabilities were transferred to TL.

Managed Containers

The Company enters into container management agreements with Container Investors. The fees earned by the Company for managing container portfolios on behalf of Container Investors are commensurate with the level of effort required to provide those management services and the Company does not have the obligation to absorb losses or the right to receive benefits that may be significant to the Container Investors. As such, the Company is not the primary beneficiary and does not consolidate the Container Investors. Managed containers which are owned by Container Investors are not assets of the Company and are not included in the consolidated financial statements, except for certain managed containers that the Company is deemed to own with associated container leaseback financial liability of the Company in accordance with Topic 842, *Leases* (see Note 1(a) "Nature of Operations" and Note 3 "Managed Container Fleet").

Owned Containers

The majority of the container equipment included in the accompanying consolidated financial statements is owned by TL, Textainer Marine Containers II Limited ("TMCL II") and Textainer Marine Containers VII

Limited ("TMCL VII"), all Bermuda companies and all of which were wholly-owned subsidiaries of the Company as of December 31, 2021 and 2020. All owned containers are pledged as collateral for debt as of December 31, 2021 and 2020.

(c) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents are comprised of interest-bearing deposits or money market securities with original maturities of three months or less. The Company maintains cash and cash equivalents and restricted cash (see Note 11 "Commitments and Contingencies—Restricted Cash") with various financial institutions. These financial institutions are located in Bermuda, Canada, Hong Kong, Malaysia, Singapore, South Africa, the United Kingdom and the United States. A significant portion of the Company's cash and cash equivalents and restricted cash is maintained with a small number of banks and, accordingly, the Company is exposed to the credit risk of these counterparties in respect of the Company's cash and cash equivalents and restricted cash. Furthermore, the deposits maintained at some of these financial institutions exceed the amount of insurance provided on the deposits. Restricted cash is excluded from cash and cash equivalents and is included in long-term assets reported within the consolidated balance sheets.

(d) Intangible Assets

Intangible assets, consisting primarily of exclusive rights to manage container fleets, are amortized over the expected life of the contracts based on forecasted income to the Company. The contract terms range from 11 to 13 years. The Company reviews its intangible assets for impairment if events and circumstances indicate that the carrying amount of the intangible assets may not be recoverable. The Company compares the carrying value of the intangible assets to expected future undiscounted cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying amount exceeds expected undiscounted cash flows, the intangible assets shall be reduced to their fair value. As of December 31, 2021 and 2020, intangible assets amounted to $178 and $2,719, respectively, net of accumulated amortization of $42,002 and $47,931, respectively, which were included in "other assets" in the consolidated balance sheets.

The Company recorded a write-off of intangible assets amounting to $551 and $0 during the years ended December 31, 2021 and 2020, respectively, for the management rights relinquished relating to the Company's purchase of containers previously managed for a container investor. As of December 31, 2021, the aggregate future amortization of intangible assets of $178 is expected to amortize through 2022.

(e) Revenue Recognition

The components of the Company's revenue as presented in the consolidated statements of operations and in Note 10 "Segment Information" are as follows:

Lease Rental Income

Lease rental income arises principally from leasing containers to various international shipping lines and includes all rental charges billed to the lessees. Lease rental income - owned fleet comprises rental income for the container fleet owned by the Company. Lease rental income - managed fleet comprises rental income for the container fleet owned by the Container Investors. For lease accounting purposes, the management agreements with these Container Investors are deemed to convey to the Company the right to control the use of the managed containers and are therefore accounted for as "lease rental income - managed fleet" as reported in the consolidated statements of operations (see Note 3 "Managed Container Fleet" for further information).

Revenue is recorded when earned according to the terms of the container rental contracts with customers. Revenue is earned and recognized evenly over the period that the equipment is on lease. These contracts are typically for terms of five or more years and are generally classified as operating leases. Where minimum lease payments vary over the lease term, revenue is recognized on a straight-line basis over the term of the lease. Lease rental income comprises daily per diem rental charges due under the lease agreements, together with payments for other charges set forth in the leases, such as handling fees, drop-off charges, pick-up charges, and charges for a damage protection plan.

Under long-term lease agreements, containers are usually leased from the Company for periods of five or more years. Under master lease agreements, the lessee is not committed to leasing a minimum number of containers from the Company during the lease term and may generally return the containers to the Company at any time, subject to certain restrictions in the lease agreement. Under long-term lease and master lease agreements, revenue is earned and recognized evenly over the period that the equipment is on lease.

Under finance leases, the containers are usually leased from the Company for the remainder of the container's useful life and ordinarily provide lessees with a right to purchase the subject containers for a nominal amount at the end of the lease term. Finance lease income is recognized using the effective interest method, which generates a constant rate of interest over the period of the lease.

Under sales-type leaseback arrangements that are accounted for as financing transactions, payments made by the customers are recorded as a reduction to the container leaseback financing receivable and as interest income. Interest income is recognized using the effective interest method, which generates a constant rate of interest over the period of the arrangement.

The Company's container leases generally do not include step-rent provisions, nor do they depend on indices or rates. The Company recognizes revenue on container leases that include lease concessions in the form of free-rent periods using the straight-line method over the minimum terms of the leases.

The Company will cease recognition of lease revenue if and when a container lessee defaults in making timely payments and when determined that future lease payments are not likely to be collected from the lessee (see Note 1 (f) "Allowance for Credit Losses" for further discussions on the Company's ongoing credit review of lessees).

Management Fees - Non-leasing

Under the Company's management service agreements with Container Investors, fees are earned for the acquisition and sale of containers under management (see Note 3 "Managed Container Fleet" for further information). Acquisition fees from purchases of containers for managed fleet are deferred and recognized as earned on a straight-line basis over the deemed lease term.

Trading Container Margin

The Company's trading container sales proceeds arise from the resale of new and used containers to a wide variety of buyers. The related expenses represent the cost of trading containers sold as well as other selling costs that are recognized as incurred. Revenue is recorded when control of the containers is transferred to the customer, which typically occurs upon delivery to, or pick-up by, the customer and when collectability is reasonably assured.

(f) Allowance for Credit Losses

Accounts receivable, net investment in finance leases and container leaseback financing receivable are stated at amortized cost net of allowance for credit losses. Subsequent changes in the estimated allowance for credit losses are recognized in "bad debt (recovery) expense, net" in the consolidated statements of operations (see Note 6 "Allowance for Credit Losses" for further information).

Accounts Receivables

The Company maintains allowances, if necessary, for doubtful accounts against accounts receivables resulting from the inability of its lessees to make required payments related to billed amounts under the operating leases, finance leases, container leaseback financing receivable and for sales of owned fleet containers and trading containers. The allowance is developed based on two components: (1) specific reserves for receivables for which management believes full collection is doubtful; and (2) a general reserve for estimated losses inherent in the receivables based upon historical trends and age of the balances. These allowances are based on an

ongoing review of the creditworthiness, but not limited to, each lessee's payment history, management's current assessment of the financial condition of the Company's lessees, their ability to make their required payments and the recoverability. The Company considers an account past due when a payment has not been received in accordance with the terms of the lease agreement, and if the financial condition of the Company's lessees deteriorates resulting in an impairment of their ability to make payments, additional allowances may be required.

Accounts receivables are generally written off after an analysis is completed which indicates that collection of the full balance is remote. Changes in economic conditions or other events may necessitate additions or deductions to the allowance for doubtful accounts. The allowance is intended to provide for losses inherent in the owned and managed fleet's accounts receivable and requires the application of estimates and judgments as to the outcome of collection efforts and the realization of collateral, among other things.

Net Investment in Finance Leases and Container Leaseback Financing Receivables

The Company maintains allowances for credit losses against net investment in finance leases and container leaseback financing receivable related to unbilled amounts under the finance leases and the sales-type leaseback arrangements accounted for as financing receivable. The Company estimates its potential future expected credit losses based on historical losses from lessee defaults, current economic conditions and reasonable and supportable forecasts that may affect the collectability of the reported amount. The Company monitors its container lessees' performance and its lease exposures on an ongoing basis. The Company evaluates its exposure by portfolio with similar risk characteristics based on the creditworthiness, external credit data and overall credit quality of its lessees.

The Company's internal risk rating categories are "Tier 1" for the lowest level of risk which are typically the large international shipping lines with strong financial and asset base; "Tier 2" for moderate level of risk which includes lessees which are well-established in the market; and "Tier 3" for the highest level of risk which includes smaller shipping lines or lessees that exhibit high volatility in payments on a regular basis.

(g) Direct Container Expenses – Owned Fleet

Direct container expense – owned fleet represents the operating costs arising from the containers owned by the Company and includes storage, handling, maintenance and repair, repositioning, agent, and insurance expense. These costs are recognized when incurred.

(h) Distribution Expense to Managed Fleet Container Investors

The Company's distribution amounts to Container Investors for the managed fleet includes the net operating income of each Container Investor's fleet, reduced by associated lease management fees earned and retained by the Company. This amount is also reduced by expenses related to the operation of the managed containers which are presented on a gross basis in the consolidated statements of operations. Expenses related to the operation of the managed containers such as storage, handling, repairs, repositioning, agent, insurance expense and general and administrative expenses are recognized when incurred.

(i) Trading Containers and Containers Held for Resale

The Company, through one or more of its subsidiaries, buys trading containers for resale, which are valued at the lower of cost or fair value. The cost of trading containers sold is specifically identified. In addition, containers identified as being available for sale are valued at the lower of carrying value or fair value, less cost to sell. The fair value is estimated based on recent gross sales proceeds for sales of similar containers. Trading containers and containers held for resale are not subject to depreciation.

(j) Foreign Currencies

A functional currency is determined for each of the Company's entities based on the currency of the primary economic environment in which the entity operates. The Company's functional currency is the U.S. dollar, excluding its foreign subsidiaries Textainer Equipment Management (United Kingdom) Limited and

Textainer Equipment Management (Singapore) Pte Ltd. Assets and liabilities denominated in a currency other than the entity's functional currency are re-measured into its functional currency at the balance sheet date with a gain or loss recognized in current year net income. Foreign currency exchange gains or losses that arise from exchange rate changes on transactions denominated in a foreign currency are recognized in net income as incurred. Foreign currency exchange losses, reported in "direct container expense – owned fleet" in the consolidated statements of operations were $195, $251, and $393 for the years ended December 31, 2021, 2020 and 2019, respectively. For consolidation purposes, the financial statements are translated into U.S. dollars using the current exchange rate for the assets and liabilities and a weighted average exchange rate for the revenues and expenses recorded during the year with any translation adjustment shown as an element of accumulated other comprehensive income.

The Company also has certain cash accounts that are denominated in currencies other than the Company's functional currency, which are remeasured at each balance sheet date at the exchange rates in effect as of those dates. The gains (losses) due to changes in exchange rates from remeasurement were $(524), $654 and $0 for the years ended December 31, 2021, 2020 and 2019, respectively, which were included in "other, net" in the consolidated statements of operations.

(k) Fixed Assets and Capitalized Implementation Costs

Fixed assets are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of such property, furniture and equipment, ranging from three to seven years. Expenditures for maintenance and repairs are expensed as they are incurred. As of December 31, 2021 and 2020, fixed assets amounted to $1,585 and $746, respectively, net of accumulated depreciation of $13,296 and $12,918, respectively, which were included in "other assets" in the consolidated balance sheets.

Implementation costs associated with cloud based hosting arrangement that is a service contract are capitalized when incurred during the application development phase. As of December 31, 2021 and 2020, the Company's capitalized implementation costs amounting to $8,767 and $4,212, respectively, were included in "prepaid expenses and other current assets" in the Company's consolidated balance sheets. Amortization of the capitalized implementation costs will commence in 2022 when the hosting arrangement is ready for its intended use and will be amortized on a straight-line basis over seven years which is the term of the hosting arrangement, including reasonably certain renewals.

(l) Containers

Capitalized container costs include the container cost payable to the manufacturer and the associated transportation costs incurred in moving the Company's containers from the manufacturer to the containers' first destined port. Containers are depreciated using the straight-line method over their estimated useful lives to an estimated dollar residual value. Used containers are depreciated based upon their remaining useful lives at the date of acquisition to an estimated dollar residual value.

The Company evaluates the estimated residual values and remaining estimated useful lives on a regular basis to determine whether a change in its estimates of useful lives and residual values is warranted. To perform this assessment, the Company analyzed sales data over a minimum of a ten-year period which reflected the cyclical nature of the global economic environment and its industry and assessed whether the average selling prices fall within a reasonable range compared to current residual values. The Company determined that a ten-year length of time includes sufficient periods of high and low used container prices to estimate future residual values. If the ten-year period was outside of the range of a container type, the Company evaluated the trend in average selling prices over three, five, and seven-year periods to corroborate the trend in the ten-year period. The Company then performed a comparison of the estimated residual values to publicly available peer data within the industry. The Company completed its annual depreciation policy review and concluded no change was necessary during the year ended December 31, 2021.

The Company estimates the useful lives and residual values of its containers to be as follows:

	As of December 31, 2021 and 2020	
	Estimated useful life (years)	Residual Value
Dry containers other than open top and flat rack containers:		
20'	13	$ 1,000
40'	14	$ 1,200
40' high cube	13	$ 1,400
45' high cube	13	$ 1,500
Refrigerated containers:		
20'	12	$ 2,750
20' high cube	12	$ 2,049
40' high cube	12	$ 4,000
Open top and flat rack containers:		
20' folding flat rack	15	$ 1,300
40' folding flat rack	16	$ 1,700
20' open top	15	$ 1,500
40' open top	14	$ 2,500
Tank containers	20	10% of cost

The cost, accumulated depreciation and net book value of the Company's container leasing equipment by equipment type as of December 31, 2021 and 2020 were as follows:

	2021			2020		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Dry containers other than open top and flat rack containers:						
20'	$ 1,530,464	$ (471,549)	$ 1,058,915	$ 1,532,753	$ (428,913)	$ 1,103,840
40'	141,292	(55,448)	85,844	144,881	(55,154)	89,727
40' high cube	3,496,469	(791,349)	2,705,120	2,717,384	(672,416)	2,044,968
45' high cube	27,354	(13,871)	13,483	27,880	(12,747)	15,133
Refrigerated containers:						
20'	18,445	(8,899)	9,546	20,164	(8,493)	11,671
20' high cube	809	(606)	203	2,605	(1,742)	863
40' high cube	1,163,149	(462,645)	700,504	1,103,817	(398,721)	705,096
Open top and flat rack containers:						
20' folding flat	16,206	(5,291)	10,915	17,228	(5,132)	12,096
40' folding flat	47,739	(19,073)	28,666	49,167	(18,275)	30,892
20' open top	13,046	(2,090)	10,956	13,253	(1,790)	11,463
40' open top	21,394	(4,827)	16,567	22,271	(4,738)	17,533
Tank containers	107,175	(16,016)	91,159	93,240	(11,470)	81,770
Total Containers	$ 6,583,542	$ (1,851,664)	$ 4,731,878	$ 5,744,643	$ (1,619,591)	$ 4,125,052

See Note 3 "Managed Container Fleet" for information on the managed fleet containers included above.

Impairment of Container Rental Equipment

The Company reviews its containers for impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The Company compares the carrying value of the

containers to the expected future undiscounted cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying value exceeds expected future undiscounted cash flows, the assets are reduced to fair value. There was no such impairment on the Company's leasing equipment for the years ended December 31, 2021, 2020 and 2019.

Write-Off (Recoveries) of Container Rental Equipment due to Lessees in Default

The Company evaluates the recoverability of the recorded amounts of containers that are unlikely to be recovered from lessees in default. The Company recorded impairment charges during the years ended December 31, 2021, 2020 and 2019 of $2,793, $0 and $9,167, respectively, to write-off containers that were unlikely to be recovered from lessees in default, offset by gains of $7,662, $1,647 and $1,988, respectively, associated with recoveries on containers previously estimated as lost with lessees in default. The gain on container recovery of $7,577 during the year ended December 31, 2021 was due to the reinstatement of containers with a previously insolvent and bankrupt lessee who made a successful exit from bankruptcy, and such containers had been written off in 2019. The gain on container recovery of $1,644 during the year ended December 31, 2020 was due to a settlement agreement with an insolvent lessee on containers which were previously written off in 2018. These amounts are recorded in the consolidated statements of operations as "container lessee default (recovery) expense, net".

Impairment of Containers Held for Sale

Containers identified as being available for sale are valued at the lower of carrying value or fair value, less costs to sell. The Company records impairment to write-down the value of containers held for sale to their estimated fair value, less cost to sell, under observable (Level 2) market inputs. The fair value was estimated based on recent gross sales proceeds for sales of similar types of containers in the locations in which the containers are stored. When containers are sold or otherwise retired, the cost and related accumulated depreciation are removed, and any resulting gain or loss is recognized.

Subsequent additions or reductions to the fair values of these written down assets are recorded as adjustments to the carrying value of the containers held for sale. The carrying value of containers held for sale that have been impaired and written down to their estimated fair value less cost to sell was $270 and $5,845 as of December 31, 2021 and 2020, respectively. Any subsequent increase in fair value less costs to sell is recognized as a reversal of container impairment but not in excess of the cumulative loss previously recognized. During the years ended December 31, 2021, 2020 and 2019, the Company recorded container impairment (reversals) charges of $(385), $11,094 and $14,238, respectively, to write down the value of containers held for sale to their estimated fair value less cost to sell, net of reversals of previously recorded impairments on containers held for sale, due to rising used container prices. The impairment (reversals) charges are included in "depreciation expense" in the consolidated statements of operations.

During the years ended December 31, 2021, 2020 and 2019, the Company recorded the following net gain on sale of containers, included in "gain on sale of owned fleet containers, net" in the consolidated statements of operations:

	2021		2020		2019	
	Units	Amount	Units	Amount	Units	Amount
Gain on sale of previously written down owned fleet containers, net	3,430	$ 2,165	51,541	$ 15,451	52,319	$ 6,665
Gain on sale of owned fleet containers not written down, net	50,550	65,064	54,807	11,779	52,126	14,732
Gain on sale of owned fleet containers, net	53,980	$ 67,229	106,348	$ 27,230	104,445	$ 21,397

Gain on sale of owned fleet containers, net

The Company also generally sells containers at the end of their useful lives or when it is financially attractive to do so. The gain on sale of owned fleet containers is the excess of the sale price over the carrying value for these units at the time of sale. Revenue is recorded when control of the containers is transferred to the

customer, which typically occurs upon delivery to, or pick-up by, the customer and when collectability is reasonably assured.

Gain on sale of owned fleet containers, net, also includes gains (losses) recognized at the inception of sales-type leases of our owned fleet, representing the excess (deficiency) of the estimated fair value of containers placed on sales-type leases over (below) their book value.

(m) Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when the realization of a deferred tax asset is deemed to be unlikely.

The Company also accounts for income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. If there are findings in future regulatory examinations of the Company's tax returns, those findings may result in an adjustment to income tax expense.

The Company records interest and penalties related to unrecognized tax benefits in income tax expense.

(n) Debt Issuance Costs

The Company capitalizes costs directly associated with the issuance or modification of its debt and the balance of the debt issuance costs, net of amortization, are netted against the debt recorded in the consolidated balance sheets.

Debt issuance costs are amortized using the interest rate method and the straight-line method over the general terms of the related fixed principal payment debt and the related revolving debt facilities, respectively, and the amortization is recorded as "interest expense" in the consolidated statements of operations. In 2021, 2020 and 2019, debt issuance costs of $27,895, $13,637 and $9,417, respectively, were capitalized and amortization of debt issuance costs of $9,723, $7,712 and $7,369, respectively, were recorded in interest expense.

When the Company's debt is modified or terminated prior to maturity, any unamortized debt issuance costs related to a decrease in borrowing capacity with any of the Company's lenders is immediately written-off and recorded in "debt termination expense". In 2021 and 2020, the Company recorded write-offs of unamortized debt issuance costs and bond discounts of $4,578 and $8,750, respectively (see Note 8 "Debt"). No unamortized debt issuance costs were written-off during the year ended December 31, 2019.

(o) Concentrations

Although substantially all of the Company's income from operations is derived from assets employed in foreign countries, virtually all of this income is denominated in U.S. dollars. The Company does pay some of its expenses in various foreign currencies. During 2021, 2020 and 2019, $5,024 or 21%, $15,225 or 28%, and $10,527 or 23%, respectively, of the Company's direct container expenses – owned fleet were paid in foreign currencies. In accordance with its policy, the Company does not hedge these container expenses as there are no significant payments made in any one foreign currency.

The Company's customers are mainly international shipping lines, which transport goods on international trade routes. Once the containers are on-hire with a lessee, the Company does not track their location. The domicile of the lessee is not indicative of where the lessee is transporting the containers. The Company's business risk in its foreign concentrations lies with the creditworthiness of the lessees rather than the geographic location of the containers or the domicile of the lessees.

Total fleet lease rental income, as reported in the consolidated statements of operations, comprises revenue earned from leases on containers in the Company's total fleet, including revenue earned from leases on containers in its managed fleet. Except for the lessees noted in the table below, no other single lessee accounted for more than 10% of the Company's total fleet lease rental income during the years ended December 31, 2021, 2020 and 2019, and more than 10% of the Company's gross accounts receivable from its total fleet as of December 31, 2021 and 2020:

Lease Rental Income - total fleet	2021	2020	2019
Customer A	21.0%	17.8%	14.8%
Customer B	12.2%	13.1%	13.5%
Customer C	12.1%	9.7%	8.7%

Gross Accounts Receivable - total fleet	2021	2020
Customer A	24.7%	25.3%
Customer B	13.9%	12.6%
Customer C	11.3%	19.1%

(p) Derivative Instruments and Hedging

The Company has entered into various interest rate swap agreements to mitigate its exposure associated with its variable rate debt. The swap agreements involve payments by the Company to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate ("LIBOR") or the Secured Overnight Financing Rate ("SOFR"), which is the Company's replacement rate due to LIBOR transition. The fair value of the derivative instruments is measured at each balance sheet date and is reflected on a gross basis on the consolidated balance sheets. The Company establishes criteria for both the designation and effectiveness of hedging activities. Derivative instruments are designated or non-designated for hedge accounting purposes (see Note 9 "Derivative Instruments").

Designated Derivative Instruments

Derivative instruments that are designated as cash flow hedge for accounting purposes are considered effective hedges and are recorded using hedge accounting. Under cash flow hedging, the change in fair value of derivative instruments is initially reported in the consolidated balance sheets as a component of "accumulated other comprehensive income" and reclassified to earnings in "interest expense, net" when realized or when hedged interest payments are recognized.

Non-Designated Derivative Instruments

For derivative instruments that are not designated as cash flow hedge for accounting purposes, the change in fair value of derivative instruments is recognized in earnings during the period of change which is recorded in the consolidated statements of operations as "unrealized gain (loss) on financial instruments, net." The differentials between the fixed and variable rate payments under these agreements are recognized in "realized gain (loss) on financial instruments, net" in the consolidated statements of operations when realized.

(q) Share Options and Restricted Share Units

The Company estimates the fair value of all employee share options, restricted share units ("RSU") and performance restricted share units ("PSU") awarded under its 2019 Share Incentive Plan (the "2019 Plan") on the grant date. The Company uses the Black-Scholes-Merton ("Black-Scholes") option-pricing model to determine the estimated fair value for share options. The Company uses the fair market value of the Company's common shares on the grant date, discounted for estimated dividends that will not be received by the employees during the vesting period, for determining the estimated fair value for time based RSUs. For PSUs or market based

restricted share units that were granted with a market condition, the Company uses the Monte-Carlo simulation valuation model. See Note 12 “Share-Based Compensation” for further discussions.

Compensation expense for share options and RSUs with only a service condition is recognized on a straight-line basis over the requisite service period, generally the vesting period of the award. Provided that the requisite service period is rendered, compensation expense for PSUs with a market condition is recognized on a straight-line basis even if the market condition is not achieved. Compensation expense is recognized net of forfeitures that are estimated at the time of grant based on the Company’s historical experience and revised in subsequent periods if actual forfeitures differ from those estimates. The expected forfeiture rate was 3.4%, 3.5 % and 3.4 % as of December 31, 2021, 2020 and 2019, respectively.

Share-based compensation expense of $6,699, $4,723 and $4,388 was recorded during 2021, 2020 and 2019, respectively, of which $6,470, $4,257 and $3,780 was presented as a part of “general and administrative expenses”, and the remaining balance was presented as a part of “direct container expenses – owned fleet” during 2021, 2020 and 2019, respectively in the Company’s consolidated statements of operations.

(r) Comprehensive Income

The Company discloses the effect of its foreign currency translation adjustment, change in fair value of cash flow hedging derivative instruments, and reclassification of realized gain or loss on cash flow hedging instruments as components of “other comprehensive income” in the Company’s consolidated statements of comprehensive income.

(s) Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company’s management evaluates its estimates on an ongoing basis, including those related to the container rental equipment, containers held for sale, allowance for credit losses, income taxes and accruals.

These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities. Actual results could differ from those estimates under different assumptions or conditions.

(t) Net Income Attributable to Common Shareholders Per Common Share

Basic earnings per share ("EPS") is computed by dividing net income attributable to common shareholders by the weighted average number of shares outstanding during the applicable period. Diluted EPS reflects the potential dilution that could occur if all outstanding share options were exercised for, and all outstanding RSUs and PSUs were converted into, common shares. Potentially dilutive share options, RSUs and PSUs that were anti-dilutive under the treasury stock method were excluded from the computation of diluted EPS. A reconciliation of the numerator and denominator of basic EPS with that of diluted EPS during 2021, 2020 and 2019 is presented as follows:

Share amounts in thousands	2021	2020	2019
Numerator:			
Net income attributable to common shareholders	$ 273,459	$ 72,822	$ 56,724
Denominator:			
Weighted average common shares outstanding-- basic	49,624	53,271	57,349
Dilutive share options, RSUs and PSUs	952	210	110
Weighted average common shares outstanding-- diluted	50,576	53,481	57,459
Net income attributable to common shareholders per common share			
Basic	$ 5.51	$ 1.37	$ 0.99
Diluted	$ 5.41	$ 1.36	$ 0.99
Share options, RSUs and PSUs excluded from the computation of diluted EPS because they were anti-dilutive	334	1,674	1,805

(u) Fair Value Measurements

Fair value represents the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

As of December 31, 2021 and 2020, the carrying amounts of cash and cash equivalents, restricted cash, accounts receivable and payable, due from affiliates, net, container contracts payable, and due to container investors, net, approximate their fair values due to the short-term nature of these financial instruments. See Note 1 (l) “Containers” and Note 9 “Derivative Instruments” for further discussions on fair value of containers held for sale and fair value of derivative instruments, respectively.

Fair Value of Marketable Equity Securities

As of December 31, 2021, the Company held investments in marketable equity securities with readily determinable fair values of $2,866 (see Note 2 “Insurance Receivable and Impairment”). The fair value of investments in equity securities is measured at each balance sheet date based on quoted market prices (Level 1) and the change in fair value of marketable securities still held as of December 31, 2021 was $(589) during the year ended December 31, 2021, which was included as “unrealized gain (loss) on financial instruments, net” in the consolidated statements of operations. There were no marketable equity securities as of December 31, 2020.

Fair Value of Other Assets and Liabilities

At December 31, 2021 and 2020, the fair value of net investment in finance leases (including the short-term balance) was approximately $1,810,712 and $856,392, respectively, compared to book values of $1,806,090 and $879,960, respectively. At December 31, 2021 and 2020, the fair value of container leaseback financing receivable (including the short-term balance) was approximately $357,828 and $363,774, respectively, compared to book values of $354,147 and $363,868, respectively. At December 31, 2021 and 2020, the fair value of long-term debt (including current maturities) based on the borrowing rates available to the Company was approximately $5,320,366 and $4,144,332, respectively, compared to book values of $5,340,521 and $4,115,344, respectively.

(v) Leases

The Company adopted FASB Accounting Standards Update No. 2016-02, Leases (“ASU 2016-02”) on the effective date of January 1, 2019 by using the effective date transition method and by electing the “package of practical expedients.” As a result of the adoption of the new lease accounting guidance, the Company’s accounting (as a lessor) for finance leases and operating leases remained substantially unchanged and did not have an impact on the timing of revenue recognition relating to lease rental income in its consolidated statements of operations. See Note 5 “Leases” for further discussion.

In July 2021, the FASB issued Accounting Standards Update No. 2021-05, *Leases (Topic 842), Lessors – Certain Leases with Variable Lease Payments* (“ASU 2021-05”). The amendment provides guidance to clarify lessor’s accounting for certain leases with variable lease payments by amending the lessor lease classification requirements under Topic 842. ASU 2021-05 requires a lessor to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) The lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in Topic 842; and 2) The lessor would have otherwise recognized a day-one loss. ASU 2021-05 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company will adopt ASU 2021-05 effective January 1, 2022 on a prospective basis and expects no impact on the Company’s consolidated financial statements.

(w) Reclassifications and Changes in Presentation

Certain prior period amounts for the years ended December 31, 2020 and 2019 have been reclassified to conform to the current period presentation. The Company reclassified the amounts out of the separate line items “fixed assets, net of accumulated depreciation” and “intangible assets, net of accumulated amortization” to be included within the line item “other assets” in the consolidated balance sheets. The Company reclassified the amounts out of the previously reported line item “write-off of unamortized debt issuance costs and bond discounts” to the line item “debt termination expense” in the consolidated statements of operations. Additionally, amounts for write-off of unamortized debt issuance costs and bond discounts were reclassified out of the previously reported line item “amortization and write-off of unamortized debt issuance costs and accretion of

bond discounts" to be included within the line item "debt termination expense" in the consolidated statements of cash flows. The changes in the presentation have no impact on "total assets", "net income" and "net increase (decrease) in cash, cash equivalents and restricted cash".

(x) Recently Issued Accounting Standards and Pronouncements

In March 2020, the FASB issued Accounting Standards Update No. 2020-04, *Reference Rate Reform ("Topic 848")*: Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). In January 2021, the FASB also issued Accounting Standards Update No 2021-01, *Reference Rate Reform: Scope* ("ASU 2021-01"), which expands the scope of Topic 848. The amendments provide optional guidance for a limited time to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by the reference rate reform if certain criteria are met, that reference LIBOR that is expected to be discontinued due to reference rate reform. The amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. As of December 31, 2021, the Company elected the optional expedients upon adoption of Topic 848 on a prospective basis to modifications in the Company's variable rate debt agreements and hedging relationships due to replacement of LIBOR to SOFR during the transition period through December 2022. The adoption of this guidance did not have an impact on the Company's consolidated financial statements.

In August 2020, the FASB issued Accounting Standards Update No. 2020-06, *Debt—Debt with Conversion and Other Options* (Subtopic 470-20) and *Derivatives and Hedging—Contracts in Entity's Own Equity* (Subtopic 815-40): *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"). The new guidance simplifies the accounting for convertible debt and convertible preferred stock by removing the requirements to separately present certain conversion features in equity. In addition, ASU 2020-06 amends the derivative scope exception for contracts in an entity's own equity by removing certain criteria that must be satisfied in order to classify a contract as equity. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. Effective January 1, 2021, the Company early adopted ASU 2020-06 using the modified retrospective approach with no impact on the Company's consolidated financial statements.

(2) Insurance Receivable and Impairment

One of the Company's customers became bankrupt in 2019. As a result of the assessment of the previously insolvent customer's restructuring and successful exit from bankruptcy, the Company recorded a container loss recovery of $7,986 included in "container lessee default (recovery) expense, net" in the consolidated statements of operations during the year ended December 31, 2021. The Company did not submit a final insurance claim after its review of the previously insolvent customer's restructuring plan, therefore, the insurance receivable of $2,106 that was recorded in the "prepaid expenses and other current assets" in the consolidated balance sheets as of December 31, 2020 was reversed and also included in "container lessee default (recovery) expense, net" during 2021. In April 2021, the bankruptcy settlement amount related to the restructuring of the previously insolvent customer was finalized. Under the terms of the settlement agreement, the Company received $77 in cash and $5,789 in stock value of the previously insolvent customer, whose stock value is denominated in renminbi and held in China. The stock fair value was recorded as "marketable securities" in the consolidated balance sheet.

(3) Managed Container Fleet

As part of the Company's on-going business operation, the Company from time to time purchases containers on behalf of Container Investors. The Company enters into management agreements with the Container Investors whereby the Company, as agent for the Container Investors, purchases and leases out these containers and manages all of the Container Investors' rights and obligations in respect of such containers and leases. The acquisition of these containers is funded entirely by the Container Investors and all risks and rewards of ownership of these containers vest and remain exclusively with the Container Investors. The Container Investors have no rights or recourse against the Company in the event of physical loss or damage, failure to lease out, any lessee default or any other risk in respect of the containers.

The Container Investors pay the Company an acquisition fee for acquiring containers on their behalf at the time of acquisition and a fee for management services, including services associated with ultimately disposing of the containers on behalf of the Container Investors.

Lease rental income and expenses from the managed fleet owned by Container Investors are reported on a gross basis. Lease rental income – managed fleet represents rental charges billed to the ultimate lessees for the managed fleet, including charges for handling fees, drop-off charges, pick-up charges, and charges for a damage protection plan that is set forth in the leases.

Management fees from non-leasing services are earned for acquiring new managed containers and sales commissions are earned from sales of the managed containers on behalf of the Container Investors, which are generally calculated as a fixed percentage of the cost of the managed containers purchased and the proceeds from the sale of the managed containers, respectively.

Acquisition fees from purchases of containers for the managed fleet are deferred and recognized as earned on a straight-line basis over the deemed lease term. As of December 31, 2021 and 2020, deferred revenue from acquisition fees amounted to $947 and $1,049, respectively, which were combined and reported as "accounts payable and accrued expenses" in the consolidated balance sheets.

See Note 1 (e) "Accounting Policies and Recent Accounting Pronouncements – Revenue Recognition" for further information.

Containers - December 31, 2018 and Prior

Distribution expense to managed fleet container investors represents direct container expenses of the managed containers and the amounts distributed to the Container Investors, reduced by associated lease management fees earned and retained by the Company.

Managed containers in the Company's managed fleet on or before December 31, 2018 are not included in the Company's container leasing equipment in the Company's consolidated balance sheet as of December 31, 2021 and 2020.

In 2021, the Company completed a container purchase of previously managed containers, that were in the Company's managed fleet on or before December 31, 2018, from a Container Investor for a cash purchase price consideration of $57,637, which was recorded in the Company's container leasing equipment as of December 31, 2021. As a result of the asset acquisition, the management agreement between the Company and the Container Investor was terminated and the Company recognized a loss of $116 for the effective settlement of the pre-existing contractual relationship at acquisition date which was included in "other, net" in the consolidated statements of operations.

Container Purchases On or After January 1, 2019

Distribution expense to managed fleet container investors represents direct container expenses of the managed containers.

From an accounting perspective, in accordance with *Topic 842 - Leases* which was effective January 1, 2019 for the Company and under the management arrangements, the Company is deemed to control the containers owned by the Container Investors before they are leased out. Furthermore, the deemed leaseback is considered a sales-type lease under Topic 842, with the Company as lessee and the Container Investors as lessors.

For accounting purposes, the Company is deemed to own the managed containers purchased by the Company on or after January 1, 2019 for and on behalf of Container Investors, notwithstanding the contractual management relationship which the Company has with the Container Investors. Accordingly, such managed containers are included in the Company's container leasing equipment in the Company's consolidated balance sheets as of December 31, 2021 and 2020 and depreciated using the straight-line method over their estimated useful lives to an estimated dollar residual value per the Company's depreciation policy (see Note 1 (l) "Accounting Policies and Recent Accounting Pronouncements – Containers"). The purchase consideration paid by the Container Investors for such containers is reported as a deemed financial liability of the Company. Subsequent net operating income distributions made by the Company to the Container Investors are recorded as a reduction to the financial liability and as interest expense using the effective interest method. The net book value for these managed containers and the associated financial liability will reduce over time and will be removed upon container sale, irrespective of the amount realized in such sale.

In 2021, the Company paid $2,725 in cash to purchase previously managed containers, that were in the Company's managed fleet on or after January 1, 2019, from a Container Investor which resulted in the extinguishment of the deemed financial liability. As of December 31, 2021 and 2020, the Company's container leaseback financial liability to the Container Investors amounted to $15,977 and $4,762, respectively, which were reported as "other liabilities" in the consolidated balance sheets.

The Company's container leasing equipment includes such managed containers in the consolidated balance sheets as of December 31, 2021 and 2020, which consisted of the following:

	2021			2020		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Containers - owned fleet	$ 6,566,785	$ (1,850,721)	$ 4,716,064	$ 5,740,717	$ (1,619,304)	$ 4,121,4
Containers - managed fleet	16,757	(943)	15,814	3,926	(287)	3,6
Total containers	$ 6,583,542	$ (1,851,664)	$ 4,731,878	$ 5,744,643	$ (1,619,591)	$ 4,125,0

Total management fee income from the managed fleet, including management fees earned from acquisition fees and sales commissions during 2021, 2020 and 2019 were as follows (also, see Note 4 "Transactions with Affiliates and Container Investors"):

	2021	2020	2019
Lease rental income - managed fleet	$ 56,037	$ 62,448	$ 101,901
Less: distribution expense to managed fleet container investors	(50,360)	(57,311)	(93,858)
Less: depreciation and interest expense on managed containers purchased on or after January 1, 2019	(1,348)	(730)	(394)
Management fees from leasing	4,329	4,407	7,649
Management fees from non-leasing services	3,360	5,271	7,590
Total management fees	$ 7,689	$ 9,678	$ 15,239

The Company's consolidated balance sheets also include the accounts receivable from the lessees of the managed fleet which are uncollected lease billings related to the containers managed by the Company for the Container Investors. Amounts billed under leases for the managed fleet ("sub-leases") are recorded in accounts receivable with a corresponding credit to due to container investors. As sub-lessor, the Company is required to remit accounts receivable from lessees of the managed fleet to the Container Investors once paid in accordance with the terms of the management agreements. The Company's consolidated balance sheets also include the prepaid expenses and accounts payable and accrued expenses related to the containers managed by the Company for the Container Investors.

The following table provides a reconciliation of the balance sheet accounts from the managed fleet to the total amount as of December 31, 2021 and 2020 in the consolidated balance sheets (also, see Note 4 “Transactions with Affiliates and Container Investors”). Accounts receivable related to the owned fleet pertains to the Company’s uncollected lease billings related to the containers owned by the Company. Prepaid expenses and other current assets and accounts payable and accrued expenses related to the owned fleet represents the Company’s general and administrative costs and operating costs arising from the containers owned by the Company.

	2021	2020
Accounts receivable, net - owned fleet	$ 118,107	$ 97,950
Accounts receivable, net - managed fleet	7,639	10,628
Total accounts receivable, net	$ 125,746	$ 108,578
Prepaid expenses and other current assets - owned fleet	$ 14,142	$ 13,614
Prepaid expenses and other current assets - managed fleet	42	99
Total prepaid expenses and other current assets	$ 14,184	$ 13,713
Accounts payable and accrued expenses - owned fleet	$ 21,736	$ 23,198
Accounts payable and accrued expenses - managed fleet	375	1,187
Total accounts payable and accrued expenses	$ 22,111	$ 24,385
Container contracts payable - owned fleet	$ 140,968	$ 231,647
Total container contracts payable	$ 140,968	$ 231,647

(4) Transactions with Affiliates and Container Investors

Due from affiliates, net of $2,376 and $1,509, as of December 31, 2021 and 2020, respectively, represents lease rentals on tank containers collected on behalf of and payable to the Company from the Company’s tank container manager, net of direct container expenses and management fees.

Total management fees earned from the Company’s managed fleet, including acquisition fees and sales commissions during 2021, 2020 and 2019 were as follows:

	2021	2020	2019
Fees from affiliated Container Investors	$ —	$ —	$ 3,527
Fees from unaffiliated Container Investors	7,689	9,678	11,374
Fees from Container Investors	7,689	9,678	14,901
Other fees	—	—	338
Total management fees	$ 7,689	$ 9,678	$ 15,239

The following table provides a summary of due to container investors, net at December 31, 2021 and 2020:

	2021	2020
Accounts receivable, net - managed fleet	$ 7,639	$ 10,628
Prepaid expenses and other current assets - managed fleet	42	99
Accounts payable and accrued expenses - managed fleet	(375)	(1,187)
	7,306	9,540
Distributions due to container investors on lease rentals collected, net of container expenses paid and management fees	10,679	9,157
Due to container investors, net	$ 17,985	$ 18,697

There is no due to affiliated Container Investors as of December 31, 2021 and 2020.

(5) Leases

(a) Lessor

The Company's lease rental income during 2021, 2020 and 2019 were as follows:

	2021			2020			2019	
	Owned	Managed	Total	Owned	Managed	Total	Owned	Managed
Lease rental income - operating leases	$ 577,946	$ 54,652	$ 632,598	$ 469,109	$ 58,175	$ 527,284	$ 470,722	$ 9
Interest income on net investment in finance leases	82,659	—	82,659	30,121	—	30,121	15,356	
Interest income on container leaseback financing receivable	21,380	—	21,380	17,243	—	17,243	10,313	
Variable lease revenue	12,708	1,385	14,093	21,952	4,273	26,225	21,468	
Total lease rental income	$ 694,693	$ 56,037	$ 750,730	$ 538,425	$ 62,448	$ 600,873	$ 517,859	$ 10

Variable lease revenue includes other charges set forth in the leases, such as handling fees, pick-up and drop-off charges and charges for damage protection plan.

For finance leases, the net selling gain (loss) recognized at lease commencement, representing the difference between the estimated fair value of containers placed on these leases and their net book value, in the amount of $2,610, $(144) and $(1,027) for the years ended December 31, 2021, 2020 and 2019, respectively, are included in "gain on sale of owned fleet containers, net" in the consolidated statements of operations.

Operating Leases

The following is a schedule, by year, of future minimum lease payments receivable under the long-term leases for the owned and managed container fleet as of December 31, 2021:

	Owned	Managed	Total
Year ending December 31:			
2022	446,284	29,946	476,230
2023	400,845	26,955	427,800
2024	332,978	23,508	356,486
2025	258,530	18,888	277,418
2026	187,451	13,976	201,427
2027 and thereafter	364,757	15,824	380,581
Total future minimum lease payments receivable	$ 1,990,845	$ 129,097	$ 2,119,942

Container Leaseback Financing Receivable

The Company's container leaseback financing receivable pertains to containers purchased that were leased back to the seller-lessees through a sales-type leaseback arrangement that are accounted for as financing transactions.

The following table represents the components of the container leaseback financing receivable as of December 31, 2021 and 2020:

	2021	2020
Future minimum payments receivable	$ 483,325	$ 505,473
Less: unearned income	(129,065)	(141,181)
Container leaseback financing receivable (1)	354,260	364,292
Less: Allowance for credit losses	(113)	(424)
Container leaseback financing receivable, net	$ 354,147	$ 363,868
Amounts due within one year	30,317	27,076
Amounts due beyond one year	323,830	336,792
Container leaseback financing receivable, net	$ 354,147	$ 363,868

(1) One major customer represented 90.6% and 89.7% of the Company's container leaseback financing receivable portfolio as of December 31, 2021 and 2020, respectively. As of December 31, 2020, one other customer represented 10.3% of the Company's container leaseback financing receivable portfolio.

Net Investment in Finance Leases

The following table represents the components of the net investment in finance leases as of December 31, 2021 and 2020:

	2021	2020
Future minimum lease payments receivable	$ 2,558,339	$ 1,216,086
Residual value of containers	16,532	12,601
Less: unearned income	(768,038)	(347,394)
Net investment in finance leases (1)	$ 1,806,833	$ 881,293
Less: Allowance for credit losses	(743)	(1,333)
Net investment in finance leases, net	$ 1,806,090	$ 879,960
Amounts due within one year	$ 113,048	$ 78,459
Amounts due beyond one year	1,693,042	801,501
Net investment in finance leases, net	$ 1,806,090	$ 879,960

(1) One major customer represented 85.1% and 80.1% of the Company's finance lease portfolio as of December 31, 2021 and 2020, respectively. No other customer represented more than 10% of the Company's finance leases portfolio in each of those periods.

The following is a schedule by year of future minimum lease payments receivable under container leaseback financing receivable and net investment in finance leases as of December 31, 2021:

Year ending December 31:	Container Leaseback Financing Receivable	Net Investment in Finance Leases	Total
2022	$ 50,515	$ 215,431	$ 265,946
2023	50,514	205,192	255,706
2024	46,427	201,925	248,352
2025	39,015	196,225	235,240
2026	37,524	198,151	235,675
2027 and thereafter	259,330	1,541,415	1,800,745
Total future minimum lease payments receivable	$ 483,325	$ 2,558,339	$ 3,041,664

(b) Lessee

Right-of-use ("ROU") lease assets and lease liabilities are recognized for the Company's office space leases at the commencement date based on the present value of lease payments over the lease term. The Company does not recognize a related ROU asset and lease liability for short-term leases having a lease term of twelve months or less. As of December 31, 2021 and 2020, ROU operating lease assets amounted to $8,988 and $10,331, respectively, which were reported in "other assets" in the consolidated balance sheets. As of December 31, 2021 and 2020, total lease liabilities amounted to $11,044 and $12,636, respectively, which were reported in "other liabilities" in the consolidated balance sheets. As of December 31, 2021, the weighted average discount rate was 4.75% and the weighted average remaining lease term was 4 years.

Operating lease expense is recognized on a straight-line basis over the lease term and is reported in "general and administrative expense" in the consolidated statements of operations. Rent expense and other information related to the Company's operating leases during 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Operating lease cost	$ 2,103	$ 2,103	$ 2,095
Short-term and variable lease cost	112	128	138
Total rent expense	$ 2,215	$ 2,231	$ 2,233
Cash paid for amounts included in the measurement of lease liabilities	$ 2,379	$ 2,221	$ 2,098

Future minimum lease payment obligations under the Company's noncancelable operating leases at December 31, 2021 were as follows:

	Operating leasing
Year ending December 31:	
2022	2,271
2023	2,417
2024	2,397
2025	2,130
2026	2,179
2027 and thereafter	935
Total minimum lease payments	12,329
Less imputed interest	(1,285)
Total present value of operating lease liabilities	$ 11,044

(6) Allowance for Credit Losses

The Company's allowance for credit losses is estimated based on historical losses, current economic conditions, and ongoing review of the credit worthiness, but not limited to, each lessee's payment history, lessee credit ratings, management's current assessment of each lessee's financial condition and the recoverability.

Accounts Receivable

The allowance for credit losses included in accounts receivable, net, amounted to $1,290 and $2,663 as of December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, the allowance for credit losses related to the billed amounts under the container leaseback financing receivable and finance leases that were included in accounts receivable, net, amounted to $592 and $735, respectively.

Net Investment in Finance Leases and Container Leaseback Financing Receivable

The allowance for credit losses related to unbilled amounts under finance leases and included in net investment in finance leases, net, amounted to $743 and $1,333 as of December 31, 2021 and 2020, respectively. The allowance for credit losses related to unbilled amounts under the financing arrangements and included in container leaseback financing receivable, net, amounted to $113 and $424 as of December 31, 2021 and 2020, respectively.

As of December 31, 2021, the Company's net investment in finance leases and container leaseback financing receivable are primarily comprised of the largest shipping lines under "Tier 1" risk rating which represented 89.1% and 90.6%, respectively, of the Company's portfolio (see Note (f) "Nature of Business and Summary of Significant Accounting Policies" for description of internal risk ratings).

The following table presents the net investment in finance leases and container leaseback financing receivable by internal credit rating category and year of origination as of December 31, 2021:

	Year Ended December 31, 2021	2020	2019	2018	2017	Prior	T
Tier 1	$ 859,924	$ 594,567	$ 105,141	$ 33,410	$ 6,864	$ 9,500	$
Tier 2	86,117	37,232	33,959	18,612	5	4,910	
Tier 3	7,712	2,347	5,855	535	—	143	
Net investment in finance leases	$ 953,753	$ 634,146	$ 144,955	$ 52,557	$ 6,869	$ 14,553	$
Tier 1	$ 12,108	$ 107,758	$ 201,114	$ —	$ —	$ —	$
Tier 2	5,290	—	27,990	—	—	—	
Container leaseback financing receivable	$ 17,398	$ 107,758	$ 229,104	$ —	$ —	$ —	$

(7) Income Taxes

The Company is not subject to taxation in its country of incorporation; however, the Company is subject to taxation in certain other jurisdictions due to the nature of the Company's operations. The Company estimates its tax liability based upon its understanding of the tax laws of the various countries in which it operates. Income tax expense (benefit) for 2021, 2020 and 2019 consisted of the following:

	2021	2020	2019
Current			
Bermuda	$ —	$ —	$ —
Foreign	594	446	499
	594	446	499
Deferred			
Bermuda	—	—	—
Foreign	1,179	(819)	1,449
	1,179	(819)	1,449
	$ 1,773	$ (374)	$ 1,948

The components of income before income taxes and noncontrolling interest were as follows:

	2021	2020	2019
Bermuda sources	$ —	$ —	$ —
Foreign sources	286,061	73,299	58,504
	$ 286,061	$ 73,299	$ 58,504

A reconciliation of the differences between the Bermuda statutory income tax rate and the effective tax rate as provided in the consolidated statements of operations is as follows:

	2021		2020		2019	
Bermuda tax rate	$ —	0.00%	$ —	0.00%	$ —	0.00%
Foreign tax rate	271	0.09%	(1,291)	(1.76)%	188	0.32%
Tax uncertainties	1,502	0.53%	917	1.25%	1,760	3.01%
	$ 1,773	0.62%	$ (374)	(0.51)%	$ 1,948	3.33%

The components of income tax expense and effective tax rate were as follows:

	2021		2020		2019	
Income before income tax and noncontrolling interests	$ 286,061		$ 73,299		$ 58,504	
Tax uncertainties	$ 1,502	0.53%	$ 917	1.25%	$ 1,760	3.01%
Foreign taxes						
Stock base compensation	(622)	(0.22)%	(94)	(0.13)%	390	0.67%
162(m) officers' compensation	412	0.14%	102	0.14%	15	0.03%
Adjustment for prior years	(392)	(0.14)%	47	0.06%	270	0.46%
Foreign derived intangible income	(329)	(0.12)%	(112)	(0.15)%	(77)	(0.13)%
Valuation allowance	(382)	(0.13)%	67	0.09%	315	0.54%
Foreign rate difference	1,583	0.55%	(1,333)	(1.82)%	(778)	(1.33)%
Other	1	0.00%	32	0.04%	53	0.09%
	271	0.09%	(1,291)	(1.76)%	188	0.32%
	$ 1,773	0.62%	$ (374)	(0.51)%	$ 1,948	3.33%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2021 and 2020 are presented below:

	2021	2020
Deferred tax assets		
Net operating loss carryforwards	$ 17,765	$ 19,284
Other	1,006	1,457
	18,771	20,741
Valuation allowance	—	(382)
Deferred tax assets	18,771	20,359
Deferred tax liabilities		
Containers, net	25,287	25,043
Other	—	654
Deferred tax liabilities	25,287	25,697
Net deferred tax liabilities	$ 6,516	$ 5,338

In assessing the extent to which deferred tax assets are realizable, the Company’s management considers whether it is more likely than not that the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company’s management considers the projected future reversal of taxable temporary items for making this assessment. Based upon the projections for the reversal of taxable temporary items over the periods in which the deferred tax assets are deductible, as well as the estimated usage of deferred tax assets to offset against 2021 taxable income, the Company’s management believes it is more likely than not the Company will realize the benefits of these deductible differences in 2021, thus no valuation allowance has been provided for the year ended December 31, 2021. In comparison, the Company did not realize a portion of the benefits of these deductible differences in 2020, thus a valuation allowance was provided for the year ended December 31, 2020.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The enactment of the CARES Act does not result in any material adjustments to the Company’s provision for income taxes.

The Company has U.S. federal net operating loss carry-forwards of $106,151 that will begin to expire from December 31, 2021 (prior to factoring in 2021 net taxable income, estimated to be $2,752, fully offset by existing net operating losses) through December 31, 2037 if not utilized and $24,735 with no expiration date. The Company expects to utilize the net operating loss carry-forwards prior to their expiration. In the United States, utilization of net operating loss carry-forwards for federal income tax purposes may be subject to a substantial

annual limitation if there is an ownership change within the meaning of Section 382 of the Internal Revenue Code. In general, an ownership change within the meaning of Section 382 occurs if a transaction or series of transactions over a three-year period result in a cumulative change of more than 50% in the beneficial ownership of a company's stock. The Company's management does not believe the Company has a limitation on the ability to utilize its net operating loss carry-forwards under Section 382 as of December 31, 2021. However, issuances, sales and/or exchanges of the Company's stock (including, potentially, relatively small transactions and transactions beyond the Company's control) occurring after December 31, 2021, taken together with prior transactions with respect to the Company's stock over a three-year period, could trigger an ownership change under Section 382 in the future and therefore a limitation on the Company's ability to utilize its net operating loss carryforwards. Any such limitation could cause some loss carryforwards to expire before the Company would be able to utilize them to reduce taxable income in future periods, possibly resulting in a substantial income tax expense or write down of the Company's tax assets or both.

The accompanying consolidated financial statements do not reflect the income taxes that would be payable to foreign taxing jurisdictions if the earnings of a group of corporations operating in those jurisdictions were to be transferred out of such jurisdictions, because such earnings are intended to be permanently reinvested in those countries. At December 31, 2021, cumulative earnings of approximately $45,361 would be subject to income taxes of approximately $13,608 if such earnings of foreign corporations were transferred out of such jurisdictions in the form of dividends.

The Company's foreign tax returns, including the United States, State of California, State of New Jersey, State of Texas, Malaysia, Singapore, and United Kingdom, are subject to examination by the various tax authorities. The Company's foreign tax returns are no longer subject to examinations by taxing authorities for years before 2015, except for its United States and State of California tax returns which are no longer subject to examinations for years before 2011 and 2008, respectively.

A reconciliation of the beginning and ending unrecognized tax benefit amounts for 2021 and 2020 are as follows:

Balance at December 31, 2019		19,642
Increases related to prior year tax positions		19
Increases related to current year tax positions		2,357
Lapse of statute of limitations		(1,444)
Balance at December 31, 2020	$	20,575
Increases related to prior year tax positions		156
Increases related to current year tax positions		2,878
Lapse of statute of limitations		(1,457)
Balance at December 31, 2021	$	22,152

If the unrecognized tax benefits of $22,152 at December 31, 2021 were recognized, tax benefits in the amount of $22,084 would reduce our annual effective tax rate. The Company believes the total amount of unrecognized tax benefit as of December 31, 2021 will decrease by $1,777 in the next twelve months due to expiration of the statute of limitations, which would reduce our annual effective tax rate.

Interest and penalty expense recorded during 2021, 2020 and 2019 amounted to $(78), $(11) and $182, respectively. Total accrued interest and penalties as of December 31, 2021 and 2020 were $1,381 and $1,460, respectively, and were included in non-current income taxes payable.

(8) Debt

The following represents the Company's debt obligations as of December 31, 2021 and 2020:

Secured Debt Facilities, Revolving Credit Facilities, Term Loan and Bonds Payable	2021		2020		
	Outstanding	Average Interest	Outstanding	Average Interest	Final Maturity
TL Revolving Credit Facility	$ 1,059,950	1.60%	$ 1,433,919	1.65%	Septemb
TL 2019 Term Loan	137,513	3.50%	148,131	3.50%	Decemb
TL 2021-1 Term loan	65,131	2.65%	—	0.00%	Februa
TL 2021-2 Term Loan	204,712	2.90%	—	0.00%	Octob
TMCL II Secured Debt Facility (1)	1,067,886	1.75%	646,551	1.91%	Novemb
TMCL VI Term Loan	—	0.00%	223,630	4.29%	
TMCL VII 2019-1 Bonds	—	0.00%	300,305	4.02%	
TMCL VII 2020-1 Bonds	384,611	3.07%	429,600	3.07%	Augu
TMCL VII 2020-2 Bonds	530,565	2.26%	587,183	2.26%	Septemb
TMCL VII 2020-3 Bonds	194,414	2.15%	214,168	2.15%	Septemb
TMCL VII 2021-1 Bonds	508,024	1.72%	—	0.00%	Februa
TMCL VII 2021-2 Bonds	610,111	2.27%	—	0.00%	Apı
TMCL VII 2021-3 Bonds	577,603	1.98%	—	0.00%	Augu
TAP Funding Revolving Credit Facility	—	0.00%	131,857	2.11%	
Total debt obligations	$ 5,340,520		$ 4,115,344		
Amount due within one year	$ 380,207		$ 408,365		
Amounts due beyond one year	$ 4,960,313		$ 3,706,979		

(1) Final maturity of the TMCL II Secured Debt Facility is based on the assumption that the facility will not be extended on its scheduled conversion date.

The Company's debt facilities are secured by specific pools of containers and related assets owned by the Company. The Company's debt agreements contain various restrictive financial and other covenants related to leverage, interest coverage, fixed charge coverage, container sales proceeds ratio, net income and debt levels and consolidated tangible net worth, including limitations on certain liens, indebtedness and investments. All of the Company's debt facilities contain restrictive covenants on borrowing base minimums.

Under the terms of the debt agreements, the total outstanding principal may not exceed an amount that is calculated as the total of the eligible containers designated to the respective facility times a certain advance rate, then plus the restricted cash amount (the "Asset Base"). For secured debt and revolving credit facilities, the total outstanding principal may not exceed the lesser of the commitment amount or the Asset Base. TGH and its subsidiaries were in full compliance with these restrictive covenants as of December 31, 2021.

Secured Debt Facility

(a) ***TMCL II***

TMCL II has a securitization facility (the "TMCL II Secured Debt Facility") that provides for an aggregate commitment amount of up to $1,500,000. There is a commitment fee on the unused amount of the total commitment, payable monthly in arrears. In May 2021, TMCL II entered into an amendment of the TMCL II Secured Debt Facility which increased the aggregate commitment amount from $1,200,000 to $1,500,000.

In November 2021, TMCL II entered into an amendment of the TMCL II Secured Debt Facility, which extended the conversion date and final maturity date to November 2024 and November 2028, respectively, and transitioned the benchmark interest rate to SOFR due to the upcoming LIBOR discontinuation. The interest rate during the revolving period prior to the conversion date was amended from one-month LIBOR plus spread of 1.75% to daily SOFR plus spread of 1.60%, payable monthly in arrears.

Credit Facilities

(a) ***TL***

TL has a revolving credit facility (the "TL Revolving Credit Facility") that provides for an aggregate commitment amount of up to $1,500,000 (which includes a $25,000 letter of credit facility). There is a commitment fee on the unused amount of the total commitment, payable quarterly in arrears. The TL Revolving Credit Facility provides for payments of interest only during its term beginning on its inception date through September 2023 when all borrowings are due in full. Interest on the outstanding amount due under the TL Revolving Credit Facility is based either on the base rate for Base Rate loans plus a spread between 1.5% and 2.0% or LIBOR for Eurodollar rate loans plus a spread between 2.0% and 2.5%, as defined in the credit agreement, which varied based on TGH's leverage. Interest payments on Base Rate loans and Eurodollar rate loans are payable in arrears on the last day of each calendar month and on the last day of each interest period, respectively.

The TL Revolving Credit Facility contains cross default provisions that may result in an acceleration of principal repayment under the debt facility if an uncured default condition were to exist. TGH acts as an unconditional guarantor of the TL Revolving Credit Facility.

(b) ***TAP Funding***

In February 2021, the Company fully repaid and terminated the TAP Funding Revolving Credit Facility.

Term Loans

(a) ***TL***

TL 2019 Term Loan. TL has a $160,000 fixed rate term loan (the "TL 2019 Term Loan") with a group of financial institutions. Interest on the outstanding amount due under the TL 2019 Term Loan is payable monthly in arrears. *The TL 2019 Term Loan also contains cross default provisions that may result in an acceleration of principal repayment under the debt facility if an uncured default condition were to exist.*

TL 2021-1 Term Loan. In February 2021, TL completed a $70,270 fixed rate term loan (the "TL 2021-1 Term Loan") with a group of financial institutions. Interest on the outstanding amount due under this term loan is payable monthly in arrears. Proceeds from this term loan were used to pay down TL's revolving credit facility.

TL 2021-2 Term Loan. In October 2021, TL completed a $209,000 fixed rate term loan (the "TL 2021-2 Term Loan") with a group of financial institutions. Interest on the outstanding amount due under this term loan is payable monthly in arrears. Proceeds from this term loan were primarily used to pay down the Company's revolving credit facilities.

(b) ***TMCL VI***

Textainer Marine Containers VI Limited ("TMCL VI"), a Bermuda company which was wholly-owned by TL, had a $300,000 fixed rate term loan (the "TMCL VI Term Loan") with a lender group comprised of a financial institution and one institutional investor. In August 2021, TMCL VI terminated its TMCL VI Term Loan and was fully repaid by proceeds from the TMCL VII 2021-3 Bonds. The Company made a loan termination payment of $10,631 and unamortized debt issuance costs of $1,235 were written-off, both related to the early redemption of TMCL VI Term Loan and were recorded in the consolidated statements of operations as "debt termination expense". The cash paid for the loan termination is classified under financing cash flows as payments on debt.

Bonds Payable

(a) ***TMCL VII***

TMCL VII 2019-1 Bonds. TMCL VII issued $328,900 of aggregate Class A principal amount and $21,100 of aggregate Class B principal amount of the Series 2019-1 Fixed Rate Asset Backed Notes (the "TMCL VII 2019-1 Bonds"). Under the terms of the TMCL VII 2019-1 Bonds, both principal and interest incurred are payable monthly. In April 2021, TMCL VII 2019-1 Bonds was terminated and fully repaid by proceeds from the TMCL VII 2021-2 Bonds. Unamortized debt issuance costs and bond discounts of $2,857 were written-off related to the early redemption of TMCL VII 2019-1 Bonds.

TMCL VII 2020-1 Bonds. TMCL VII issued $380,800 of aggregate Class A principal amount and $69,200 of aggregate Class B principal amount of the Series 2020-1 Fixed Rate Asset Backed Notes (the "TMCL VII 2020-1 Bonds"). Under the terms of the TMCL VII 2020-1 Bonds, both principal and interest incurred are payable monthly.

TMCL VII 2020-2 Bonds. TMCL VII issued $531,600 of aggregate Class A principal amount and $76,200 of aggregate Class B principal amount of the Series 2020-2 Fixed Rate Asset Backed Notes ("the TMCL VII 2020-2 Bonds"). Under the terms of the TMCL VII 2020-2 Bonds, both principal and interest incurred are payable monthly.

TMCL VII 2020-3 Bonds. TMCL VII issued $213,000 of aggregate Class A principal amount and $8,000 of aggregate Class B principal amount of the Series 2020-3 Fixed Rate Asset Backed Notes ("the TMCL VII 2020-3 Bonds"). Under the terms of the TMCL VII 2020-3 Bonds, both principal and interest incurred are payable monthly.

TMCL VII 2021-1 Bonds. In February 2021, TMCL VII issued $523,500 of aggregate Class A and $26,500 of aggregate Class B Series 2021-1 Fixed Rate Asset Backed Notes ("the TMCL VII 2021-1 Bonds"). Under the terms of the TMCL VII 2021-1 Bonds, both principal and interest incurred are payable monthly. Proceeds from the TMCL VII 2021-1 Bonds were primarily used to pay down the Company's revolving credit facilities.

TMCL VII 2021-2 Bonds. In April 2021, TMCL VII issued $605,200 of aggregate Class A and $46,000 of aggregate Class B Series 2021-2 Fixed Rate Asset Backed Notes ("the TMCL VII 2021-2 Bonds"). Under the terms of the TMCL VII 2021-2 Bonds, both principal and interest incurred are payable monthly. Proceeds from the TMCL VII 2021-2 Bonds were primarily used to pay down the Company's revolving credit facilities and to pay off the TMCL VII 2019-1 Bonds.

TMCL VII 2021-3 Bonds. In August 2021, TMCL VII issued $548,800 of aggregate Class A and $51,200 of aggregate Class B Series 2021-3 Fixed Rate Asset Backed Notes ("the TMCL VII 2021-3 Bonds"). Under the terms of the TMCL VII 2021-3 Bonds, both principal and interest incurred are payable monthly. Proceeds from the TMCL VII 2021-3 Bonds were primarily used to pay down the Company's revolving credit facilities and to pay off the TMCL VI Term Loan.

Estimated Future Principal Payments

The following is a schedule of future scheduled repayments, by year, and borrowing capacities, as of December 31, 2021:

	Twelve months ending December 31,							Available borrowing, as limited by the Borrowing Base	Current and Available Borrowing, as limited by the Borrowing Base
	2022	2023	2024	2025	2026	2027 and thereafter	Total Borrowing		
TL Revolving Credit Facility	$ —	$ 1,062,858	$ —	$ —	$ —	$ —	$ 1,062,858	$ 299,494	$ 1,362,352
TL 2019 Term Loan	11,285	11,686	12,102	12,532	90,973	—	138,578	—	138,578
TL 2021-1 Term loan	5,490	5,637	5,789	5,944	6,103	36,841	65,804	—	65,804
TL 2021-2 Term Loan	14,434	14,858	15,294	15,743	16,205	130,101	206,635	—	206,635
TMCL II Secured Debt Facility (1)	75,345	69,210	70,628	82,028	74,191	702,339	1,073,741	—	1,073,741
TMCL VII 2020-1 Bonds (2)	56,921	57,675	58,419	57,411	51,728	106,040	388,194	—	388,194
TMCL VII 2020-2 Bonds (2)	61,149	66,779	69,345	69,631	68,296	200,490	535,690	—	535,690
TMCL VII 2020-3 Bonds (2)	20,111	20,111	20,111	20,111	20,111	95,306	195,861	—	195,861
TMCL VII 2021-1 Bonds (2)	44,000	44,000	44,000	44,000	44,000	293,333	513,333	—	513,333
TMCL VII 2021-2 Bonds (2)	52,096	52,096	52,096	52,096	52,096	355,989	616,469	—	616,469
TMCL VII 2021-3 Bonds (2)	48,000	48,000	48,000	48,000	48,000	344,000	584,000	—	584,000
Total (3)	$ 388,831	$ 1,452,910	$ 395,784	$ 407,496	$ 471,703	$ 2,264,439	$ 5,381,163	$ 299,494	$ 5,680,657

(1) The estimated future scheduled repayments for TMCL II Secured Debt Facility are based on the assumption that the facility will not be extended on its associated conversion date.

(2) Future scheduled payments for all bonds payable exclude unamortized discounts in an aggregate amount of $613.

(3) Future scheduled payments for all debts exclude prepaid debt issuance costs in an aggregate amount of $40,030.

(9) Derivative Instruments

The Company has entered into several derivative agreements with several banks to reduce the impact of changes in interest rates associated with its variable rate debt. The counterparties to the Company's interest rate swap agreements are highly rated financial institutions. In the unlikely event that the counterparties fail to meet the terms of the interest rate swap agreements, the Company's exposure is limited to the interest rate differential on the notional amount at each monthly settlement period over the life of the agreements. The Company monitors its counterparties' credit ratings on an on-going basis and does not anticipate any non-performance by the counterparties. The Company does not have any master netting arrangements with its counterparties.

The Company has utilized the income approach to measure at each balance sheet date the fair value of its derivative instruments on a recurring basis using observable (Level 2) market inputs. This approach represents the present value of future cash flows based upon current market expectations.

The following table summarizes the fair value of derivative instruments, which are inclusive of counterparty risk, on the consolidated balance sheets as of December 31, 2021 and 2020:

	2021	2020
Assets		
Interest rate swaps - designated as hedges	$ 12,278	$ 47
Total	$ 12,278	$ 47
Liabilities		
Interest rate swaps - designated as hedges	$ 2,139	$ 9,665
Interest rate swaps - not designated as hedges	—	19,570
Total	$ 2,139	$ 29,235

The following table summarizes the Company's derivative instruments, which were all designated as cash flow hedges as of December 31, 2021:

Derivative instruments	Notional amount
Interest rate swap contracts with several banks that were indexed to one-month LIBOR, with fixed rates between 0.17% and 1.28% per annum, amortizing notional amounts, with termination dates through May 30, 2031	$ 856,250
Interest rate swap contracts with several banks that were indexed to daily SOFR, with fixed rates between 0.36% and 1.48% per annum, amortizing notional amounts, with termination dates through March 17, 2031 (1)	868,000
Total notional amount as of December 31, 2021	$ 1,724,250

(1) In November 2021, the Company amended certain interest rate swap contracts which were related to the replacement of LIBOR to SOFR due to the reference rate reform.

During the year ended December 31, 2021, the Company early terminated a total notional amount of $508,250 interest rate swaps not designated as cash flow hedges with a total settlement amount of $14,552, including accrued interest. During the year ended December 31, 2021, the Company entered into new interest rate swaps designated as cash flow hedges with a total notional amount of $1,030,000.

Over the next twelve months, the Company expects to reclassify an estimated net loss of $13,365 related to the designated interest rate swap agreements from "accumulated other comprehensive income" in the consolidated statements of shareholders' equity to "interest expense" in the consolidated statements of operations.

The following table summarizes the pre-tax impact of derivative instruments on the consolidated statements of operations and comprehensive income during the years ended December 31, 2021, 2020 and 2019:

Derivative instruments	Financial Statement Caption	2021	2020	2019
Non-designated	Realized (loss) gain on financial instruments, net	$ (5,408)	$ (12,295)	$ 1,9
Non-designated	Unrealized gain (loss) on financial instruments, net	$ 5,220	$ (6,044)	$ (15,4
Designated	Other comprehensive income (loss)	$ 10,986	$ (12,307)	$ (1
Designated	Interest expense, net	$ (8,771)	$ (2,806)	$

(10) Segment Information

The Company operates in three reportable segments: Container Ownership, Container Management and Container Resale. The following tables show segment information for 2021, 2020 and 2019:

2021	Container Ownership	Container Management	Container Resale	Other	Eliminations	
Lease rental income - owned fleet	$ 694,045	$ 648	$ —	$ —	$ —	$
Lease rental income - managed fleet	—	56,037	—	—	—	
Lease rental income	$ 694,045	$ 56,685	$ —	$ —	$ —	$
Management fees - non-leasing from external customers	$ —	$ 373	$ 2,987	$ —	$ —	$
Inter-segment management fees	$ —	$ 83,074	$ 9,954	$ —	$ (93,028)	$
Trading container margin	$ —	$ —	$ 10,760	$ —	$ —	$
Gain on sale of owned fleet containers, net	$ 67,229	$ —	$ —	$ —	$ —	$
Depreciation expense	$ 289,610	$ 1,110	$ —	$ —	$ (9,145)	$
Container lessee default recovery, net	$ 1,088	$ —	$ —	$ —	$ —	$
Interest expense	$ 126,628	$ 641	$ —	$ —	$ —	$
Debt termination expense	$ 15,209	$ —	$ —	$ —	$ —	$
Realized loss on financial instruments, net	$ 5,408	$ 226	$ —	$ —	$ —	$
Unrealized gain (loss) on financial instruments, net	$ 5,220	$ (811)	$ —	$ —	$ —	$
Segment income (loss) before income tax (1)	$ 239,857	$ 46,706	$ 19,166	$ (4,845)	$ (14,823)	$
Income tax expense	$ 1,404	$ 369	$ —	$ —	$ —	$
Total assets	$ 7,269,451	$ 230,810	$ 15,819	$ 12,644	$ (161,280)	$
Purchase of containers and fixed assets	$ 1,991,898	$ 1,242	$ —	$ —	$ —	$
Payments on container leaseback financing receivable	$ 18,705	$ —	$ —	$ —	$ —	$

2020	Container Ownership	Container Management	Container Resale	Other	Eliminations
Lease rental income - owned fleet	$ 537,534	$ 891	$ —	$ —	$ —
Lease rental income - managed fleet	—	62,448	—	—	—
Lease rental income	$ 537,534	$ 63,339	$ —	$ —	$ —
Management fees - non-leasing from external customers	$ 392	$ 129	$ 4,750	$ —	$ —
Inter-segment management fees	$ —	$ 54,899	$ 12,575	$ —	$ (67,474
Trading container margin	$ —	$ —	$ 3,532	$ —	$ —
Gain on sale of owned fleet containers, net	$ 27,230	$ —	$ —	$ —	$ —
Depreciation expense	$ 268,401	$ 939	$ —	$ —	$ (7,675
Container lessee default recovery, net	$ 1,675	$ —	$ —	$ —	$ —
Interest expense	$ 122,863	$ 367	$ —	$ —	$ —
Debt termination expense	$ 8,750	$ —	$ —	$ —	$ —
Realized loss on financial instruments, net	$ 12,295	$ —	$ —	$ —	$ —
Unrealized loss on financial instruments, net	$ 6,044	$ —	$ —	$ —	$ —
Segment income (loss) before income tax and noncontrolling interests (1)	$ 41,831	$ 23,641	$ 16,433	$ (3,254)	$ (5,352
Income tax benefit (expense)	$ 1,088	$ (714)	$ —	$ —	$ —
Total assets	$ 5,641,866	$ 180,933	$ 12,050	$ 13,691	$ (107,164
Purchase of containers and fixed assets	$ 968,204	$ 194	$ —	$ —	$ —
Payments on container leaseback financing receivable	$ 116,263	$ —	$ —	$ —	$ —

2019	Container Ownership	Container Management	Container Resale	Other	Eliminations
Lease rental income - owned fleet	$ 516,307	$ 1,552	$ —	$ —	$ —
Lease rental income - managed fleet	—	101,901	—	—	—
Lease rental income	$ 516,307	$ 103,453	$ —	$ —	$ —
Management fees - non-leasing from external customers	$ 219	$ 1,646	$ 5,725	$ —	$ —
Inter-segment management fees	$ —	$ 48,215	$ 12,323	$ —	$ (60,538
Trading container margin	$ —	$ —	$ 7,398	$ —	$ —
Gain on sale of owned fleet containers, net	$ 21,397	$ —	$ —	$ —	$ —
Depreciation expense	$ 266,832	$ 916	$ —	$ —	$ (7,376
Container lessee default expense, net	$ 7,867	$ —	$ —	$ —	$ —
Interest expense	$ 152,914	$ 271	$ —	$ —	$ —
Realized gain on financial instruments, net	$ 1,946	$ —	$ —	$ —	$ —
Unrealized loss on financial instruments, net	$ 15,442	$ —	$ —	$ —	$ —
Segment income (loss) before income tax and noncontrolling interests (1)	$ 14,296	$ 27,747	$ 21,036	$ (4,089)	$ (486
Income tax expense	$ 1,086	$ 862	$ —	$ —	$ —
Total assets	$ 5,101,301	$ 184,215	$ 19,573	$ 7,206	$ (109,678
Purchase of containers and fixed assets	$ 420,971	$ 12,706	$ —	$ —	$ —
Payments on container leaseback financing receivable	$ 281,445	$ —	$ —	$ —	$ —

(1) Container Ownership segment income (loss) before income tax and noncontrolling interests includes unrealized gain (loss) on financial instruments, net of $4,409, $(6,044) and $(15,442) for the years ended December 31, 2021, 2020 and 2019, respectively, and debt termination expense of $15,209, $8,750 and $0 for the years ended December 31, 2021, 2020 and 2019, respectively.

General and administrative expenses are allocated to the reportable business segments based on direct overhead costs incurred by those segments. Amounts reported in the "Other" column represent activity unrelated to the active reportable business segments. Amounts reported in the "Eliminations" column represent inter-segment management fees between the Container Management and the Container Resale segments and the Container Ownership segment.

Geographic Segment Information

The Company's container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from international carriers when the containers are on hire. Substantially all of the Company's leasing related revenue is denominated in U.S. dollars. As all of the Company's containers are used internationally, where no single container is domiciled in one particular place for a prolonged period of time, all of the Company's long-lived assets are considered to be international with no single country of use.

The following table represents the geographic allocation of total fleet lease rental income and management fees from non-leasing services during the years ended December 31, 2021, 2020 and 2019 based on customers' and Container Investors' primary domicile:

	Years ended December 31,					
	2021	Percent of Total	2020	Percent of Total	2019	Percent of Total
Lease rental income:						
Asia	$ 373,614	49.8%	$ 302,709	50.4%	$ 329,567	53.2%
Europe	343,351	45.7%	266,431	44.3%	255,495	41.2%
North / South America	32,296	4.3%	29,391	4.9%	31,786	5.1%
Bermuda	—	—	—	—	—	—
All other international	1,469	0.2%	2,342	0.4%	2,912	0.5%
	$ 750,730	100.0%	$ 600,873	100.0%	$ 619,760	100.0%
Management fees, non-leasing:						
Bermuda	$ 1,699	50.6%	$ 2,797	53.1%	$ 4,576	60.2%
Europe	1,530	45.5%	2,397	45.5%	2,334	30.8%
Asia	45	1.3%	11	0.2%	28	0.4%
North / South America	23	0.7%	9	0.2%	342	4.5%
All other international	63	1.9%	57	1.0%	310	4.1%
	$ 3,360	100.0%	$ 5,271	100.0%	$ 7,590	100.0%

The following table represents the geographic allocation of trading container sales proceeds and gain on sale of owned fleet containers, net during the years ended December 31, 2021, 2020 and 2019 based on the location of sale:

	Years ended December 31,					
	2021	Percent of Total	2020	Percent of Total	2019	Percent of Total
Trading container sales proceeds:						
Asia	$ 14,317	44.7%	$ 14,896	46.6%	$ 39,519	67.3%
North / South America	12,404	38.7%	13,045	40.9%	12,788	21.8%
Europe	5,321	16.6%	3,991	12.5%	6,411	10.9%
Bermuda	—	—	—	—	—	—
All other international	3	0.0%	9	0.0%	16	0.0%
	$ 32,045	100.0%	$ 31,941	100.0%	$ 58,734	100.0%
Gain on sale of owned fleet containers, net:						
Asia	$ 46,328	68.9%	$ 13,082	48.1%	$ 7,714	36.0%
Europe	10,516	15.7%	5,538	20.3%	5,577	26.1%
North / South America	10,385	15.4%	8,610	31.6%	6,809	31.8%
Bermuda	—	—	—	—	—	—
All other international	—	—	—	—	1,297	6.1%
	$ 67,229	100.0%	$ 27,230	100.0%	$ 21,397	100.0%

(11) Commitments and Contingencies

(a) Restricted Cash

Restricted interest-bearing cash accounts were established by the Company as additional collateral for outstanding borrowings under certain of the Company's debt facilities. Restricted cash at December 31, 2021 and 2020 consisted of the following:

	2021	2020
Trust accounts	$ 16,289	$ 17,054
Other restricted cash accounts	60,073	57,093
Total restricted cash	$ 76,362	$ 74,147

Trust accounts

The Company maintains certain interest-bearing bank accounts ("Trust Accounts") pursuant to certain debt agreements for the deposits of net cash proceeds collected from leasing and containers disposition after certain expenses. The cash in the Trust Accounts can only be used to pay the Company's debt, interest and other certain related expenses. After such payments, any remaining cash in the Trust Accounts is transferred to certain unrestricted bank accounts of the Company and is included in cash and cash equivalents on the consolidated balance sheets.

Other restricted cash accounts

The Company established certain interest-bearing bank accounts pursuant to certain debt agreements to maintain an amount equal to certain outstanding debt balance and a projected interest expense for a specified number of months.

(b) Container Commitments

At December 31, 2021, the Company had commitments to purchase containers to be delivered subsequent to December 31, 2021 in the total amount of $75,015. In January 2022, the Company also had commitments to

purchase or fund containers under a sales-type leaseback financing arrangement with a lessee in the amount of $411,870.

(c) Distribution Expense to Managed Fleet Container Investors

The amounts distributed to the Container Investors are variable payments based upon the net operating income for each managed container (see Note 3 “Managed Container Fleet”). There are no future minimum lease payment obligations under the Company’s management agreements.

(12) Share-Based Compensation

As of December 31, 2021, the Company maintained one active share option and restricted share unit plan, the 2019 Share Incentive Plan (“2019 Plan”). The 2019 Plan provided for the grant of share options, restricted share units, performance restricted share units, restricted shares, share appreciation rights and dividend equivalent rights. The 2019 Plan provided for grants of incentive share options only to the Company’s employees or employees of subsidiary of TGH. Awards other than incentive share options could be granted to the Company’s employees, directors and consultants or the employees, directors and consultants of subsidiaries of TGH. At December 31, 2021, 2,105,418 shares were available for future issuance under the 2019 Plan.

Share Options

Share options are granted at exercise prices equal to the fair market value of the shares on the grant date. Each employee’s options vest in increments of 25% per year beginning approximately one year after an option’s grant date. Unless terminated pursuant to certain provisions within the share option plans, including discontinuance of employment with the Company, all unexercised options expire ten years from the date of grant.

The following tables summarizes the activity of stock options for the years ended December 31, 2021, 2020, and 2019:

	Share options (common share equivalents)	Weighted average exercise price
Balances, December 31, 2018	1,703,908	$ 21.44
Options granted during the period	250,000	$ 9.14
Options exercised during the period	(13,014)	$ 9.70
Options expired during the period	(113,917)	$ 23.73
Options forfeited during the period	(19,312)	$ 14.08
Balances, December 31, 2019	1,807,665	$ 19.76
Options exercised during the period	(113,960)	$ 11.36
Options expired during the period	(130,711)	$ 26.14
Options forfeited during the period	(33,968)	$ 12.40
Balances, December 31, 2020	1,529,026	$ 19.90
Options exercised during the period	(477,103)	$ 18.95
Options expired during the period	(40,000)	$ 32.70
Options forfeited during the period	(19,128)	$ 10.74
Balances, December 31, 2021	992,795	20.02
Options exercisable at December 31, 2021	833,186	$ 21.98
Options vested and expected to vest at December 31, 2021	986,011	$ 20.09

As of December 31, 2021, $622 of total compensation cost related to non-vested share option not yet recognized is expected to be recognized over a weighted average period of 1.5 years. The aggregate intrinsic value of all options exercisable and outstanding, which represents the total pre-tax intrinsic value, based on the Company's closing common share price of $35.71 per share as of December 31, 2021 was $11,776. The aggregate intrinsic value is calculated as the difference between the exercise prices of the Company's share options that were in-the-money and the market value of the common shares that would have been issued if those share options were exercised as of December 31, 2021. The aggregate intrinsic value of all options exercised during 2021, 2020 and 2019, based on the closing share price on the date each option was exercised was $5,513, $710 and $4, respectively.

The weighted average contractual life of options exercisable and outstanding as of December 31, 2021 was 4.4 years and 4.7 years, respectively.

The Company did not grant any stock options during the years ended December 31, 2021 and 2020. The estimated weighted average grant date fair value of share options granted during 2019 was $4.47 per share, and was estimated using the Black-Scholes option pricing model for the year ended December 31, 2019 with the following assumptions.:

	2019
Risk-free interest rates	1.7%
Expected terms (in years)	5.5
Expected common share price volatilities	52.9%
Expected dividends	0.0%
Expected forfeitures	3.4%

The risk-free interest rate is based on the implied yield on a U.S. Treasury zero-coupon issue with a remaining term equal to the expected term of the share option life. The expected term is calculated based on historical exercises. The expected common share price volatility is based on the historical average volatility of the Company's stock over a period approximating the expected term of the options. The dividend yield reflects the estimated future yield on the date of grant.

Restricted Share Units ("RSU") and Performance Restricted Share Units ("PSU")

RSU awards granted to employees prior to 2020 have a vesting period of four years or vest in increments of 25% per year on each anniversary of the grant date. RSU awards granted to employees during and after 2020 have a vesting period of three years or vest in increments of 33.33% per year on each anniversary of the grant date. RSU awards granted to directors fully vest one year after their grant date.

The Company granted PSU awards to certain executives during 2021 and 2020, which are subject to both service and market vesting conditions. The PSU awards will vest at the end of a 3-year performance cycle if the market conditions are met. The market-based conditions will be satisfied if certain milestones based on the Company's common stock price or relative total shareholder return ("TSR") are achieved.

The following tables summarizes the activity of RSU and PSU awards for the years ended December 31, 2021, 2020, and 2019:

	RSU	PSU (1)	Total	Weighted average grant date fair value
Balances, December 31, 2018	640,750	—	640,750	$ 14.20
Share units granted during the period	309,192	—	309,192	$ 9.20
Share units vested during the period	(281,377)	—	(281,377)	$ 13.97
Share units forfeited during the period	(10,945)	—	(10,945)	$ 14.32
Balances, December 31, 2019	657,620	—	657,620	$ 11.95
Share units granted during the period	200,868	183,560	384,428	$ 16.96
Share units vested during the period	(300,404)	—	(300,404)	$ 12.08
Share units forfeited during the period	(19,743)	—	(19,743)	$ 12.62
Balances, December 31, 2020	538,341	183,560	721,901	$ 14.55
Share units granted during the period	102,956	104,834	207,790	$ 44.62
Share units vested during the period (2)	(278,684)	(7,004)	(285,688)	$ 12.32
Share units forfeited during the period	(18,753)	—	(18,753)	$ 12.70
Balances, December 31, 2021	343,860	281,390	625,250	$ 25.37
Total share units outstanding and expected to vest at December 31, 2021			590,615	$ 25.12

(1) The grant date fair value of PSU awards granted during 2021 and 2020 were $55.85 per share and $22.06 per share, respectively. On the settlement date for each measurement period of market-based awards, grantees may receive shares equal to 0% to 200% of the awards granted depending upon the achievement of certain market criteria based on the Company's TSR relative to the peer group during the three-year performance period.

(2) As of December 31, 2021, an incremental fair value expense of $577 was recognized for certain awards that were modified to accelerate vesting upon retirement.

As of December 31, 2021, $11,889 of total compensation cost related to non-vested time-based RSU and market-based PSU awards not yet recognized is expected to be recognized over a weighted average period of 1.9 years. The grant date fair value of the market-based PSU awards is recognized as expense ratably over the vesting period and is not adjusted in future periods for the success or failure to achieve the specified market condition.

There were no PSU awards granted during the year ended December 31, 2019. The fair value of PSU awards granted during the years ended December 31, 2021 and 2020 were determined using the Monte Carlo simulation valuation model that incorporated multiple valuation assumptions, including the probability of achieving the specified market condition and the following assumptions.:

	2021	2020
Risk-free interest rates	0.54%	0.16%
Expected common share price volatilities	59.80%	57.40%
Expected dividends	0.0%	0.0%

(13) Shareholders' Equity

Share Repurchase Program

In 2019, the Company's board of directors approved a share repurchase program to repurchase up to $25,000 of the Company's common shares, in 2020 the board of directors approved an increase of another $75,000 to this program and in 2021 the program was further increased by $100,000. Under the program, the Company may purchase its common shares from time to time in the open market, in privately negotiated transactions or such other manner as will comply with applicable laws and regulations. The authorization did not obligate the Company to acquire a specific number of shares during any period, but it may be modified, suspended or terminated at any time at the discretion of the Company's board of directors.

During the year ended December 31, 2020, the Company repurchased 6,736,493 shares at an average price of $10.17 for a total amount of $68,493, including commissions paid. During the year ended December 31, 2021, the Company repurchased 2,426,725 shares at an average price of $29.76 for a total amount of $72,220, including commissions paid. As of December 31, 2021, approximately $51,134 remained available for repurchases under the share repurchase program.

Preferred Shares

In April 2021, the Company completed an underwritten public offering of 6,000,000 depositary shares, each representing a 1/1,000th interest in a share of its 7.00% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preference Shares, par value $0.01 per share and $25,000 liquidation preference per share (equivalent to $25.00 per depositary share) ("Series A Preferred Shares"), resulting in net proceeds to the Company of $144,708 after deducting the underwriting discount and other offering expenses. The net proceeds from the offering were used for general corporate purposes, including the purchase of additional containers. The Series A Preferred Shares are perpetual, have no maturity date and are redeemable from June 15, 2026 (the "first reset date") by the Company.

In August 2021, the Company completed an underwritten public offering of 6,000,000 depositary shares, each representing a 1/1,000th interest in a share of its 6.25% Series B Fixed Rate Cumulative Redeemable Perpetual Preference Shares, par value $0.01 per share and $25,000 liquidation preference per share (equivalent to $25.00 per depositary share) ("Series B Preferred Shares"), resulting in net proceeds to the Company of $144,872 after deducting the underwriting discount and other offering expenses. The net proceeds from the offering were used for general corporate purposes, including the purchase of additional containers. The Series B Preferred Shares are perpetual, have no maturity date and are redeemable from December 15, 2026 by the Company.

Each Series of preferred shares may be redeemed at the Company's option, at any time after approximately five years from original issuance, for cash at a redemption price of $25.00 per depositary share plus an amount equal to all accumulated and unpaid dividends, whether or not declared. The Company may also redeem each Series of preferred shares in the event of a Change of Control (as defined in the Certificate of Designations). If the Company does not elect to redeem the preferred shares in a Change of Control triggering event, holders of each Series of preferred shares may have the right to convert their preferred shares into common shares. There is no mandatory redemption of each Series of preferred shares or redemption at the option of the holders. Holders of the preferred shares do not have general voting rights.

Preferred Share Dividends

Dividends on each Series of preferred shares accrue daily and are cumulative from and including the date of original issuance and are payable quarterly in arrears on the 15th day of March, June, September and December of each year, when declared by the Company's board of directors. Dividends accrue at the stated annual rate of the $25,000 liquidation preference. Each Series of preferred shares rank senior to the Company's common shares with respect to dividend rights and rights upon the Company's liquidation, dissolution or winding up.

The Company's board of directors approved and declared the following quarterly cash dividends during the year ended December 31, 2021 on its issued and outstanding preferred shares:

		Series A Preferred Shares		Series B Preferred Shares	
Record Date	Payment Date	Aggregate Payment	Per Depositary Share Payment (1)	Aggregate Payment	Per Depositary Share Payment (1)
May 31, 2021	June 15, 2021	$ 1,808	$ 0.30	—	—
August 31, 2021	September 15, 2021	$ 2,625	$ 0.44	—	—
December 3, 2021	December 15, 2021	$ 2,625	$ 0.44	$ 2,917	$ 0.49

(1) Rounded to the nearest whole cent.

As of December 31, 2021, the Company had cumulative unpaid preferred dividends of $854.

Common Share Dividends

The Company's board of directors approved and declared a cash dividend of $0.25 per share on its issued and outstanding common shares for a total aggregate amount of $12,285, paid on December 15, 2021 to holders of record as of December 3, 2021.

(14) Subsequent Event

In February 2022, the Company's board of directors approved and declared a quarterly preferred cash dividend on its issued and outstanding preferred shares, payable on March 15, 2022, to holders of record as of March 4, 2022. The dividend declared on Series A Preferred Shares and Series B Preferred Shares were $0.44 and $0.39 per depositary share (rounded to the nearest whole cent), respectively, for a total aggregate amount of $2,625 and $2,344, respectively.

In February 2022, the Company's board of directors approved and declared a cash dividend of $0.25 per share on its issued and outstanding common shares, payable on March 15, 2022, to holders of record as of March 4, 2022.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
SCHEDULE I - CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
Parent Company Information
Years Ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands)

	2021	2020	2019
Operating expenses:			
General and administrative expense	$ 4,519	$ 3,988	$ 4,08
Total operating expenses	4,519	3,988	4,08
Loss from operations	(4,519)	(3,988)	(4,08
Other income:			
Equity in net income of subsidiaries	289,133	76,076	60,81
Interest income	55	80	-
Other, net	(381)	654	-
Net other income	288,807	76,810	60,81
Income before income tax	284,288	72,822	56,72
Income tax benefit (expense)	—	—	-
Net income	284,288	72,822	56,72
Less: Dividends on preferred shares	10,829	—	-
Net income attributable to common shareholders	$ 273,459	$ 72,822	$ 56,72
Net income attributable to common shareholders per share:			
Basic	$ 5.51	$ 1.37	$ 0.9
Diluted	$ 5.41	$ 1.36	$ 0.9
Weighted average shares outstanding (in thousands):			
Basic	49,624	53,271	57,34
Diluted	50,576	53,481	57,45
Other comprehensive income, before tax:			
Change in derivative instruments designated as cash flow hedges	10,986	(12,307)	(11
Reclassification of realized loss (gain) on derivative instruments designated as cash flow hedges	8,771	2,806	(
Foreign currency translation adjustments	(79)	177	4
Comprehensive income, before tax	303,966	63,498	56,64
Income tax (expense) benefit related to items of other comprehensive income	(184)	91	-
Comprehensive income, after tax	303,782	63,589	56,64
Less: Dividends on preferred shares	10,829	—	-
Comprehensive income attributable to common shareholders	$ 292,953	$ 63,589	$ 56,64

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
SCHEDULE I - CONDENSED BALANCE SHEETS
Parent Company Information
December 31, 2021 and 2020
(All currency expressed in United States dollars in thousands)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 10,696	$ 12,372
Prepaid expenses and other current assets	378	336
Due from affiliates, net	2,231	2,679
Total current assets	13,305	15,387
Investments in subsidiaries	1,768,779	1,245,427
Total assets	$ 1,782,084	$ 1,260,814
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 830	$ 394
Total current liabilities	830	394
Shareholders' equity:		
Preferred shares	300,000	-
Common shares	595	587
Treasury shares	(158,459)	(86,239)
Additional paid-in capital	428,945	417,421
Accumulated other comprehensive income (loss)	9,750	(9,744)
Retained earnings	1,200,423	938,395
Total shareholders' equity	1,781,254	1,260,420
Total liabilities and shareholders' equity	$ 1,782,084	$ 1,260,814

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
SCHEDULE I - CONDENSED STATEMENTS OF CASH FLOWS
Parent Company Information
Years ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands)

	2021	2020	2019
Cash flows from operating activities:			
Net income	$ 284,288	$ 72,822	$ 56,724
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net income of subsidiaries	(289,133)	(76,076)	(60,813)
Dividends received from subsidiaries	61,000	76,167	46,823
Share-based compensation	6,699	4,723	4,388
Decrease (increase) in:			
Prepaid expenses and other current assets	(42)	(26)	(128)
Increase (decrease) in:			
Accounts payable and accrued expenses	436	(82)	(237)
Total adjustments	(221,040)	4,706	(9,967)
Net cash provided by operating activities	63,248	77,528	46,757
Cash flows from investing activities:			
Investments in subsidiaries	(269,436)	(2,050)	(41,865)
Net cash used in investing activities	(269,436)	(2,050)	(41,865)
Cash flows from financing activities:			
Issuance of preferred shares, net of underwriting discount	290,550	—	—
Purchase of treasury shares	(72,220)	(68,493)	(8,597)
Issuance of common shares upon exercise of share options	9,043	1,295	126
Dividends paid on common shares	(12,285)	—	—
Dividends paid on preferred shares	(9,975)	—	—
Due to (from) affiliates, net	448	(2,041)	49
Other	(970)	—	—
Net cash provided by (used in) financing activities	204,591	(69,239)	(8,422)
Effect of exchange rate changes	(79)	177	42
Net (decrease) increase in cash and cash equivalents	(1,676)	6,416	(3,488)
Cash and cash equivalents, beginning of the year	12,372	5,956	9,444
Cash and cash equivalents, end of the year	$ 10,696	$ 12,372	$ 5,956

Schedule II

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
Valuation Accounts
Years ended December 31, 2021, 2020 and 2019
(All currency expressed in United States dollars in thousands)

	Balance at Beginning of Year	Additions Charged to Expense (Recovery)	Deductions	Balance at End of Year
December 31, 2019				
Accounts receivable, allowance for doubtful accounts	$ 5,729	$ 2,096	$ (1,526)	$ 6,299
Net investment in finance leases, allowance for credit losses	$ —	$ —	$ —	$ —
Container leaseback financing receivable, allowance for credit losses	$ —	$ —	$ —	$ —
December 31, 2020				
Accounts receivable, allowance for doubtful accounts	$ 6,299	$ (3,149)	$ (487)	$ 2,663
Net investment in finance leases, allowance for credit losses (1)	$ 636	$ 697	$ —	$ 1,333
Container leaseback financing receivable, allowance for credit losses (1)	$ 256	$ 168	$ —	$ 424
December 31, 2021				
Accounts receivable, allowance for doubtful accounts	$ 2,663	$ (674)	$ (699)	$ 1,290
Net investment in finance leases, allowance for credit losses	$ 1,333	$ (590)	$ —	$ 743
Container leaseback financing receivable, allowance for credit losses	$ 424	$ (311)	$ —	$ 113

(1) Balance at beginning of the year was due to impact of adopting Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses* on January 1, 2020.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this Annual Report on Form 20-F:

Exhibit Number	Description of Document
1.1	Memorandum of Association of Textainer Group Holdings Limited (1)
1.2	Bye-laws of Textainer Group Holdings Limited (2)
2.1	Form of Common Share Certificate (3)
4.1	Office Lease, dated August 8, 2001, by and between Pivotal 650 California St., LLC and Textainer Equipment Management (U.S.) Limited (the "Office Lease") (4)
4.2	First Amendment to the Office Lease, dated as of December 23, 2008, by and between A – 650 California Street, LLC and Textainer Equipment Management (U.S.) Limited (5)
4.3	Second Amendment to the Office Lease, dated as of April 23, 2015, by and between Columbia REIT – 650 California Street, LLC and Textainer Equipment Management (U.S.) Limited (6)
4.4*	Employment Agreement, dated August 13, 2018 by and between Textainer Equipment Management (U.S.) Limited and Olivier Ghesquiere (7)
4.5*	Employment Agreement, dated September 13, 2018 by and between Textainer Equipment Management (U.S.) Limited and Michael Chan (8)
4.6*	2019 Share Incentive Plan (as amended and restated effective May 23, 2019) (9)
4.7*	Form of Indemnification Agreement (10)
4.8	Amended and Restated Credit Agreement, dated September 26, 2018, by and among, Textainer Limited, as borrower, Textainer Group Holdings Limited, as guarantor, Wells Fargo Bank, N.A., as agent and the lenders party thereto ("TL Credit Agreement") (11)
4.9†	Omnibus Amendment and Consent dated November 15, 2021 to the Second Amended and Restated Indenture, dated August 31, 2017, by and between Textainer Marine Containers Limited II, as issuer and Wells Fargo Bank, National Association, as indenture trustee ("TMCL II Indenture"), the Second Amended and Restated Textainer Marine Containers Limited II Series 2012-1 Supplement, dated August 31, 2017 to the TMCL II Indenture (the "Series 2012-1 Supplement") amending and restating the TMCL II Indenture, the Series 2012-1 Supplement and changing the indenture trustee and amending other facility documents)
4.10	Certificate of Designations with Respect to the 7.000% Series A Cumulative Redeemable Perpetual Preference Shares, par value $0.01 per share, dated April 13, 2021 (12)
4.11	Certificate of Designations with Respect to the 6.250% Series B Cumulative Redeemable Perpetual Preference Shares, par value $0.01 per share, dated August 23, 2021 (13)
4.12	Container Management Services Agreement, dated as of December 1, 2016, by and between Maccarone Container Fund, LLC and Textainer Equipment Management Limited (14)
8.1†	Subsidiaries of the Registrant
12.1†	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2†	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit Number	Description of Document
13.1†	Certification of the Chief Executive Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2†	Certification of the Chief Financial Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1†	Consent of KPMG LLP
99.1†	Letter from KPMG LLP dated March 17, 2022 regarding the change in the Company's independent registered public accounting firm
101.INS†	Inline XBRL Instance Document
101.SCH†	Inline XBRL Taxonomy Extension Schema Document
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Filed herewith.
* Indicates management contract or compensatory plan.
(1) Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.
(2) Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.
(3) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.
(4) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.
(5) Incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.
(6) Incorporated by reference to Exhibit 4.3 to the Registrant's Annual Report on Form 20-F (File No. 001- 33725) filed with the SEC on March 11, 2016.
(7) Incorporated by reference to Exhibit 4.4 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 25, 2019.
(8) Incorporated by reference to Exhibit 4.5 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 25, 2019.
(9) Incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-233323) filed with the SEC on August 16, 2019.
(10) Incorporated by reference to Exhibit 4.10 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 15, 2012.
(11) Incorporated by reference to Exhibit 4.9 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 25, 2019.
(12) Incorporated by reference to Exhibit 3.2 to the Registrant's Form 8A-12B filed with the SEC on April 13, 2021.
(13) Incorporated by reference to Exhibit 3.2 to the Registrant's Form 8A-12B filed with the SEC on August 23, 2021.
(14) Incorporated by reference to Exhibit 4.21 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 27, 2017.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Textainer Group Holdings Limited

/s/ Olivier Ghesquiere
Olivier Ghesquiere
President and Chief Executive Officer

/s/ Michael K. Chan
Michael K. Chan
Executive Vice President and Chief Financial Officer

March 17, 2022

EXHIBIT 4.9

OMNIBUS AMENDMENT AND CONSENT

This OMNIBUS AMENDMENT AND CONSENT, dated as of November 15, 2021 (this "***Agreement***"), is made among TEXTAINER MARINE CONTAINERS II LIMITED, an exempted company with limited liability incorporated and existing under the laws of Bermuda ("***Issuer***"), TEXTAINER EQUIPMENT MANAGEMENT LIMITED, an exempted company with limited liability continued into and existing under the laws of Bermuda ("***TEML***"), TEXTAINER LIMITED, a company incorporated under the laws of Bermuda ("**TL**"), WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association ("***WTNA***"), and each of the undersigned Series 2012-1 Noteholders (as defined in the Existing Supplement referred to below).

RECITALS:

A. Issuer is party to (i) that certain Second Amended and Restated Indenture, dated as of August 31, 2017 (as amended by Amendment 1, dated as of July 24, 2019, and as further amended, supplemented or otherwise modified prior to the date hereof, the "***Existing Indenture***"), with WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("***Wells***"), as indenture trustee ("***Existing Indenture Trustee***"); (ii) that certain Second Amended and Restated Series 2012-1 Supplement, dated as of August 31, 2017 (as amended by Amendment 1, dated as of July 24, 2019, and as further amended, supplemented or otherwise modified prior to the date hereof, the "***Existing Supplement***"), with Existing Indenture Trustee; (iii) that certain Second Amended and Restated Series 2012-1 Note Purchase Agreement, dated as of August 31, 2017 (as amended by Amendment 1, dated as of July 24, 2019, and as further amended, supplemented or otherwise modified prior to the date hereof, the "***Existing NPA***"), with TL, as seller (the "***Seller***"), Existing Administrative Agent (as defined below), each of Wells, Bank of America, N.A., ING Belgium SA/NV, Keybank National Association, Thunder Bay Funding, LLC, ABN AMRO Capital USA LLC, Truist Bank (as successor by merger to Suntrust Bank), PNC Bank National Association, Fifth Third Bank, National Association, and Everbank Commercial Finance Inc., as a Noteholder, and Royal Bank of Canada, as a Noteholder Agent; (iv) that certain Third Amended and Restated Management Agreement, dated as of December 31, 2019 (as amended, supplemented or otherwise modified prior to the date hereof, the "***Management Agreement***"), with TEML, as manager (the "***Manager***"); (v) that certain Manager Transfer Facilitator Agreement, dated as of May 1, 2012 (as amended, supplemented or otherwise modified prior to the date hereof, the "***Manager Transfer Facilitator Agreement***"), with Existing Indenture Trustee and ABN AMRO BANK N.V., a company organized and existing under the laws of the Netherlands ("***ABN***"), as manager transfer facilitator (in such capacity, the "***Manager Transfer Facilitator***"); and (vi) that certain Administration Agreement, dated as of May 1, 2012 (as amended, supplemented or otherwise modified prior to the date hereof, the "***Administration Agreement***"), with Manager, Existing Indenture Trustee and WELLS FARGO SECURITIES, LLC, a Delaware limited liability company ("***WFS***"), as administrative agent (in such capacity, the "***Existing Administrative Agent***").

B. Wells has resigned as Existing Indenture Trustee, and Issuer wishes to appoint WTNA as indenture trustee under the Existing Indenture (in such capacity, "***Successor Trustee***"); Section 907 of the Indenture requires any such appointment to be made by Issuer at the direction and subject to the consent of the Requisite Global Majority.

C. ABN wishes to assign its role as Manager Transfer Facilitator, and WTNA is willing to accept such role; Section 15 of the Manager Transfer Facilitator Agreement requires the prior written consent of the Indenture Trustee (acting at the direction of the Requisite Global Majority), and prior written notice to each Rating Agency, as conditions to such assignment and assumption.

D. WFS has resigned as Existing Administrative Agent, and Issuer wishes to appoint Wells as administrative agent under the Administration Agreement (in such capacity, "***Successor Administrative Agent***"); Successor Administration Agreement and Issuer wish to terminate the Administration Agreement such that Administrative Agent's duties will be governed by the Proposed NPA (as defined below) and other Related Documents; Section 11(a) of the Administration Agreement requires that the Administration Agreement continue in full force until all of the Outstanding Obligations have been paid in full; Section 14 of the Administration Agreement requires that any amendment thereto be accompanied by the written consent of the Requisite Global Majority.

E. Issuer and Manager wish to amend the Management Agreement; Section 21.8(b)(i) of the Management Agreement requires satisfaction of the Rating Agency Condition (as defined in the Existing Indenture) as a condition to any amendment to the Management Agreement; pursuant to the Existing Indenture and Existing Supplement, the Rating Agency Condition may be satisfied with respect to such amendment by obtaining the consent of the Majority of Holders of the Series 2012-1 Notes.

F. Issuer and Successor Trustee wish to amend certain provisions of the Existing Indenture and, for ease of reference, to restate the terms of the Existing Indenture in the form of **Exhibit A** hereto (the "***Proposed Indenture***"); Section 1002(a) of the Existing Indenture requires the consent of the Requisite Global Majority, each affected Series Enhancer and each affected Interest Rate Hedge Provider (if such proposed amendment would adversely affect such Interest Rate Hedge Provider's rights, duties or immunities under this Indenture or otherwise), as a condition to such amendment.

G. Issuer and Successor Trustee wish to amend certain provisions of the Existing Supplement and, for ease of reference, to restate the terms of the Existing Supplement in the form of **Exhibit B** hereto (the "***Proposed Supplement***"); Section 705(a) of the Existing Supplement requires that the Control Party for Series 2012-1 consent to, and have directed Indenture Trustee to have entered into, such amendment as a condition to such amendment.

H. Issuer and the Majority of Holders of the Series 2012-1 Notes wish to amend, as of the date hereof, certain provisions of the Existing NPA and, for ease of reference to restate the Existing NPA in the form of **Exhibit C** hereto (the "***Proposed NPA***"); Section 9.1(a) of the Existing NPA requires the written consent of each affected Series 2012-1 Noteholder as a condition to such amendment and restatement.

I. Pursuant to the Existing Indenture and Existing Supplement, the Requisite Global Majority is comprised of the Majority of Holders of the Series 2012-1 Notes; pursuant to the Existing Supplement, the Control Party for Series 2012-1 is the Majority of Holders of the Series 2012-1 Notes.

AGREEMENT:

1. Definitions. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to such terms in the Existing Indenture or, if not defined therein, in the Existing Supplement.

2. Replacement of Trustee. Each of the Series 2012-1 Noteholders party hereto hereby (i) consents to the appointment of WTNA as Successor Trustee and (ii) directs Issuer to appoint WTNA as Successor Trustee.

3. Replacement of Manager Transfer Facilitator.

(a) Each of the Series 2012-1 Noteholders party hereto hereby (i) appoints WTNA as Manager Transfer Facilitator and consents to the assignment of the Manager Transfer Facilitator Agreement from ABN to WTNA, and (ii) directs Successor Trustee to consent to such appointment and assignment.

(b) Issuer agrees that WTNA is acceptable to Issuer as successor Manager Transfer Facilitator.

(c) Successor Trustee hereby consents to the appointment of WTNA as Manager Transfer Facilitator and the assignment of the Manager Transfer Facilitator Agreement from ABN to WTNA.

(d) Each of Issuer and Indenture Trustee waives the prior notice requirement in Section 11(b) of the Manager Transfer Facilitator Agreement with respect to the resignation of ABN as Manager Transfer Facilitator.

4. Administration Agreement and Administrative Agent.

(a) Each of the Series 2012-1 Noteholders party hereto hereby appoints Wells as the Administrative Agent and consents to the termination of the Administration Agreement.

(b) Issuer agrees that Wells is acceptable to Issuer as successor Administrative Agent.

5. Indenture.

(a) Each of the Series 2012-1 Noteholders party hereto hereby (i) consents to the amendment and restatement of the Existing Indenture in the form of the Proposed Indenture and (ii) directs Successor Trustee to enter into this Agreement and the Proposed Indenture for the purpose, and with the effect, of amending and restating the Existing Indenture in the form of the Proposed Indenture.

(b) The Existing Indenture is amended and restated in the form of the Proposed Indenture.

6. Supplement.

(a) Each of the Series 2012-1 Noteholders party hereto hereby (i) consents to the amendment and restatement of the Existing Supplement in the form of the Proposed Supplement and (ii) directs Successor Trustee to enter into this Agreement and the Proposed Supplement for the purpose, and with the effect, of amending and restating the Existing Supplement in the form of the Proposed Supplement.

(b) The Existing Supplement is amended and restated in the form of the Proposed Supplement.

7. Management Agreement.

(a) Each of the Series 2012-1 Noteholders party hereto hereby consents to the amendment of the Management Agreement pursuant to **Section 7(b)**.

(b) Issuer and Manager agree that the Management Agreement is amended on the Effective Date as follows:

(i) The definition of "Long-Term Lease Fleet" set forth in Section 1.1 is amended by replacing the phrase "twenty-four (24)" therein with the phrase "twelve (12)".

(ii) Section 5.1(a)(i) of the Management Agreement is amended by replacing the phrase "twelve percent (12.0%)" therein with the phrase "nine percent (9.0%)".

(iii) Section 5.1(a)(i) of the Management Agreement is amended by replacing the phrase "eight percent (8.0%)" therein with the phrase "nine percent (9.0%)".

(iv) Section 7.2(a) of the Management Agreement is amended and restated in its entirety to read as follows:

> "(a) (i) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year, unaudited financial statements of Manager for such quarter, together with a certificate setting forth the calculation of the Consolidated Funded Debt and Consolidated Tangible Net Worth of the Manager calculated as of the end of the most recently completed fiscal quarter, (ii) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year, unaudited financial statements of TGH and its consolidated Subsidiaries for such quarter, (iii) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year, unaudited financial statements of Issuer, (iv) within one hundred twenty (120) days after the end of each fiscal year of Manager, a copy of the annual audited financial statements of Manager prepared on a consistent basis in conformity with GAAP and certified by an independent certified public accountant of recognized national standing, (v) within one hundred twenty (120) days after the end of each fiscal year of TGH, unaudited financial statements of TGH and its consolidated Subsidiaries for such fiscal year, and (vi) within one hundred twenty (120) days after the end of each fiscal year of Issuer, a copy of the annual audited financial statement of the Issuer prepared on a consistent basis, in conformity with GAAP and certified by

an independent certified public account of recognized national standing; and"

(v) Section 7.11 is amended as follows:

(A) The existing paragraph therein shall be renumbered as Section 7.11(a); and

(B) A new Section 7.11(b) shall be added thereto, to read in its entirety as follows:

"(b) Within one hundred twenty (120) days following the end of each fiscal year of the Manager, the Manager shall cause the Independent Accountants, to deliver to the Indenture Trustee, the Issuer and the Administrative Agent, a report specifying the results of the application of such agreed-upon procedures as the Administrative Agent and the Issuer shall specify from time to time relating to 25 randomly-selected leases included in the Back-Up Data Files most recently delivered pursuant to **Section 7.16**."

8. NPA.

(a) Each of the Series 2012-1 Noteholders party hereto hereby (i) consents to the amendment and restatement of the Existing NPA in the form of the Proposed NPA, and (ii) waives the application of Section 2.5 of the Existing NPA to the extension of the Scheduled Conversion Date.

(b) The Existing NPA is amended and restated in the form of the Proposed NPA.

(c) **Restatement of Commitments**. On November 15, 2021, the Commitments of Withdrawing Noteholders that are party to the Agreement will be extended to the Scheduled Conversion Date. One of the Noteholders that is party to the Original Agreement will withdraw from the transaction and its Commitment will be terminated on such date (such Noteholder, the "***Withdrawing Noteholder***"). The unpaid principal balance of the Series 2012-1 Advances owing to such Withdrawing Noteholder will be repaid on the November 15, 2021 by certain Series 2012-1 Noteholders, each of which will increase the amount of its Commitment (each of the foregoing, an "Increasing Noteholder" and collectively, the "***Increasing Noteholders***"). On November 15, 2021, all Increasing Noteholders will fund to Indenture Trustee, funds in an amount, such that, after giving effect to such funding, the unpaid principal balance of the Series 2012-1 Notes owing to each such Increasing Noteholder (stated as a percentage of the Aggregate Series 2012-1 Note Principal Balance) shall be equal to the percentage opposite its name on Schedule II to the Proposed NPA. The Indenture Trustee will use the funding received from the Increasing Noteholders to pay to the Withdrawing Noteholder funds in an amount necessary to reduce the unpaid principal balance of the Series 2012-1 Note owing to such Withdrawing Noteholder (stated as a percentage of the Aggregate Series 2012-1 Note Principal Balance) to the percentage opposite its name on Schedule II to the Proposed NPA.

(d) Each of the Issuer, the Seller and each Noteholder consent to the foregoing.

9. Representations and Warranties.

(a) Issuer represents and warrants to each Series 2012-1 Noteholder as follows:

(i) After giving effect to this Agreement, each of the representations and warranties of the Issuer set forth in the Indenture, in Article VI of the Supplement, and in Article IV of the NPA is true and correct as of the date first written above with the same effect as though each had been made by Issuer as of such date, except to the extent that any of such representations and warranties expressly relates to an earlier date.

(ii) No Early Amortization Event, Event of Default, or Asset Base Deficiency is continuing, or will result from the transactions contemplated by this Agreement.

(iii) Each of the conditions precedent (A) to the amendment of the Existing Indenture set forth in the Existing Indenture, (B) to the amendment of the Existing Supplement set forth in the Existing Supplement, (C) to the amendment of the NPA set forth in the NPA, and (D) to the amendment of the Management Agreement set forth in the Management Agreement, has been, or contemporaneously with the execution of this Agreement will be, satisfied

(iv) There is no Series Enhancer or Rating Agency. PNC Bank, National Association, Truist Bank, and Fifth Third Bank are the sole Interest Rate Hedge Providers.

(b) Issuer ratifies and affirms the Indenture and the Supplement (including without limitation the security interests and liens created thereby), which remain in full force and effect, undiminished by this Agreement.

10. Effectiveness.

(a) This Agreement shall become effective, as of the date hereof, upon satisfaction of the following conditions:

(i) Issuer shall have received:

(A) Counterpart signatures hereto executed and delivered by Issuer, Manager, Successor Trustee and each Person that is a Series 2012-1 Noteholder as of the date hereof.

(B) Counterpart signatures to the Instrument of Assignment and Acceptance, dated as of the date hereof and in the form of **Exhibit D** hereto (the "***Trustee Assignment***"), executed and delivered by Wells, WTNA and Issuer.

(C) Counterpart signatures to the Instrument of Assignment and Acceptance, dated as of the date hereof and in the form of **Exhibit E** hereto (the "***MTF Assignment***"), executed and delivered by ABN, WTNA and Issuer.

(ii) Successor Indenture Trustee shall have received an Officer's Certificate described in Section 1301 of the Indenture.

(iii) Successor Indenture Trustee and Administrative Agent shall have received each of the items described in Section 501 of the Proposed Supplement.

(iv) Administrative Agent shall have received:

(A) Counterpart signatures to a Fee Letter for each Series 2012-1 Noteholder, executed and delivered by Issuer.

(B) Counterpart signatures to a securities account control agreement with respect to each of the Trust Account, the Restricted Cash Account and the Counterparty Collateral Account, executed and delivered by Issuer, Successor Trustee and WTNA, as securities intermediary.

(b) **Sequence of Effectiveness**. For purposes of clarification, upon fulfillment of the conditions set forth in **Section 10(a)**, (i) the consents and directions provided under **Sections 2** and **3** shall become effective immediately prior to the effectiveness of the Trustee Assignment and MTF Assignment, and the other provisions of this Agreement, and (ii) the consents, directions and waivers under **Sections 4** through **8** shall become effective immediately prior to the amendments under **Sections 4** through **8**.

11. Governing Law; Jurisdiction; Waiver of Jury Trial.

(A) THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY AND COUNTY OF NEW YORK, STATE OF NEW YORK. ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS AGREEMENT, ISSUER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(C) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THE INDENTURE OR ANY OTHER RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

12. Miscellaneous.

(a) This Agreement may be executed by the parties hereto in separate counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) This Agreement shall constitute a Series 2012-1 Related Document.

[Signatures to follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

TEXTAINER MARINE CONTAINERS II LIMITED, as Issuer

By ___/s/ Adam Hopkin_____
Adam Hopkin
Secretary

For purposes of Section 7(b) only: TEXTAINER EQUIPMENT MANAGEMENT LIMITED, as Manager

By __/s/ Adam Hopkin_____
Adam Hopkin
Secretary

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Indenture Trustee

By ____/s/ Jose Paredes _____
Assistant Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Series 2012-1 Noteholder

By ___/s/ John Fulvimar_____
Name:
Title: Director

ING BELGIUM SA/NV, as a Series 2012-1 Noteholder

By _____/s/ Aranud Barbanel_____
Name:
Title:

By ____/s/ Luc Missoorten_____
Name:
Title:

BANK OF AMERICA, N.A., as a Series 2012-1 Noteholder

By _____/s/ Christopher C. Jonas_____
Name:
Title:

ROYAL BANK OF CANADA, as a Series 2012-1 Noteholder

By _____/s/ Kevin P. Wilson_____
Name:
Title: Authorized Signatory

By _____/s/ Irina Racheva_____
Name:
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION, as a Series 2012-1 Noteholder and an Interest Rate Hedge Provider

By _____/s/ Roger Yue_____
Name:
Title: Senior Vice President

TRUIST BANK, as a Series 2012-1 Noteholder and an Interest Rate Hedge Provider

By _____/s/ Jason Meyer_____
Name:
Title: Managing Director

FIFTH THIRD BANK, as a Series 2012-1 Noteholder and an Interest Rate Hedge Provider

By _____/s/ Andrew D. Jones_____
Name:
Title: Managing Director

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Series 2012-1 Noteholder

By __/s/ Konstantia Kourmenptis_____
Name:
Title: Managing Director

By ___/s/ Richard McBride_____
Name:
Title: Director

KEYBANK NATIONAL ASSOCIATION, as a Series 2012-1 Noteholder

By ____/s/ Richard Andersen_____
Name:
Title: Senior Vice President

TIAA FSB, as successor to certain assets of Everbank Commercial Finance, Inc., as a Series 2012-1 Noteholder[1]

By ___/s/ Ke Tang_____
Name:
Title: Director

[1] Withdrawing from transaction.

TEXTAINER LIMITED, as Seller

By _____/s/ Adam Hopkin_____
Name:
Title: Secretary

EXHIBIT A TO AMENDMENT AND CONSENT

PROPOSED INDENTURE

EXECUTION VERSION

TEXTAINER MARINE CONTAINERS II LIMITED

Issuer

and

WILMINGTON TRUST, NATIONAL ASSOCIATION

Indenture Trustee

THIRD AMENDED AND RESTATED INDENTURE

Dated as of November 15, 2021

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Page

Third Amended and Restated Indenture, dated as of November 15, 2021 (as amended or supplemented from time to time as permitted hereby, including, with respect to any Series or Class, the related Supplement, the "***Indenture***"), between TEXTAINER MARINE CONTAINERS II LIMITED, a company incorporated and existing under the laws of Bermuda (the "***Issuer***"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association ("***WTNA***"), as Indenture Trustee (the "***Indenture Trustee***").

W I T N E S S E T H:

WHEREAS, the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as indenture trustee ("***Prior Trustee***"), entered into that certain Second Amended and Restated Indenture, dated as of November 15, 2021 (as amended by Amendment 1, dated as of July 24, 2019, and as further amended, supplemented or otherwise modified prior to the date hereof, the "***Prior Agreement***");

WHEREAS, Prior Trustee has assigned its role as indenture trustee to WTNA, which has assumed such role; and

WHEREAS, the Issuer and the Indenture Trustee wish to amend certain provisions of the Prior Agreement as of the date hereof, to confirm the Lien of the Prior Agreement and, for ease of reference, to restate the terms of the Indenture in their entirety;

NOW THEREFORE, in consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider:

GRANTING CLAUSE

To secure the payment of the Aggregate Outstanding Obligations and the performance of all of the Issuer's covenants and agreements in this Indenture and each other Related Document to which it is a party, the Issuer hereby confirms the grant, assignment, conveyance, mortgage, pledge, charge, hypothecation and transfer to the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider, of a first priority (except in the case of any Manufacturer's Lien, in which case the Lien of this Indenture is subordinate solely to such Manufacturer's Lien) perfected security interest in and to all of the Issuer's right, title and interest in, to and under the following whether now existing or hereafter created or acquired (with respect to **clauses (v)** through **(xv)** below, only to the extent such assets or property arise out of or in any way relate to (but only to the extent they relate to) the Managed Containers):

(i) the Managed Containers and all other Transferred Assets;

(ii) all Deposit Accounts and all Securities Accounts, including the Trust Account, the Restricted Cash Account, the Counterparty Collateral Account, L/C Cash Account, any Pre-Funding Account, any Series Account and the Payment Account but excluding all Issuer Swap Posting Accounts, and all cash and cash equivalents, Eligible Investments, Financial Assets, Investment Property, Securities Entitlements and other instruments or amounts credited or

deposited from time to time in any of the foregoing (other than in any Issuer Swap Posting Account);

(iii) the Container Sale Agreement, each Container Transfer Agreement, the Management Agreement, Interest Rate Hedge Agreement and each other Related Document to which the Issuer is a party;

(iv) all collections received by the Issuer from the operation of the Managed Containers, including any Issuer Proceeds and Pre-Adjustment Issuer Proceeds, on deposit in the Master Account;

(v) all Accounts;

(vi) all Chattel Paper, and all Leases and all schedules, supplements, amendments, modifications, renewals, extensions and all guaranties and other credit support with respect to the foregoing and all rentals, payments and monies due and to become due in respect of the foregoing, and all rights to terminate or compel performance thereof;

(vii) all Contracts;

(viii) all Documents;

(ix) all General Intangibles;

(x) all Instruments;

(xi) all Inventory;

(xii) all Supporting Obligations;

(xiii) all Equipment;

(xiv) all Letter of Credit Rights;

(xv) all Commercial Tort Claims;

(xvi) all property of the Issuer held by the Indenture Trustee including, without limitation, all property of every description now or hereafter in the possession or custody of or in transit to the Indenture Trustee for any purpose, including, without limitation, safekeeping, collection or pledge, for the account of the Issuer, or as to which the Issuer may have any right or power;

(xvii) the right of the Issuer to terminate, perform under, or compel performance of the terms of the Container Related Agreements and all claims for damages arising out of the breach of any Container Related Agreement;

(xviii) any guarantee of the Container Related Agreements and any rights of the Issuer in respect of any subleases or assignments permitted under the Container Related Agreements;

(xix) all or any part of insurance proceeds of all or any part of the Collateral and all proceeds of the voluntary or involuntary disposition of all or any part of the Collateral or such proceeds;

(xx) any and all payments made or due to the Issuer in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority and any other cash or non-cash receipts from the sale, exchange, collection or other disposition of all or any part of the Collateral;

(xxi) to the extent not otherwise included, all income, payments and Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing.

All of the property described in this Granting Clause is herein collectively called the "***Collateral***" and as such is security for the payment of the Aggregate Outstanding Obligations and the performance of all of the Issuer's covenants and agreements in this Indenture and each other Related Document to which it is a party. Notwithstanding the foregoing Grant, (i) no account, instrument, chattel paper or other obligation or property of any kind due from, owed by, or belonging to, a Sanctioned Person and (ii) no Lease in which the Lessee is a Sanctioned Person, shall, in either instance, constitute Collateral.

In furtherance of the foregoing, the Issuer hereby confirms the grant, assignment, conveyance, mortgage, pledge, charge, hypothecation and transfer to the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider, of (i) a fixed charge over the Container Sale Agreement, each Container Transfer Agreement, each Interest Rate Hedge Agreement and the Management Agreement and (ii) a floating charge over all other assets of the Issuer.

In furtherance of the foregoing, the Issuer hereby confirms the appointment of the Indenture Trustee as its designee for purposes of exercising the power of attorney granted by the Manager pursuant to Section 11.4 of the Management Agreement.

The Indenture Trustee acknowledges such Grant, accepts the trusts hereunder in accordance with the provisions hereof, and agrees to perform the duties herein required as hereinafter provided. Notwithstanding the foregoing, the Indenture Trustee does not assume, and shall have no liability to perform, any of the Issuer's obligations under any agreement included in the Collateral and shall have no liability arising from the failure of the Issuer or any other Person to duly perform any such obligations. The Issuer hereby confirms and the Indenture Trustee hereby acknowledges that the Issuer does not currently have any rights with respect to Commercial Tort Claims on the Closing Date.

The Issuer hereby irrevocably authorizes the Indenture Trustee at any time, and from time to time, to file in any filing office in any UCC jurisdiction any financing statements (including any such financing statements claiming a security interest in all assets of the Issuer) and amendments thereto that (i) indicate the Collateral, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, and (ii) provide any other information required by Article 9 of the UCC for the sufficiency or filing office acceptance of any financing

statement or amendment, including whether the Issuer is an organization, the type of organization and any organizational identification number issued to the Issuer (provided, however, that the Indenture Trustee has no obligation or duty to take such action nor to determine whether to perfect, file, record or maintain any perfected, filed or recorded document or instrument (all of which the Issuer shall prepare, deliver and instruct the Indenture Trustee to execute) in connection with the grant of a security interest in the Collateral hereunder). The Issuer agrees to furnish any such information to the Indenture Trustee promptly upon the Indenture Trustee's request. The Issuer also ratifies its authorization for the Indenture Trustee to have filed in any jurisdiction any similar initial financing statements or amendments thereto if filed prior to the date hereof.

ARTICLE I
DEFINITIONS

Section 101. Defined Terms.

Capitalized terms used in this Indenture shall have the following meanings and the definitions of such terms shall be equally applicable to both the singular and plural forms of such terms:

"***Account***": Any "account", as such term is defined in Section 9-102(a)(2) of the UCC.

"***Administrative Agent***": The Person performing the duties of the Administrative Agent under the Administrative Agreement; as of the date hereof, Wells Fargo Bank, National Association.

"***Administrative Agent Fee***": This term shall have the meaning set forth in the administrative agent fee letter, as such agreement may be amended, modified and restated from time to time in accordance with its terms.

"***Advance Rate***": As of any date of determination, one of the following:

(A) eighty percent (80%) prior to Conversion Date; or

(B) on or subsequent to the Conversion Date, the lesser of:

(1) the excess of (A) eighty percent (80%), minus (B) the product of (x) two percent (2%) and (y) the number of twelve month periods that have elapsed since the Conversion Date, and

(2) the Effective Advance Rate on the Conversion Date and thereafter the Effective Advance Rate at the beginning of the current twelve month period.

"***Affiliate***": With respect to a specified Person, any other Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"***Aggregate Available Amount***": As of any date of determination, an amount equal to the sum of the then amount available for drawings under all Eligible Letters of Credit then in effect.

"***Aggregate Net Book Value***": As of any date of determination, an amount equal to the sum of the Net Book Values of all Eligible Containers.

"***Aggregate Outstanding Obligations***": As of any date of determination, an amount equal to the sum of (i) the Outstanding Obligations for all Series of Notes then Outstanding, and (ii) all other amounts owing by the Issuer to the Indenture Trustee, any Series Enhancer, any Noteholder, or any Interest Rate Hedge Provider pursuant to the terms of any Related Document.

"***Aggregate Principal Balance***": As of any date of determination, an amount equal to the sum of the then unpaid principal balance of all Series of Notes then Outstanding.

"***Applicable Law***": With respect to any Person or Managed Container, all law, treaties, judgment, decrees, injunctions, waits, rules, regulations, orders, directives, concessions, licenses and permits of any Governmental Authority applicable to such Person or its Property or in respect of its operations.

"***Asset Base***": Either or both (as the context may require) of a Senior Asset Base or a Subordinate Asset Base.

"***Asset Base Deficiency***": The condition that exists on any Payment Date if (i) after giving effect to the payment of all Supplemental Principal Payment Amounts then due and payable for each Series of Senior Notes on such Payment Date (to the extent that there is cash available to make such payments), the sum of the then unpaid principal balances of all Series of Senior Notes exceeds the Senior Asset Base, or (ii) after giving effect to all Subordinate Supplemental Principal Payment Amounts then due and payable for each Series of Subordinate Notes on such Payment Date (to the extent that there is cash available to make such payments), the sum of the then unpaid principal balances of all Series of Subordinate Notes exceeds the Subordinate Asset Base.

"***Asset Base Report***": A certificate with appropriate insertions setting forth the components of the Asset Base as of the date of determination for which such certificate is submitted, which certificate shall be substantially in the form of **Exhibit A** to this Indenture and shall be certified by an Authorized Signatory of the Manager or one of its permitted Affiliates on behalf of the Manager.

"***Asset Sales Percentage***": For any Payment Date on which a Residual Deficiency is continuing, the quotient (stated as a percentage and reported on the related Manager Report) of A divided by B where:

A =the aggregate Sales Proceeds received by the Issuer during the Specified Measurement Period, and

B =the Asset Base as of the first day of the month immediately preceding such Payment Date.

For purposes of measuring the Sales Proceeds in clause (A), the Specified Measurement Period shall mean the period commencing on the first day of the calendar month in which a Residual Deficiency is reported on a Manager Report and continuing for each calendar month thereafter until a Residual Deficiency is no longer continuing.

"***Authorized Signatory***": Any Person designated by written notice delivered to the Indenture Trustee and the related Series Enhancer as authorized to execute documents and instruments on behalf of a Person.

"***Available Distribution Amount***": For any Payment Date, an amount equal to the sum (without duplication) of (i) the Pre-Adjustment Issuer Proceeds and (without duplication) Issuer Proceeds received from the Manager during the immediately preceding Collection Period, less certain sums deducted in accordance with the terms of the Management Agreement, (ii) all amounts received by the Issuer on the related Determination Date pursuant to any Interest Rate Hedge Agreement, (iii) all Warranty Purchase Amounts and Manager Advances received by the Issuer since the immediately preceding Determination Date and (iv) any earnings on Eligible Investments in the Trust Account to the extent that such earnings were credited to such account during the related Collection Period.

"***Bankruptcy Code***": The United States Bankruptcy Reform Act of 1978, as amended.

"***Bankruptcy Concentration Deduction***" means, as of any date of determination, for any lessee or sublessee that is then subject to an Insolvency Proceeding (each a "***Bankrupt Lessee***") and

(i) its Bankruptcy-Delinquent Containers, the product of (A) the Applicable Percentage (as set forth in the table below based on the date of determination) for such Bankrupt Lessee, and (B) the Net Book Values of all Bankruptcy-Delinquent Containers of such Bankrupt Lessee; and

(ii) its Bankruptcy-Current Containers, the product of (A) the Applicable Percentage (as set forth in the table below based on the date of determination) for such Bankrupt Lessee, and (B) the Net Book Values of all Bankruptcy-Current Containers of such Bankrupt Lessee:

Date of Determination	**Applicable Percentage**
During the Collection Period during which such Bankrupt Lessee first became subject to such Insolvency Proceeding	0%
During the first Collection Period after such Bankrupt Lessee first became subject to such Insolvency Proceeding	16.67%
During the second Collection Period after such Bankrupt Lessee first became subject to such Insolvency Proceeding	33.33%
During the third Collection Period after such Bankrupt Lessee first became subject to such Insolvency Proceeding	50.00%
During the fourth Collection Period after such Bankrupt Lessee first became subject to such Insolvency Proceeding	66.67%

During the fifth Collection Period after such Bankrupt Lessee first became subject to such Insolvency Proceeding	83.33%
After the sixth Collection Period after such Bankrupt Lessee first became subject to such Insolvency Proceeding	100%

"***Bankruptcy-Current Container***" means, as of any date of determination, a Managed Container that is then (i) subject to a Lease under which (A) the lessee or sublessee is a Bankrupt Lessee and (B) rental payments are less than or equal to 120 days delinquent and (ii) not a Bankruptcy-Reinstated Container.

"***Bankruptcy-Delinquent Container***" means, as of any date of determination, a Managed Container that is then (i) subject to a Lease under which (A) the lessee or sublessee is a Bankrupt Lessee and (B) rental payments are greater than 120 days delinquent and (ii) not a Bankruptcy-Reinstated Container.

"***Bankruptcy-Reinstated Container***" means, as of any date of determination, a Managed Container that is or was subject to a Lease under which the lessee or sublessee is a Bankrupt Lessee, and as to which either of the following has occurred: (i) the applicable Lease has been terminated and such Managed Container has been recovered by, or on behalf of, the Issuer on such date of determination, or (ii) such Bankrupt Lessee has become current under all delinquent lease payments.

"***Book-Entry Custodian***": The Person appointed pursuant to the terms of this Indenture to act in accordance with a certain letter of representations agreement such Person has with the Depositary, in which the Depositary delegates its duties to maintain the Book-Entry Notes to such Person and authorizes such Person to perform such duties.

"***Book-Entry Notes***": Collectively, the Rule 144A Book-Entry Notes, the Regulation S Temporary Book-Entry Notes and the Unrestricted Book-Entry Notes.

"***Business Day***": Any day other than a Saturday, a Sunday or a day on which the New York Stock Exchange, the Federal Reserve Bank or banking institutions in San Francisco, California, New York, New York, Amsterdam, The Netherlands or the city in which the Corporate Trust Office is located, are authorized or are obligated by law, executive order or governmental decree to be closed.

"***Cash on Cash Return***": With respect to any Container and the Lease thereof, an amount (expressed as a percentage) the numerator of which is equal to the product of (i) the per diem rental for such Container as set forth in the Lease, and (ii) 365, and denominator of which is equal to the Original Equipment Cost of such Container.

"***Casualty Loss***": Any of the following events with respect to any Managed Container: (a) the actual total loss or compromised total loss of such Managed Container, (b) the loss, theft or destruction of such Managed Container including resulting from the inability to recover, or a decision to forego the recovery of, a Managed Container following a default by a Lessee under a Lease of such Managed Container, (c) thirty (30) days following a determination by, or on behalf of, the Issuer that such Managed Container is damaged beyond repair or permanently rendered

unfit for use for any reason whatsoever, (d) the seizure, condemnation or confiscation of such Managed Container for a period exceeding sixty (60) days or (e) if such Managed Container is subject to a Lease, such Managed Container shall have been deemed under its Lease to have suffered a casualty loss as to the entire Managed Container. In determining the date on which a Casualty Loss occurred, the application of the time frames set forth in clauses (a) through (e) above shall in no event result in the deemed occurrence of a Casualty Loss prior to the date on which an officer of the Issuer or the Manager obtains actual knowledge of such Casualty Loss.

"***CEU***": A cost-equivalent unit which is a fixed unit of measurement based on the cost of a Container relative to the cost of a twenty-foot standard dry freight Container.

"***Chattel Paper***": Any lease (including any Finance Lease) or other "chattel paper", as such term is defined in Section 9-102(a)(11) of the UCC.

"***Class***": With respect to any Series, all Notes within such Series having the same rights to payment under the related Supplement.

"***Closing Date***": This term shall have the meaning set forth in the related Supplement.

"***Code***": The Internal Revenue Code of 1986, as amended, or any successor statute thereto.

"***Collateral***": This term shall have the meaning set forth in the Granting Clause of this Indenture.

"***Collection Period***": Unless otherwise stated in a Supplement, the period from the first day of the calendar month immediately preceding the month in which such Payment Date occurs through and including the last day of such calendar month.

"***Collections***": With respect to any Collection Period, all payments (including any cash proceeds) actually received by the Issuer, or by the Manager on behalf of the Issuer, with respect to the Managed Containers and the other items of Collateral.

"***Commercial Tort Claims***": Any "commercial tort claim", as such term is defined in 9-102(a)(13) of the UCC.

"***Competitor***": Any Person engaged and competing with any of the Issuer, Textainer Limited, Textainer Group Holdings Limited or the Manager in the Container leasing business; provided, however, that in no event shall any insurance company, bank, bank holding company, savings institution or trust company, fraternal benefit society, pension, retirement or profit sharing trust or fund, or any collateralized bond obligation fund or similar fund (or any trustee of any such fund) or any holder of any obligations of any such fund (solely as a result of being such a holder) be deemed to be a Competitor.

"***Container***": Any dry freight cargo, high cube or other type of marine or intermodal container.

"***Container Related Agreement***": Any agreement relating to the Managed Containers or agreements relating to the use or management of such Managed Containers whether in existence

on any Series Issuance Date or thereafter acquired, including, but not limited to, all Leases, the Management Agreement, each Container Transfer Agreement, the Container Sale Agreement and the Chattel Paper.

"***Container Representations and Warranties***": This term shall have the meanings set forth in the Container Sale Agreement and each Container Transfer Agreement, respectively.

"***Container Sale Agreement***": The Container Sale Agreement, dated as of May 1, 2012, between the Issuer and Textainer Limited, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

"***Container Transfer Agreement***": Each container transfer agreement entered into from time to time between the Issuer and a Special Purpose Entity, including without limitation (i) that certain Container Transfer Agreement, dated as of August 6, 2018, between the Issuer and TMCLVII, and (ii) any agreement substantially similar to the foregoing, executed and delivered after the date hereof, in each case, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

"***Contracts***": All contracts, undertakings, franchise agreements or other agreements (other than rights evidenced by Chattel Paper, Documents or Instruments), arising out of or in any way related to the Managed Containers or to the Notes, in or under which Issuer may now or hereafter have any right, title or interest, including, without limitation, the Management Agreement, the Container Sale Agreement, each Container Transfer Agreement, any Interest Rate Hedge Agreements and any related agreements, security interests or UCC or other financing statements and, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

"***Control Agreement***": (i) A control agreement, among the Issuer, the Indenture Trustee and the Securities Intermediary, which shall be substantially in the form of **Exhibit G** to this Indenture, for each of the Trust Account, the Restricted Cash Account, the L/C Cash Account and each Series Account; and (ii) with respect to the Payment Account, a control agreement among the Issuer, the Indenture Trustee and the Depositary Bank.

"***Control Party***": This term shall have the meaning set forth in the Supplement for the related Series.

"***Conversion Date***": With respect to any Series of Warehouse Notes, the date on which a Conversion Event occurs with respect to such Series of Warehouse Notes.

"***Conversion Event***": With respect to any Series of Warehouse Notes, any event that will result in the termination of the revolving period for such Series and the commencement of principal amortization of such Series as set forth in the related Supplement.

"***Corporate Trust Office***": The principal office of the Indenture Trustee at which at any particular time its corporate trust business shall be administered. As of the date hereof, such office is located at 1100 North Market Street, Wilmington, Delaware 19890-1605.

"***Counterparty Collateral Account***": The account or accounts established by and held in the name of the Indenture Trustee as provided in **Section 627(i)**.

"***Debt Service Coverage Ratio***": For any Payment Date, the ratio (as reported on the Manager Report delivered on the related Determination Date), of (A) the DSCR Adjusted Available Proceeds for the six (6) immediately preceding calendar months, to (B) an amount equal to the sum of (1) the aggregate DSCR Covered Principal Payments for six (6) immediately preceding Payment Dates and (2) the aggregate DSCR Covered Interest Payment for the six (6) immediately preceding Payment Date. For purposes of calculating the Debt Service Coverage Ratio the amount set forth in clause (B)(1) above shall be calculated using the Effective Advance Rate in effect on the last day of the month in which the sixth (6th) Payment Date occurs.

"***Default Interest***": The incremental interest specified in the related Supplement payable by the Issuer resulting from (i) the failure of the Issuer to pay when due any principal of or interest on the Notes of the related Series or (ii) the occurrence of an Event of Default with respect to such Series.

"***Definitive Note***": A Note issued in physical form pursuant to the terms and conditions of **Section 202** hereof.

"***Deposit Account***": Any "deposit account," as such term is defined in Section 9-102(a)(29) of the UCC.

"***Depositary***": The Depository Trust Company until a successor depositary shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder. For purposes of this Indenture, unless otherwise specified pursuant to **Section 202**, any successor Depositary shall, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Exchange Act, and any other applicable statute or regulation.

"***Depositary Bank***": WTNA, in its capacity as depositary bank under the Control Agreement with respect to the Payment Account.

"***Depositary Participants***": A broker, dealer, bank, other financial institution or other Person for whom from time to time the Depositary effects book-entry transfers and pledges of securities deposited with the Depositary.

"***Depreciation Expense***": With respect to any calculation of the Asset Base, the amount of the depreciation expense recognized by the Issuer as the result of application of the Depreciation Policy. For any purpose other than the calculation of the Asset Base, the depreciation expense recognized by the Issuer in accordance with GAAP.

"***Depreciation Policy***": A depreciation policy

(i) under which, for purposes of calculating the Asset Base, the Original Equipment Cost of a Managed Container is depreciated (x) in the case of a Managed Container originally acquired by TL directly from the manufacturer of such Managed Container, using the straight-line method over the estimated useful life for such type of Managed Container to the Residual Value

for such type of Managed Container, as such useful lives and Residual Values are set forth on **Exhibit B** hereto, or (y) in the case of a Managed Container not included in clause (x), using straight-line method over the remaining estimated useful life of such type of Managed Container as of the date of acquisition of such Managed Container by TL to the Residual Value for such type of Managed Container, as such useful lives and Residual Values are set forth on **Exhibit B** hereto; and

(ii) which, for any purpose other than calculating the Asset Base, is determined in accordance with GAAP.

"***Determination Date***": The fourth (4th) Business Day prior to the related Payment Date.

"***Director Services Provider***": AMACAR Investments LLC, a Delaware limited liability company, and its successors and assigns.

"***Documents***": Any "documents," as such term is defined in Section 9-102(a)(30) of the UCC.

"***Dollars***": Dollars and the sign "$" means lawful money of the United States of America.

"***Downgraded Letter of Credit Provider***": This term shall have the meaning set forth in **Section 312**.

"***DSCR Adjusted Available Proceeds***": For any Payment Date, an amount (as reported on the Manager Report delivered on the related Determination Date) equal to the sum of (i) the Available Distribution Amount to be distributed on such Payment Date (exclusive of the amount of (x) any Manager Advances included in such amount and (y) sales proceeds from the sales of a Managed Container to an Affiliate of the Issuer included in such amount) and (ii) all cash expenses paid by, or on behalf of, the Issuer during the immediately preceding Collection Period relating to the recovery of Hanjin Issuer Containers.

"***DSCR Calculation Factor***": For purposes of calculations the DSCR Covered Principal Payment for inclusion in the calculation of the Debt Service Coverage Ratio for any Payment Date, one of the following factors based on the Weighted Average Age of the entire fleet of Managed Containers, as such Weighted Average Age is reported in the Manager Report delivered for such Payment Date:

Weighted Average Age	**DSCR Calculation Factor**
< 3 years	5%
≥ 3 but < 7 years	7%
≥ 7 years	9%

"***DSCR Covered Interest Payment***": For any Payment Date, an amount equal to the aggregate amount of all amounts actually paid on such Payment Date pursuant to clause (1) through (7) inclusive of **Section 302(c)(i)** of the Indenture.

"***DSCR Covered Principal Payment***": For any Payment Date, the amount set forth in either clause (A) or (B):

(A) prior to the Conversion Date, an amount equal to the product of (i) the Aggregate Principal Balance (calculated as of the close of business on the last day of the immediately preceding calendar month) and (ii) a fraction (specified as a percentage) the numerator of which is the DSCR Calculation Factor then in effect, and the denominator of which is twelve (12); or

(B) on or after the Conversion Date, an amount equal to the sum of the Minimum Principal Payment Amount for such Payment Date, the Scheduled Principal Payment Amount for such Payment Date and the Supplemental Principal Payment Amount for such Payment Date."

"***DSCR Sweep Event***": The condition that will exist on any Payment Date or other specified date of determination if the Debt Service Coverage Ratio (as reported on the Manager Report delivered on the related Determination Date) is less than 1.20 to 1.00. Such DSCR Sweep Event will be automatically cured if the Debt Service Coverage Ratio for any subsequent Payment Date equals or exceeds 1.20 to 1.00.

"***Early Amortization Event***": The occurrence of any of the events or conditions set forth in **Section 1201** hereof.

"***Effective Advance Rate***": For any date of determination, an amount equal to the quotient of (A) an amount equal to the excess, if any, of (x) the Aggregate Principal Balance on such date of determination (determined after giving effect to all payments of Minimum Principal Payment Amounts, Scheduled Principal Payment Amounts, Supplemental Principal Payment, prepayments and additional principal payments resulting from the occurrence of a DSCR Sweep Event or a Residual Cash Sweep actually paid on such date), over (y) the balance of cash and Eligible Investments on deposit in the Restricted Cash Account on such date of determination (calculated after giving effect to and amounts released or added to the Restricted Cash Account on such date), divided by (B) the Aggregate Net Book Value on such date of determination.

"***Eligible Account***": Any of (a) a segregated account with an Eligible Institution, (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States or any of the states thereof, including the District of Columbia (or any domestic branch of a foreign bank), and acting as a trustee for funds deposited in such account, so long as the senior securities of such depository institution shall have a credit rating from each of Moody's and Standard & Poor's in one of its generic credit rating categories no lower than "A3" or "A-", as the case may be, or (c) an account held with the Indenture Trustee.

"***Eligible Bank***": A banking, financial or similar institution capable of issuing an Eligible Letter of Credit which has long-term unsecured debt rating of "A-" or better from S&P.

"***Eligible Container***": As of any date of determination, each Managed Container that meets all of the following criteria (which are subject to modification upon, and receipt of, the prior written consent of the Requisite Global Majority):

(i) **Specifications**. The Container conforms to the standard specifications used by the Manager for Containers purchased by and on behalf of Container owners other than the Issuer for that category of Container and to any applicable standards promulgated by applicable international standards organizations;

(ii) **Casualty Losses**. Such Container shall not have suffered a Casualty Loss;

(iii) **Title**. The related Seller shall have had good and marketable title to such Container at the time of sale to the Issuer;

(iv) **No Violation**. The contribution and conveyance of such Container to the Issuer does not violate any agreement of the related Seller;

(v) **Assignability**. Except with respect to the U.S. Lease Contract or other Leases with the U.S. government, the Lease rights with respect to such Container are freely assignable;

(vi) **All Necessary Actions Taken**. The related Seller and the Issuer shall have taken all necessary actions to transfer title to such Container and all related Leases (other than TUS Subleases) from such Seller to the Issuer;

(vii) **General Trading Terms**. Substantially all of the Leases for such Containers shall contain the general trading terms the Manager uses in its normal course of business;

(viii) **Purchase Price**. In the case of a purchase (as opposed to a capital contribution) of a Container, the purchase price paid by the related Seller and/or the Issuer for such Container was not greater than the fair market value of the Container at the time of acquisition;

(ix) **No Adverse Selection Procedures**. The selection procedures in selecting any Container to be transferred to the Issuer did not or shall not, as the case may be, discriminate against the Issuer as to the type of Containers, utilization potential, lease rates, lessees, age of Containers or Lease terms, in comparison to the Fleet, except for any such adverse selection as may result from efforts to reduce the Excess Concentration Adjustment.

(x) **No Sanctioned Person or Sanctioned Country**. Such Container is then not on lease to a Sanctioned Person, and to the actual knowledge of the Issuer or the Manager, is not subleased to a Sanctioned Person or located, operated or used in a Sanctioned Country unless it is used by the government of the United States or one of its allies or pursuant to a license granted by the Office of Foreign Assets Control of the United States Treasury Department;

(xi) **Good Title; No Liens**. The Issuer has good and marketable title to such Managed Container, free and clear of all Liens other than Permitted Encumbrances. If the Manufacturer Debt owed by the Issuer with respect to a Managed Container is not paid within ninety (90) days after acceptance of such Managed Container by, or on behalf of, the Issuer, such Managed Container shall no longer be classified as an Eligible Container until such time as the Manufacturer Debt related to such Manager Container is paid in full;

(xii) **Container Representations and Warranties**. Each Managed Container complies with the Container Representations and Warranties applicable to such Managed Container;

(xiii) **Restrictions on Leases with Affiliates**. Such Managed Container is not subject to a Lease in which the Manager, the Issuer or any of their respective Affiliates is the lessee; provided however that a Managed Container is permitted to be subject to a Head Lease Agreement and a TUS Sublease;

(xiv) **Cash on Cash Return**. If such Managed Container is on lease on the date on which such Managed Container is acquired by the Issuer (whether by purchase or capital contribution), the Cash on Cash Return to the Issuer on such initial lease is nine percent (9%) or higher. This clause (xiv) is only applicable for the term of such initial Lease;

(xv) **Finance Leases**. If such managed Container is subject to a Finance Lease, the Issuer (or the Manager, on behalf of the Issuer), has to the extent necessary taken the actions specified in Section 3.5 of the Management Agreement with respect to such Finance Lease;

(xvi) **Non-Monthly Leases**. The percentage of CEUs of all Eligible Containers that are subject to Leases specifying that rental payments are payable less frequently than monthly shall not exceed two percent (2%) of the aggregate number of CEUs of all Eligible Containers on such date;

(xvii) **Non-United States Dollar Leases**. The percentage of CEUs of all Eligible Containers that are subject to Leases specifying payment in a currency other than United States Dollars and that are not sufficiently hedged in accordance with the currency hedging policy approved by the Requisite Global Majority shall not exceed two percent (2%) of the aggregate number of CEUs of all Eligible Containers on such date; and

(xviii) **Lessees**. The sum of the CEUs of all Eligible Containers that are subject to Leases to Persons for use other than the intermodal transportation of cargo shall not exceed seven percent (7%) of the aggregate CEUs of all Eligible Containers on such date.

"***Eligible Institution***": Any one or more of the following institutions: (i) the corporate trust department of the Indenture Trustee; provided that the Indenture Trustee maintains a long-term unsecured senior debt rating of at least investment grade from Standard & Poor's and Moody's (so long an Notes deemed Outstanding hereunder are rated by Moody's), or (ii) a depositary institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), (a) which has both (x) a long-term unsecured senior debt rating of not less than "A" by Standard & Poor's Ratings Group and "A2" by Moody's Investors Service, Inc., and (y) a short-term unsecured senior debt rating rated in the highest rating category by each Rating Agency and (b) whose deposits are insured by the Federal Deposit Insurance Corporation.

"***Eligible Interest Rate Hedge Provider***": At the time of execution and delivery of the related Interest Rate Hedge Agreement, any bank or other financial institution (or any party providing credit support on such Person's behalf) that (A) has (x) a long-term senior unsecured debt rating of at least "A-" from Standard & Poor's or " A3" from Moody's and (y) a short-term unsecured debt rating of "A-2" from Standard & Poor's or "P-2" from Moody's, or (B) is otherwise approved by each Control Party for each Series of Notes.

"***Eligible Investments***": One or more of the following:

(i) direct obligations of, and obligations fully guaranteed as to the timely payment of principal and interest by, the United States or obligations of any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(ii) certificates of deposit and bankers' acceptances (which shall each have an original maturity of not more than three hundred sixty-five (365) days) of any United States depository institution or trust company incorporated under the laws of the United States or any State and subject to supervision and examination by federal and/or State authorities, provided that the long-term unsecured senior debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated "AA-/Aa3" or the equivalent or better by the Rating Agencies, or the short-term unsecured senior debt obligations of such depository institution or trust company are rated by each Rating Agency in its highest rating category;

(iii) commercial paper (having original maturities of not more than two hundred seventy (270) days) of any corporation incorporated under the laws of the United States or any State thereof which on the date of acquisition has been rated by each Rating Agency in the highest short-term unsecured commercial paper rating category;

(iv) any money market fund that has been rated by each Rating Agency in its highest rating category (including any designations of "plus" or "minus") or that invests solely in Eligible Investments;

(v) eurodollar deposits (which shall each have an original maturity of not more than three hundred sixty-five (365) days) of any depository institution or trust company, provided that the long-term unsecured senior debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated "AA-/Aa3" or the equivalent or better by the Rating Agencies, or the short-term unsecured senior debt obligations of such depository institution or trust company are rated by each Rating Agency in its highest rating category; and

(vi) other obligations or securities that are acceptable to the related Series Enhancer and each Rating Agency as an Eligible Investment hereunder and will not result in a reduction or withdrawal in the then current rating of the Notes as evidenced by a letter to such effect from each Rating Agency and the related Series Enhancer.

Nothing in the definition of "Eligible Investments" is intended to prohibit the Issuer from acquiring (to the extent permitted above) an Eligible Investment issued by the Indenture Trustee or an Affiliate of the Indenture Trustee.

"***Eligible Letter of Credit***": Any irrevocable, transferable, unconditional standby letter of credit (a) issued by an Eligible Bank and for which the Indenture Trustee is the beneficiary, (b) having a Letter of Credit Expiration Date of not earlier than one year after its issuance date and that permits drawing thereon prior to non-renewal, (c) that may be drawn upon at the principal offices of the Eligible Bank as the same shall be designated from time to time by notice to the Indenture Trustee pursuant to the terms of such letter of credit, (d) which is payable in Dollars in immediately available funds in an amount of not less than the available drawing amount specified

therein, and (e) that may be transferred by the Indenture Trustee, without a fee payable by the Indenture Trustee and without the consent of the related Letter of Credit Provider, to any replacement Indenture Trustee appointed in accordance with the terms of this Indenture.

"***Enhancement Agreement***": Any agreement, instrument or document governing the terms of any Series Enhancement or pursuant to which any Series Enhancement is issued or outstanding.

"***Entitlement Order***": Any "entitlement order" as defined in Section 8-102(8) of the UCC.

"***Equipment***": Any "equipment" as defined in Section 9-102(a)(33) of the UCC.

"***ERISA***": The Employee Retirement Income Security Act of 1974, as amended.

"***ERISA Affiliate***": With respect to any Person, any other Person meeting the requirements of paragraphs (b), (c), (m) or (o) of Section 414 of the Code.

"***Event of Default***": With respect to any Series, the occurrence of any of the events or conditions set forth in **Section 801** of this Indenture.

"***Excess Concentration Adjustment***": As of any date of determination, an amount equal to the sum of the amounts set forth in clauses (1) through (12):

(1) **Maximum Concentration of Specialized Containers**. The amount by which (x) the sum of the Net Book Values of all Eligible Containers that are specialized Containers (other than twenty foot (20') dry freight, forty foot (40') dry freight or forty foot (40') high cube dry freight cargo Containers and refrigerated Containers), exceeds (y) an amount equal to fifteen percent (15%) of the Aggregate Net Book Value;

(2) **Maximum Concentration of Refrigerated Containers**. The amount by which (x) the sum of the Net Book Values of all Eligible Containers that are refrigerated Containers, exceeds (y) fifty percent (50%) of the Aggregate Net Book Value.

(3) **Finance Leases**. The amount by which (x) the sum of the Net Book Values of all Eligible Containers then owned by the Issuer that are subject to Finance Leases, exceeds (y) thirty percent (30%) of the Aggregate Net Book Value;

(4) **Maximum Concentration for Single Lessee**. The amount by which (x) the sum of the Net Book Values of all Eligible Containers that are on Lease to any single lessee (or sublessee) and its Affiliates, exceeds (y) the percentage of the Aggregate Net Book Value set forth opposite the name of such lessee below for the type of Lease set forth below:

Name of Lessee	**Percentage**	
	All Leases	**Finance Leases**
Mediterranean Shipping Company	30%	30%
CMA CGM	25%	25%
Evergreen	25%	25%
Hapag-Lloyd	25%	25%

Yang Ming	25%	25%
Maersk	25%	25%
COSCO	25%	25%
All other lessees not mentioned above	15%	5%

provided, however, that if two or more lessees shall engage in any transaction (whether through merger, consolidation, stock sale, asset sale or otherwise) pursuant to which a lessee shall become the owner of, or interest holder in, any other lessee's leasehold interests in one or more Managed Containers and the effect of such transaction is to cause a breach of the applicable foregoing percentage threshold, then the applicable foregoing percentage threshold shall on the effective date of such transaction be increased with respect to such acquiring or, in the case of a merger, surviving lessee to a percentage equal the greater of (i) the sum of the applicable percentage limitations for the transacting lessees as set forth above, and (ii) a fraction (expressed as a percentage) (x) the numerator of which shall equal the sum of the Net Book Values of all Managed Containers on lease to such transacting lessees immediately prior to such transaction and (y) the denominator of which shall equal the then Aggregate Net Book Value and provided, further, that if an applicable percentage threshold has been raised by operation of the foregoing proviso, then any additional Managed Containers subsequently leased to the acquiring or surviving lessee, as the case may be, shall not be considered Eligible Containers until such time as the sum of the Net Book Values of all Managed Containers then on lease to such acquiring or surviving lessee (stated as a percentage of the Aggregate Net Book Value) does not exceed the original percentage limitation applicable to such acquiring or surviving lessee;

(8) **Maximum Concentration of Top Three Lessees**. The amount by which (x) the sum of the Net Book Values of all Eligible Containers that are on Lease to the three (3) largest lessees (or sublessees), calculated based on the Net Book Value of Managed Containers on lease to such Person, exceeds (y) 60% of the Aggregate Net Book Value (*provided, however, that* if two or more lessees shall engage in any transaction (whether through merger, consolidation, stock sale, asset sale or otherwise) pursuant to which a lessee shall become the owner of, or interest holder in, any other lessee's leasehold interests in one or more Managed Containers and the effect of such transaction is to cause a breach of the foregoing percentage threshold, then the foregoing percentage threshold shall on the effective date of such transaction be increased to an amount equal to a fraction (expressed as a percentage) (x) the numerator of which shall equal the sum of (A) the sum of the Net Book Values of all Managed Containers on lease to such transacting lessees immediately prior to such transaction, and (B) the sum of the Net Book Values of all Managed Containers then on lease to the two other lessees having the most Managed Containers then on lease with the Issuer (measured by Net Book Value) and (y) the denominator of which shall equal the then Aggregate Net Book Value and provided further that, if the foregoing limitation has been increased above sixty percent (60%) by operation of the above proviso, then any additional Managed Containers subsequently leased to any of such three lessees shall not be considered Eligible Containers until such time as the sum of the Net Book Values of all Managed Containers then on lease to such three lessees does not exceed an amount equal to sixty percent (60%) of the then Aggregate Net Book Value);

(9) **U.S. Government Leases**. The amount by which (x) the sum of the Net Book Values of all Eligible Containers that are on Lease to the U.S. government, exceeds (y) 4% of the Aggregate Net Book Value; *provided that*, (A) any Containers subject to any such Lease

shall not count against the limitation contained in this paragraph (10) following the execution by the appropriate U.S. governmental official(s) of a consent to assignment with respect thereto, and (B) any Containers subject to any such Lease shall not count against the limitation contained in this paragraph (10) following delivery to the Indenture Trustee of an Opinion of Counsel to the effect that the Assignment of Claims Act of 1940, as amended (31 U.S.C. 3727, 41 U.S.C. 15), has been complied with by the Issuer (or an agent thereof) regarding such Containers;

(10) **Maximum Concentration of Bankruptcy-Delinquent Containers**. In the case of Eligible Containers that are Bankruptcy-Delinquent Containers, an amount equal to Bankruptcy Concentration Deduction for such Bankruptcy-Delinquent Containers; and

(11) **Maximum Concentration of Bankruptcy-Current Containers**. In the case of Eligible Containers that are Bankruptcy-Current Containers, the amount (if positive) by which (x) the Bankruptcy Concentration Deduction for such Bankruptcy-Current Containers exceeds (y) the product of (i) the Aggregate Net Book Value, multiplied by (ii) ten percent (10%);

provided that, if an Eligible Container is subject to the Head Lease Agreement, the TUS Sublessee shall be deemed the lessee for purposes of the foregoing concentration limits.

"***Exchange Act***": The Securities Exchange Act of 1934, as amended.

"***Existing Commitment***": With respect to any Series of (A) Warehouse Notes (i) prior to its Conversion Date, the aggregate Initial Commitment with respect to such Series of Notes Outstanding, consisting of one or more classes, expressed as a dollar amount, as set forth in the related Supplement and subject to reduction from time to time in accordance with the related Supplement and (ii) after its Conversion Date, the then unpaid principal balance of the Notes of such Series, and (B) Term Notes, the then unpaid principal balance of the Notes of such Series.

"***Expected Final Payment Date***": With respect to any Series, the date on which the principal balance of the Outstanding Notes of such Series is expected to be paid in full. The Expected Final Payment Date for a Series shall be set forth in the related Supplement.

"***Failed Test Cure***": The occurrence of either of the following events: (i) during any twelve month period following the end of the Failed Test Period, the Manager has, with the concurrence of the Independent Accountants, reduced the estimated Residual Value of each type of Managed Container to an amount not greater than the average Sales Proceeds per CEU, for all types of Managed Container during the Failed Test Period, or (ii) the average Sales Proceeds per CEU of all Managed Containers sold during any twelve month period following the end of the Failed Test Period exceeds $850 per CEU.

"***Failed Test Period***": Any Test Period during which the average Sales Proceeds per CEU realized from all sales of Managed Containers during such Test Period is less than Seven Hundred Fifty Dollars ($750).

"***FATCA***": The Foreign Account Tax Compliance Act, as amended.

"***FATCA Withholding Tax***": This term shall have the meaning set forth in Section 209 of this Indenture.

"***Finance Lease***": Any Lease of a Container whose lease agreement provides the Lessee the right or option to purchase the Container at the expiration of the Lease and whose lease agreement satisfies the criteria for classification as a capital lease pursuant to GAAP, including Statement of Financial Accounting Standards No. 13, as amended.

"***Financial Asset***": Any "financial asset" as such term is defined in Section 8-102(a)(9) of the UCC.

"***Fleet***": As of any date of determination, both of the following collectively: (i) the Managed Containers and (ii) without duplication of clause (i), all other Containers then managed by Manager.

"***General Intangibles***": Any "general intangible" as such term is defined in Section 9-102(a)(42) of the UCC.

"***Generally Accepted Accounting Principles***" or ***GAAP***": With respect to any Person, those generally accepted accounting principles and practices which are recognized as such by (i) the American Institute of Certified Public Accountants acting through its Accounting Principles Board or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof consistently applied as to the party in question or (ii) such other equivalent entity(ies) that has or have authority for promulgating accounting principles and practices applicable to such Person.

"***Governmental Authority***": Any of the following: (i) any national, state or other sovereign government, and any federal, regional, state, provincial, local, city government or other political subdivision, (ii) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, (iii) any court or administrative tribunal or (iv) with respect to any Person, any arbitration tribunal or other non-governmental authority to whose jurisdiction that Person has consented.

"***Grant***": To grant, bargain, sell, convey, assign, transfer, mortgage, pledge, create and perfect a security interest in and right of set-off against, deposit, set over and confirm.

"***Hanjin Issuer Container***": A Managed Container that was on lease to Hanjin Shipping Limited or one of its Affiliates on August 30, 2016.

"***Head Lease Agreement***": A Lease with TUS, as lessee, that possesses all of the following attributes:

(1) the rent payable by TUS under such Lease with respect to Managed Containers equals at least 98.5% of the amount of rent received by TUS from the applicable TUS Sublessee;

(2) the obligations of TUS under such Lease are secured by a first priority security interest granted by TUS in all TUS Subleases, and the proceeds of such TUS Subleases, in each case, to the extent but only to the extent related to the Managed Containers subject to the Head Lease Agreement;

(3) such Lease requires that all rental payments payable under the TUS Subleases shall be remitted directly to a Master Account;

(4) such Lease requires that a Managed Container not be subleased by TUS to a Sanctioned Person and, to the actual knowledge of TUS, shall not be subleased by a TUS Sublessee to a Sanctioned Person or located, operated or used in a Sanctioned Country unless it is used pursuant to a license granted by the Office of Foreign Assets Control of the United States Treasury Department;

(5) the term of such Head Lease Agreement with respect to a Managed Container shall expire upon the expiration or earlier termination of the TUS Sublease of such Managed Container;

(6) events of default by TUS under such Lease shall include (but not be limited to) the following:

i. any rental or other payments received by TUS with respect to a TUS Sublease (other than (i) amounts permitted to be deducted pursuant to Section 6.1 of the Management Agreement and (ii) amounts equal to the TUS Sublease Spread) with respect to a TUS Sublease of a Managed Container are not remitted to the Trust Account within seven days after the last Business Day of the week during which such payments are received by TUS from the applicable TUS Sublessees, and such condition continues unremedied for three (3) Business Days after such remittance is due;

ii. any representation and warranty made by TUS in such Lease, or in any certificate, report, or financial statement delivered by it pursuant thereto, shall prove to have been untrue in any material and adverse respect when made and shall continue unremedied for a period of 30 days after the earlier to occur of (i) an officer of TUS has actual knowledge thereof or (ii) TUS receives notice thereof;

iii. TUS shall cease to be engaged in the container management business;

iv. the filing of any petition in any bankruptcy proceeding, any assignment for the benefit of creditors, appointment of a receiver of all or any of TUS's assets, entry into any type of liquidation, whether compulsory or voluntary, or the initiation of any other bankruptcy or insolvency proceeding by or against TUS including, without limitation, any action by TUS to call a meeting of its creditors or to compound with or negotiate for any composition with its creditors; provided that, in the case of any involuntary proceeding, such proceeding is not dismissed or stayed within 60 days;

v. TUS is unable to pay its debts when due or shall commence an insolvency proceeding;

vi. TUS assigns its interest in such Lease (provided that no sublease of a Managed Container shall be deemed to constitute an assignment of such Lease);

vii. TUS shall have failed to pay any amounts due or suffered to exist an event of default with respect to the term of any indebtedness which singularly or in the aggregate exceeds

$1,000,000 and the effect of such failure or event of default is to cause such indebtedness to be immediately declared due and payable prior to the date on which it would otherwise have been due and payable;

viii. either of the following shall occur: (i) TUS shall have Consolidated Funded Debt (as defined in the Management Agreement) in excess of $1,000,000 or (ii) the annual after-tax profit of TUS (calculated on a rolling four quarter basis) shall be less than $200,000;

ix. (i) TUS amalgamates or consolidates with, or merges with or into, another Person, (ii) TUS sells, assigns, conveys, transfers, leases, or otherwise disposes of (in each case, whether in one transaction or a series of transactions) all, or substantially all, of its assets to any person, other than pursuant to subleases of Containers, (iii) any person amalgamates or consolidates with, or merges with or into, TUS, or (iv) the Manager shall fail to own, directly or indirectly, a majority of the equity interests in TUS;

x. a judgment is rendered against TUS that is in excess of $1,000,000 and such judgment is not covered by insurance or bonded or stayed within 30 days of becoming final; or

xi. the lien, created by TUS on its interest in the TUS Subleases and the proceeds thereof (the "***Sublease Collateral***") pursuant to the terms of the Head Lease Agreement, shall fail to be perfected or the Sublease Collateral shall be subject to a Lien other than a Permitted Encumbrance.

"***Holder***": See Noteholder.

"***Indebtedness***": With respect to any Person means, without duplication, (a) any obligation of such Person for borrowed money, including, without limitation, (i) any obligation incurred through the issuance and sale of bonds, debentures, notes or other similar debt instruments, and (ii) any obligation for borrowed money which is non-recourse to the credit of such Person but which is secured by any asset of such Person, (b) any obligation of such Person on account of deposits or advances, (c) any obligation of such Person for the deferred purchase price of any property or services, except accounts payable arising in the ordinary course of such Person's business, (d) any obligation of such Person as lessee under a capital lease, (e) any Indebtedness of another secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, (f) any obligation in respect of interest rate or foreign exchange hedging agreements, (g) liabilities and obligations of others for which such Person is directly or indirectly liable, by way of guaranty (whether by direct guaranty, suretyship, discount, endorsement, take-or-pay agreement, agreement to purchase or advance or keep in funds or other agreement having the effect of a guaranty) and (h) any obligation of such Person to reimburse the issuer of any letter of credit issued for the account of such Person upon which a draw has been made.

"***Indenture***": As defined in the caption hereto.

"***Indenture Trustee***": The Person performing the duties of the Indenture Trustee under this Indenture.

"***Indenture Trustee Fee***": The compensation payable to the Indenture Trustee for its services under this Indenture and the other Related Documents to which it is a party. Indenture Trustee Fees do not include Indenture Trustee Indemnified Amounts.

"***Indenture Trustee Indemnified Amounts***": Any indemnities payable to the Indenture Trustee pursuant to **Section 905** of the Indenture.

"***Independent Accountants***": KPMG LLP or other independent certified public accountants of internationally recognized standing selected by Issuer and acceptable to the Administrative Agent and each Series Enhancer.

"***Initial Commitment***": With respect to any Series, the aggregate initial commitment, expressed as a dollar amount, to purchase up to a specified principal balance of all Classes of such Series, which commitments shall be set forth in the related Supplement.

"***Insolvency Law***": The Bankruptcy Code, the Companies Act 1981 of Bermuda or similar Applicable Law in any other applicable jurisdiction.

"***Insolvency Proceeding***": Any Proceeding under any applicable Insolvency Law.

"***Instrument***": Any "instrument," as such term is defined in Section 9-102(a)(47) of the UCC.

"***Insurance Agreement***": Any Insurance and Indemnification Agreement among the Issuer, the Manager, the Indenture Trustee and the related Series Enhancer.

"***Interest Payment***": For each Series of Notes Outstanding for each Payment Date, all amounts set forth in the Supplement to be paid from the related Series Account on such Payment Date which represent payments of (i) interest (but not Default Interest, Warehouse Note Increased Interest or Step Up Warehouse Fees) on such Series of Notes and (ii) commitment fees or deal agent fees payable to the Holders of such Series of Notes. If any Interest Payments are paid by a Series Enhancer, then any reimbursement obligations of the Issuer to such Series Enhancer in respect of such payments, including interest thereon shall be included in the calculation of the Interest Payments for such Series and shall be paid to the Series Enhancer to the extent that such payment would not cause a shortfall in other Interest Payments for the Noteholders of such Series.

"***Interest Rate Cap***": An interest rate cap agreement between the Issuer and an Interest Rate Hedge Provider named therein pursuant to which an Interest Rate Hedge Provider will make payments to the Issuer if the London interbank offered rate (or such other applicable or successor rate) exceeds a certain specified percentage.

"***Interest Rate Hedge Agreement***": Either an Interest Rate Cap or an Interest Rate Swap Agreement.

"***Interest Rate Hedge Provider***": Any Eligible Interest Rate Hedge Provider or any counterparty to an Interest Rate Cap or Interest Rate Hedge Agreement entered into by the Issuer pursuant to this Indenture.

"***Interest Rate Hedge Provider Required Rating Downgrade Event***": Unless waived in writing by Control Party for each Series, the Interest Rate Hedge Provider's (or any party providing credit support on its behalf) rating with respect to its unsecured and unsubordinated debt, deposit or letter of credit obligations are rated as set forth in the table below:

Rating of Interest Rate Hedge Provider	
S&P	**Moody's**
Long-term of "BBB" or lower	Long-term of "Baa2" or lower

"***Interest Rate Hedge Provider Required Rating Replacement Event***": Unless waived in writing by Control Party for each Series, the Interest Rate Hedge Provider's (or any party providing credit support on its behalf) rating with respect to its unsecured and unsubordinated debt, deposit or letter of credit obligations are rated as set forth in the table below:

Rating of Interest Rate Hedge Provider	
S&P	**Moody's**
Long-term of "BB-" or lower	Long-term of "Ba3" or lower

"***Interest Rate Swap Agreement***": A swap agreement or any other similar agreement between the Issuer and an Interest Rate Hedge Provider named therein, including any schedules and confirmations prepared and delivered in connection therewith, pursuant to which recourse by the Interest Rate Hedge Provider to the Issuer is limited to the Collateral and the Available Distribution Amount which pursuant to the terms of the Indenture is available for such purpose.

"***Inventory***": Any "inventory," as such term is defined in Section 9-102(a)(48) of the UCC.

"***Investment***": When used in connection with any Person, any investment by or of that Person, whether by means of purchase or other acquisition of securities of any other Person or by means of loan, advance, capital contribution, guaranty or other debt or equity participation or interest in any other Person including any partnership and joint venture interests of each Person in any other Person. The amount of any Investment shall be the original principal or capital amount thereof, plus additional paid in capital (including, without limitation, share premium and contributed surplus), plus retained earnings, less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property.

"***Investment Property***": Any "investment property" as such term is defined in Section 9-102(a)(49) of the UCC.

"***Issuer***": As defined in the caption hereto.

"***Issuer Expenses***": For any Collection Period an amount equal to overhead and all other costs, expenses and liabilities of the Issuer (other than Operating Expenses paid pursuant to the Management Agreement and any Management Fee) payable during such Collection Period (including costs and expenses permitted to be paid to or by the Manager in connection with the

conduct of the Issuer's business), in each case determined on a cash basis, including but not limited to the following:

(A) administration expenses;

(B) accounting and audit expenses of the Issuer, and tax preparation, filing and audit expenses of the Issuer;

(C) premiums for liability, casualty, fidelity, directors and officers and other insurance;

(D) directors' fees and expenses, including fees and expenses of the Director Services Provider;

(E) legal fees and expenses;

(F) other professional fees;

(G) taxes (including personal or other property taxes and all sales, value added, use and similar taxes but excluding any such amounts that are included as an Operating Expense);

(H) taxes imposed in respect of any and all issuances of equity interests, stock exchange listing fees, registrar and transfer expenses and trustee's fees with respect to any outstanding securities of the Issuer;

(I) the fees, if any, due under any Enhancement Agreement, if any, or any agreement relating thereto;

(J) surveillance fees assessed by the Rating Agencies; and

(K) the expenses, if any, incurred by the Manager in performing its duties pursuant to Sections 3.4, 7.11 and 7.12 of the Management Agreement.

Notwithstanding the foregoing, Issuer Expenses shall not include (i) depreciation or amortization on the Managed Containers, (ii) payments of principal, interest and premium, if any, on or with respect to the Notes, or (iii) funds used to acquire additional Containers. In no event shall the Manager be obligated to pay any Issuer Expenses from its own funds.

"***Issuer Proceeds***": This term shall have the meaning set forth in the Management Agreement.

"***Issuer Swap Posting Account***": Any Deposit Account or Securities Account, the amounts on deposit therein are to be used for the sole purpose of pledging collateral by the Issuer to an Interest Rate Hedge Provider in accordance with the terms of an Interest Rate Hedge Agreement entered into by the Issuer pursuant to **Section 627** of this Indenture.

"***L/C Cash Account***": An Eligible Account to be established by the Issuer in the name of the Indenture Trustee, pursuant to **Section 312** of this Indenture, for the benefit of the Noteholders.

"***Lease***": A lease relating to one or more Managed Containers entered into on behalf of the Issuer (which lease may relate to both Managed Containers and other Containers). Leases may be in the name of Manager, any Affiliate thereof or any third-party lessor from whom Manager has acquired management rights. Leases shall include all TUS Subleases.

"***Legal Final Payment Date***": With respect to any Series, the date on which the unpaid principal balance of, and accrued interest on, the Notes of such Series will be due and payable. The Legal Final Payment Date for a Series shall be set forth in the related Supplement.

"***Lessee Transaction Event***": All of the following events or conditions shall occur or exist on a Payment Date: (i) two or more lessees shall have engage in any transaction (whether a merger, consolidation, stock sale, asset sale or otherwise) (a "***Transaction***") pursuant to which a lessee shall become the owner of, or interest holder in, any other lessee's leasehold interests in Managed Containers, (ii) the concentration limit percentage for the acquiring or surviving lessee in such Transaction has been automatically increased pursuant to the proviso in clauses (xxi) and/or (xxii) of the definition of "Eligible Container", and (iii) on the seventh Payment Date after the occurrence of such Transaction or any Payment Date thereafter, the Issuer has not reduced the percentage concentration of Managed Containers on lease to the acquiring or surviving lessee to the concentration limit in effect for such acquiring or surviving lessee immediately prior to the Transaction (or such other percentage as has been approved by the Requisite Global Majority).

If a Lessee Transaction Event has occurred, such condition will continue until the earlier to occur of (i) the date on which such condition is waived by the Requisite Global Majority and (ii) the first date of which a subsequent Manager Report indicates that the concentration limit in effect for such acquiring or surviving lessee immediately prior to the Transaction (or such other percentage as has been approved by the Requisite Global Majority) has been achieved, which cure shall be effective immediately upon delivery of such Manager Report. "Letter of Credit": Any irrevocable, transferable, unconditional standby letter of credit issued for the benefit of the Indenture Trustee in accordance with the terms of this Indenture.

"***Letter of Credit Expiration Date***": For any Letter of Credit, the stated expiration date set forth in such Letter of Credit, as such date may be extended in accordance with the terms of such Letter of Credit.

"***Letter of Credit Fee***": The periodic interest and/or fees payable by the Issuer to a Letter of Credit Provider; provided, however, that in no event shall the Letter of Credit Fee include reimbursement for any draws made on the related Letter of Credit.

"***Letter of Credit Provider***": The issuing bank of a Letter of Credit.

"***Letter of Credit Right***": Any "letter-of-credit right," as such term is defined in Section 9-102(a)(51) of the UCC.

"***Lien***": Any security interest, lien, charge, pledge, equity or encumbrance of any kind.

"***LOC Pro Rata Share***": With respect to any Letter of Credit, a fraction (stated as percentage) the numerator of which is the available amount of such Letter of Credit and the denominator of which is the then Aggregate Available Amount.

"***Long-Term Lease***": A Lease, other than a Finance Lease, having an initial term of twelve (12) months or more.

"***Managed Containers***": As of any date of determination, all Containers then owned by the Issuer.

"***Management Agreement***": The Third Amended and Restated Management Agreement, dated as of December 31, 2019, between the Manager and the Issuer, as amended by that certain Omnibus Amendment and Consent, dated as of the date hereof, and as further amended, supplemented or modified from time to time in accordance with its terms.

"***Management Fee***": For any Collection Period, the Management Fee calculated in accordance with the terms of the Management Agreement.

"***Management Fee Arrearage***": For any Payment Date, an amount equal to any unpaid Management Fee from all prior Collection Periods.

"***Manager***": The Person performing the duties of the Manager under the Management Agreement; initially, TEML.

"***Manager Advance***": The term shall have the meaning as set forth in the Management Agreement.

"***Manager Defa***ult": The occurrence of any of the events or conditions set forth in Section 11.1 of the Management Agreement.

"***Manager Report***": A written informational statement in the form attached as **Exhibit A** to the Management Agreement to be provided by the Manager in accordance with the Management Agreement and furnished to the Indenture Trustee.

"***Manager Termination Notice***": A written notice to be provided to the Manager and other specified Persons pursuant to this Indenture and the Management Agreement.

"***Manager Transfer Facilitator***": The Person performing the duties of the Manager Transfer Facilitator under the Manager Transfer Facilitator Agreement; as of the date hereof, WTNA.

"***Manager Transfer Facilitator Agreement***": The Manager Transfer Facilitator Agreement, dated as of May 1, 2012, among WTNA (as successor to ABN AMRO Bank N.V.), as Manager Transfer Facilitator, the Issuer and the Indenture Trustee, as such agreement is amended, supplemented or modified from time to time in accordance with its terms.

"***Manager Transfer Facilitator Fee***": This term shall have the meaning set forth in the Manager Transfer Facilitator Agreement.

"***Managing Officer***": Any representative of the Manager involved in, or responsible for, the management of the day-to-day operations of the Issuer and the administration and servicing of the Managed Containers whose name appears on a list of managing officers furnished to Issuer,

the Series Enhancer and the Indenture Trustee by the Manager as such list may from time to time be amended.

"***Manufacturer Debt***": A current account payable of the Issuer incurred in connection with the acquisition by the Issuer of a Container from the manufacturer thereof provided that such accounts payable has a due date that occurs prior to Scheduled Conversion Date of the Series 2012-1 Notes (as defined in the note purchase agreement for Series 2012-1) and does not exceed the purchase price of such Container.

"***Manufacturer's Lien***": The Lien of the manufacturer on any Container sold by such manufacturer to the Issuer which Lien relates solely to such purchased Container and does not secure an amount in excess of one hundred percent (100%) of the purchase price of such Container.

"***Master Account***": The term shall have the meaning as set forth in the Management Agreement.

"***Master Lease***": A Lease other than a Long-Term Lease or a Finance Lease.

"***Material Adverse Change***": Any set of circumstances or events which (i) has, or could reasonably be expected to have, any material adverse effect whatsoever upon the validity or enforceability of any Related Document or the security for any of the Notes, (ii) is, or could reasonably be expected to be, material and adverse to the condition (financial or otherwise) or business operations of Issuer or Manager, individually or taken together as a whole, (iii) materially impairs, or could reasonably be expected to materially impair, the ability of Issuer or Manager to perform any of their respective obligations under the Related Documents, or (iv) materially impairs, or could reasonably be expected to materially impair, the ability of Indenture Trustee or the Series Enhancer to enforce any of its or their respective legal rights or remedies pursuant to the Related Documents.

"***Maximum Letter of Credit Fee***": For each Payment Date, an amount not to exceed the sum of (i) a fee accrued for the related Interest Accrual Period, calculated at a rate of 0.625% *per annum* of the undrawn amount of the Letter of Credit during the related Interest Accrual Period and (ii) interest for the related Interest Accrual Period, calculated at an interest rate of 5.5% *per annum*, on drawn amounts under the Letter of Credit.

"***Maximum Principal Withdrawal Amount***": With respect to the Legal Final Payment Date of any Series, an amount equal to the product of (i) all funds and Eligible Investments on deposit in the Restricted Cash Account on such Payment Date (calculated after giving effect to the disbursements to be made from the Restricted Cash Account on such Payment Date to pay interest shortfalls on all Series of Notes) and (ii) a fraction, the numerator of which is the then unpaid principal balance of the Series for which the Legal Final Payment Date has occurred and the denominator of which is the then Aggregate Principal Balance.

"***Minimum Principal Payment Amount***": With respect to any Series, the amount identified as such in the related Supplement.

"***Moody's***": Moody's Investors Service, Inc. and any successor thereto.

"***Net Book Value***": For purposes of the calculation of the Asset Base, Asset Base Deficiency and any related calculations, including without limitation calculations pursuant to **Section 606**, **Section 627**, **Section 801** and **Section 1201** of this Indenture, one of the following:

(i) With respect to a Container that is not subject to Finance Lease, as of any date of determination, an amount equal to the Original Equipment Cost of such Container, less any accumulated depreciation calculated utilizing the Depreciation Policy; or

(ii) With respect to a Container that is subject to a Finance Lease, the then "investment" in such Finance Lease, as determined in accordance with GAAP.

"***Net Issuer Proceeds***": This term shall have the meaning set forth in the Management Agreement.

"***Noteholder***" or "***Holder***": The Person in whose name a Note is registered in the Note Register, except that, solely for the purposes of giving any consent, waiver, request or demand, the interest evidenced by any Note registered in the name of either of the Sellers or the Issuer or any Affiliate of any of them known to be such an Affiliate by the Indenture Trustee shall not be taken into account in determining whether the requisite percentage of the Aggregate Principal Balance of the Outstanding Notes necessary to effect any such consent, waiver, request or demand is represented.

"***Noteholder FATCA Information***": Information sufficient to eliminate the imposition of, or determine the amount of, U.S. withholding tax under FATCA.

"***Noteholder Tax Identification Information***": Properly completed and signed tax certifications (generally, in the case of U.S. Federal Income Tax, IRS Form W 9 (or applicable successor form) in the case of a person that is a "United States Person" within the meaning of Section 7701(a)(30) of the Code or the appropriate IRS Form W 8 (or applicable successor form) in the case of a person that is not a "United States Person" within the meaning of Section 7701(a)(30) of the Code).

"***Note Purchase Agreement***": Any underwriting agreement or other agreement for the Notes of any Series or Class.

"***Note Register***": The register maintained by the Indenture Trustee pursuant to **Section 205** of this Indenture.

"***Note Registrar***": This term shall have the meaning set forth in **Section 205(a)** of this Indenture.

"***Notes***": One or more of the promissory notes or other securities executed by the Issuer pursuant to this Indenture and authenticated by, or on behalf of, the Indenture Trustee, substantially in the form attached to the related Supplement.

"***OFAC***": The Office of Foreign Assets Control of the United States Department of the Treasury.

"***Officer's Certificate***": A certificate signed by a duly authorized officer of the Person who is required to sign such certificate.

"***Operating Expenses***": This term shall have the meaning set forth in the Management Agreement.

"***Opinion of Counsel***": A written opinion of counsel, in each case reasonably acceptable to the Person or Persons to whom such Opinion of Counsel is to be delivered. Unless otherwise specified, the counsel rendering such opinion may be counsel employed by the Issuer, any Seller, or the Manager, as the context may require. The counsel rendering such opinion may rely (i) as to factual matters, on a certificate of a Person whose duties relate to the matters being certified, and (ii) insofar as the opinion relates to local law matters, upon opinions of local counsel.

"***Original Equipment Cost***": With respect to a Managed Container, one of the following:

(A) for each Managed Container acquired by the Issuer from any Special Purpose Entity, the original equipment cost reflected on the books and records of such Special Purpose Entity;

(B) with respect to each Managed Container originally acquired by TL directly from the manufacturer of such Managed Container, an amount equal to the sum of (i) the vendor's or manufacturer's invoice price of the related Container, (ii) all reasonable and customary inspection, transport, and initial positioning costs necessary to put such Container in service and (iii) reasonable acquisition fees and other fees not to exceed 2.5% of the amounts described in clauses (i) and (ii) above; or

(C) with respect to each Managed Container originally acquired by TL from a third party that is not the manufacturer of such Managed Container, the cash purchase price paid by TL for such Managed Container.

"***Outstanding***": When used with reference to the Notes and as of any particular date, any Note theretofore and thereupon being authenticated and delivered except:

(i) any Note canceled by the Indenture Trustee or proven to the satisfaction of the Indenture Trustee to have been duly canceled by the Issuer at or before said date;

(ii) any Note, or portion thereof, called for payment or redemption for which monies equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption, shall have theretofore been deposited with the Indenture Trustee (whether upon or prior to maturity or the redemption date of such Note);

(iii) any Note in lieu of or in substitution for which another Note shall subsequently have been authenticated and delivered; and

(iv) for purposes of voting under this Indenture or any Related Document, any Note held by the Issuer, any Seller or any Affiliate of the Issuer or any Seller.

Notwithstanding the foregoing, any Note on which any portion of principal or interest has been paid by a Series Enhancer pursuant to an Enhancement Agreement, shall be Outstanding until such Series Enhancer has been reimbursed in full therefor in accordance with the related Enhancement Agreement.

"***Outstanding Obligations***": As of any date of determination for any Series of Notes issued under this Indenture or any Supplement thereto, an amount equal to the sum of (i) all accrued interest payable on such Series of Notes (including, for any Series of Notes for which the related Noteholder has funded or maintains its investment through the issuance of commercial paper, interest accrued through the last maturing tranche, interest or fixed period, as applicable), (ii) the then outstanding principal balance of such Series of Notes, (iii) all other amounts owing by the Issuer to Noteholders or to any Person under this Indenture or any Supplement hereto and any amounts owed to the Series Enhancer and (iv) amounts owing by the Issuer under any Interest Rate Hedge Agreement.

"***Overdue Rate***": The rate of interest specified in the related Supplement applicable to a Note then earning Default Interest, but in no event to exceed two percent (2%) over the interest rate *per annum* otherwise then applicable to such Note.

"***Ownership Interest***": An ownership interest in a Book-Entry Note.

"***Payment Account***": This term shall have the meaning set forth in **Section 313**.

"***Payment Date***": With respect to any Series, the fifteenth (15th) calendar day of each calendar month; provided, however, if such day is not a Business Day, then the immediately succeeding Business Day.

"***Permitted Encumbrance***": With respect to the Collateral, any of the following: (i) Liens for taxes not yet due or which are being contested in good faith by appropriate Proceedings and for the payment of which adequate reserves are provided by the Manager; (ii) with respect to the Managed Containers, carriers', warehousemen's, mechanics', or other like Liens arising in the ordinary course of business and relating to amounts not yet due or which shall not have been overdue for a period of more than sixty (60) days or which are being contested in good faith by appropriate Proceedings and for the payment of which adequate reserves are provided for by the Manager; (iii) with respect to the Managed Containers, Leases entered into in the ordinary course of business providing for the leasing of Managed Containers; (iv) Liens created by this Indenture; (v) the rights of the Manager under the Management Agreement; and (vi) any Manufacturer's Lien with respect to a Managed Container so long as such Manufacturer's Lien has been in effect for less than ninety (90) days from the acceptance of such Managed Container by, or on behalf of, the Issuer; provided, however, that Proceedings described in (i) and (ii) above could not reasonably subject the Series Enhancer, the Indenture Trustee or the Noteholders to any civil or criminal penalty or liability or involve any material risk of loss, sale or forfeiture of any of the Collateral.

"***Permitted Payment Date Withdrawals***": Both of the following with respect to each Series of Notes: (i) on any Payment Date other than the Legal Final Payment Date for a Series of Notes, the amounts required to pay any shortfall in interest on each Series of Notes (calculated after giving effect to the application of all Available Distribution Amounts on such Payment Date); and (ii) on

the Legal Final Payment Date for a Series of Notes, the amount (not to exceed the Maximum Principal Withdrawal Amount for such Series of Notes) required to pay any shortfall in the unpaid principal balance of such Series of Notes (calculated after giving effect to the application of the Available Distribution Amount on such Payment Date).

"***Person***": An individual, a partnership, a limited liability company, a corporation, a joint venture, an unincorporated association, a joint-stock company, a trust, or other entity or a Governmental Authority.

"***Plan***": An "employee benefit plan," as such term is defined in Section 3(3) of ERISA, or a plan described in Section 4975(e)(1) of the Code of the Issuer or its ERISA Affiliates.

"***Policy***": This term shall have the meaning set forth in each Supplement.

"***Pre-Adjustment Issuer Proceeds***": This term shall have the meaning set forth in the Management Agreement.

"***Pre-Funding Account***": An account that is designated as a "Pre-Funding Account" for any Series of Notes in the Supplement for such Series, to be used solely to hold funds that will be used to acquire additional Containers from the Sellers during a specified period of time following the issuance of such Series of Notes.

"***Premium***": A fee or premium payable to a Series Enhancer for guaranteeing all or a portion of the Notes of a Series (or a Class thereof).

"***Prepayment***": Any mandatory or optional prepayment of principal of any Series of Notes prior to the Legal Final Payment Date of such Series including, without limitation, any prepayment made in accordance with the provisions of Article VII of this Indenture.

"***Principal Terms***": With respect to any Series, all of the following: (i) the name or designation of such Series; (ii) the initial principal amount of the Notes to be issued for such Series (or method for calculating such amount) and the Minimum Principal Payment Amounts and the Scheduled Principal Payment Amount for each Payment Date (or method for calculating such amount); (iii) the interest rate to be paid with respect to each Class of Notes for such Series (or method for the determination thereof); (iv) the Payment Date and the date or dates from which interest shall accrue and principal shall be paid; (v) the designation of any Series Accounts and the terms governing the operation of any such Series Accounts including the Permitted Payment Date Withdrawals with respect to such Series; (vi) the terms of any form of Series Enhancement with respect thereto; (vii) the Expected Final Payment Date for the Series; (viii) the Legal Final Payment Date for the Series; (ix) the number of Classes of Notes of the Series and, if the Series consists of more than one Class, the rights and priorities of each such Class; (x) the priority of the Series with respect to any other Series; (xii) the designation of such Series on its Series Issuance Date as either a Term Note or a Warehouse Note; and (xiii) the Control Party with respect to such Series; and (xii) any other terms of such Series.

"***Proceeding***": Any suit in equity, action at law, or other judicial or administrative proceeding.

"***Proceeds***": Any "proceeds," as such term is defined in Section 9-102(a)(64) of the UCC.

"***Prospective Owner***": This term shall have the meaning as set forth in **Section 205** of this Indenture.

"***Purchaser Letter***": This term shall have the meaning set forth in **Section 205(h)** of this Indenture.

"***Rating Agency or Rating Agencies***": With respect to any Outstanding Series, each statistical rating agency selected by the Issuer (with the approval of any Series Enhancer for such Series) to rate such Series which has an outstanding public rating with respect to such Series.

"***Rating Agency Condition***": Each of the following:

(i) With respect to (A) the issuance of an additional Series, (B) any Change in Control of the Manager, (C) any waiver of an Event of Default or Manager Default or (D) any other action expressly specified in any Related Document as requiring the affirmative approval or consent of each Rating Agency, the Rating Agency Condition shall mean (1) the confirmation issued in writing by each Rating Agency of any Series of Notes then Outstanding that the rating(s) on such existing Series will not be downgraded or withdrawn as the result of the issuance of such additional Series, Change of Control, waiver or other action and (2) any other requirement for the fulfillment of the Rating Agency Condition that may be set forth in a Supplement for any Series of Notes which is not rated shall be satisfied; and

(ii) With respect to any other action, the Rating Agency Condition shall mean (1) that each Rating Agency of any Series of Notes then Outstanding shall have been given ten (10) Business Days (or such shorter period as is practicable or acceptable to such Rating Agency) prior notice thereof and, within such notice period, such Rating Agency shall not have notified the Seller, the Indenture Trustee or Issuer in writing that such action will result in a downgrade, qualification or withdrawal of any such outstanding rating and (2) any other requirement for the fulfillment of the Rating Agency Condition that may be set forth in a Supplement for any Series of Notes which is not rated shall be satisfied.

"***Record Date***": With respect to any Payment Date, the last Business Day of the month preceding the month in which the related Payment Date occurs, except as otherwise provided with respect to a Series in the related Supplement.

"***Regulation S Book-Entry Notes***": Collectively, the Unrestricted Book-Entry Notes and the Regulation S Temporary Book-Entry Notes.

"***Regulation S Temporary Book-Entry Notes***": The temporary book-entry notes in fully registered form without coupons that represent the Notes sold in offshore transactions within the meaning of and in compliance with Regulation S under the Securities Act and which will be registered with the Depositary.

"***Reimbursement Agreement***": An agreement between the Issuer and a Letter of Credit Provider with respect to certain terms and conditions under which a letter of credit is issued,

including Letter of Credit Fees payable by the Issuer and the reimbursement obligations of the Issuer.

"***Reimbursement Amount***": Reimbursement and other amounts payable by the Issuer to a Series Enhancer under an Insurance Agreement, Policy or a premium letter for the related Series Enhancer.

"***Related Documents***": With respect to any Series, each Container Transfer Agreement, the Container Sale Agreement, this Indenture, the related Supplement, the Notes of such Series, the Note Purchase Agreement for such Series, the Management Agreement, the Enhancement Agreement for such Series (if any), each Policy, each Letter of Credit, each Reimbursement Agreement, each Interest Rate Hedge Agreement (upon execution thereof), the Insurance Agreement for such Series (if any), each premium letter and each other document or instrument executed in connection with the issuance of any Series, as any of the foregoing may from time to time be amended, modified, supplemented or renewed.

"***Replacement Manager***": Any Person appointed to replace the then Manager as manager of the Managed Containers, which Person shall be acceptable to the Requisite Global Majority.

"***Reportable Event***": This term shall have the meaning given to such term in ERISA.

"***Required Deposit Rating***": With regard to an institution, the short-term unsecured senior debt rating of such institution is in the highest category by each Rating Agency.

"***Requisite Global Majority***": As of any date of determination, the determination of whether a Requisite Global Majority exists with respect to a particular course of action shall be determined in accordance with **Section 503** of this Indenture.

"***Residual Cash Sweep***": The condition that will exist on a Payment Date if the most recently delivered Manager Report indicates that the average sales proceeds of all Managed Containers (regardless of type) for the most recently concluded six (6) month period is less than $550 per CEU.

If a Residual Cash Sweep has occurred, such Residual Cash Sweep shall continue until the earlier to occur of (i) the date on which such Residual Cash Sweep is waived in writing by the Requisite Global Majority, and (ii) the first date on which a subsequently delivered Manager Report indicates that such condition is no longer continuing.

The existence (or not) of a Residual Cash Sweep shall be reported on the Manager Report delivered on each Determination Date.

"***Residual Deficiency***": For purposes of determining the amount of any Supplement Principal Payment Amount or Subordinate Supplement Principal Payment Amount for any Payment Date, the condition that will exist on such Payment Date if both (A) and (B) have occurred:

(A) a Failed Test Period has occurred; and

(B) both (i) twelve months shall have elapsed since the occurrence of such Failed Test Period and (ii) a Failed Test Cure has not occurred with respect to such Failed Test Period.

The existence of a Residual Deficiency shall be reported on the Manager Report delivered on each Determination Date.

If a Residual Deficiency has occurred, such Residual Deficiency shall continue until the earlier to occur of (i) the date on which such Residual Deficiency is waived in writing by the Requisite Global Majority, and (ii) the first date on which a subsequently delivered Manager Report indicates that such condition has not been continuing for three consecutive Payment Dates (including the current Payment Date).

"***Residual Value***": For each type of Managed Container a stated residual value for such type of Managed Container determined in accordance with GAAP, provided that neither the stated residual value nor the estimated useful life of a type of Managed Container may exceed the values shown on **Exhibit B** (which exhibit may not be amended in a manner that would increase the assumed residual value or extend the estimated useful life of a type of Managed Container without the approval of all of the Noteholders).

"***Responsible Officer***": When used with respect to the Indenture Trustee and the Manager Transfer Facilitator, any officer assigned to the Corporate Trust Office (or any successor thereto), including any Vice President, Assistant Vice President, Trust Officer, any Assistant Secretary, any trust officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of this Indenture.

"***Restricted Cash Account***": This term shall have the meaning set forth in **Section 306** of this Indenture.

"***Restricted Cash Amount***": As of any Payment Date, the aggregate amount of cash and Eligible Investments required to be deposited or maintained in the Restricted Cash Account, which shall be equal to the difference of:

(A) the Restricted Cash Target Amount as of such Payment Date, over

(B) an amount equal to the sum of (i) the Aggregate Available Amount on such Payment Date (calculated after giving effect to all draws made on such Payment Date) and (ii) all cash and Eligible Investments then on deposit in the L/C Cash Account (calculated after giving effect to all draws on such date); provided, however, that the Restricted Cash Amount shall not in any event be less than an amount equal to the product of (i) one-twelfth, (ii) the weighted average (based on the then Aggregate Principal Balance, calculated after giving effect to any principal payments paid on such Payment Date) of the annual rates of interest payable on all Series of Notes then Outstanding (or, if any Series bears interest at a variable rate of interest, the interest rate then in effect on such Series of Notes), and (iii) the Aggregate Principal Balance, calculated after giving effect to all advances of principal and principal payments made on such Payment Date.

"***Restricted Cash Target Amount***": As of any Payment Date, an amount equal the product of (i) five (5), (ii) one-twelfth, (iii) the weighted average (based on the then Aggregate Principal Balance, calculated after giving effect to any principal payments paid on such Payment Date) of the annual rates of interest payable on all Series of Notes then Outstanding (or, if any Series bears interest at a variable rate of interest, the interest rate then in effect on such Series of Notes), and (iv) the Aggregate Principal Balance, calculated after giving effect to all advances of principal and principal payments made on such Payment Date; provided, however, that, on any Payment Date on or after the Conversion Date for any Series of Warehouse Notes, if there is an incremental increase in the weighted average of the annual rates of interest in clause (iii) above resulting from such Conversion Date, then any resulting increase in the required amount of the Restricted Cash Amount shall be deposited or maintained in the Restricted Cash Account, in equal amounts, over the course of three (3) consecutive Payment Dates (commencing on such Payment Date).

"***Rule 144A***": Rule 144A under the Securities Act, as such Rule may be amended from time to time.

"***Rule 144A Book-Entry Notes***": The permanent book-entry notes in fully registered form without coupons that represent the Notes sold in reliance on Rule 144A and which will be registered with the Depositary.

"***Sale***": This term shall have the meaning set forth in **Section 816** of this Indenture.

"***Sales Proceeds***": This term shall have the meaning set forth in the Management Agreement.

"***Sanctioned Country***": Any country or territory to the extent that the government of such country or territory is the subject of Sanctions consisting of a general embargo imposed by any Sanctions Authority.

"***Sanctioned Person***": Any of the following: (a) any Person that is listed on, or owned or controlled by a Person listed on (or a Person acting on behalf of such a Person) (i) the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx or as otherwise published from time to time, the "Sectoral Sanctions Identifications" list maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/ssi_list.aspx or as otherwise published from time to time, or the "Foreign Sanctions Evaders" list maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDNList/Pages/ fse_list.aspx or as otherwise published from time to time, (ii) the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury or (iii) any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time; or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization directly or indirectly controlled by a Sanctioned Country or (iii) a Person resident in (or organized under the laws of) a Sanctioned Country (to the extent subject to a Sanctions program administered by OFAC, the European Union or the United Nations), or (iv) a Person who is owned or controlled by, or acting on behalf of such a Person.

"***Sanctions***": Any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

"***Sanctions Authority***": Each of the following: (a) the United States Government, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, (e) the governments, official institutions or agencies and other relevant sanctions authorities of any of the foregoing in clauses (a) through (d), including OFAC, the US Department of State, and Her Majesty's Treasury or (f) any other governmental authority with jurisdiction over the Issuer, TL or the Manager.

"***Scheduled Principal Payment Amount***": With respect to any Series of Notes, the amount identified as such in the related Supplement.

"***Securities Account***": Any "securities account," as such term is defined in Section 8-501 of the UCC.

"***Securities Act***": The Securities Act of 1933, as amended from time to time.

"***Securities Entitlement***": Any "securities entitlement," as such term is defined in Section 8-102(a)(17) of the UCC.

"***Securities Intermediary***": Any "securities intermediary", as such term is defined in Section 8-102 of the UCC.

"***Seller(s)***": Any or all, as the context may require, of TL and any Special Purpose Entity.

"***Senior Asset Base***": As of any date of determination, an amount equal to the difference (but not less than zero) of:

(A) an amount equal to the sum of (a) the product of (i) the Advance Rate in effect on such date of determination and (ii) the difference of (x) the Aggregate Net Book Value, determined as of such date of determination, minus (y) the Excess Concentration Adjustment, (b) an amount equal to the sum of (x) the amount of cash and Eligible Investments then on deposit in the Restricted Cash Account and the L/C Cash Account on such date of determination and (y) the Aggregate Available Amount, in each case, after giving effect to all deposits to, withdrawals from the Restricted Cash Account and the L/C Cash Account, and draws on the Eligible Letter(s) of Credit on such date and (c) the amount of cash and Eligible Investments on deposit in any Pre-Funding Account as of such date (and in the case of clause (c), solely as funded from an issuance of a Series of Notes); minus

(B) an amount equal to the sum of the unpaid Manufacturer Debt with respect to all Managed Containers included in the calculation of the amount set forth in clause (A) above.

"***Senior Notes***": With respect to any Series of Notes, those Note(s) of such Series, if any, that are designated as "Senior Notes" in the related Supplement. Notwithstanding the foregoing, the Series 2012-1 Notes shall be deemed to constitute "Senior Notes".

"***Senior Series***": Any Series of Senior Notes issued pursuant to a Supplement.

"***Senior Warehouse Notes***": Any Series of Warehouse Notes that constitute Senior Notes.

"***Series***": Any series of Notes established pursuant to a Supplement.

"***Series 2012-1 Notes***": The Series 2012-1 Notes established pursuant to the Series 2012-1 Supplement.

"***Series 2012-1 Supplement***": The Third Amended and Restated Series 2012-1 Supplement, dated as of the date hereof, between the Issuer and the Indenture Trustee, as such agreement may be amended, modified and restated from time to time in accordance with its terms.

"***Series Account***": Any deposit, trust, escrow or similar account maintained for the benefit of the Noteholders of any Series or Class as specified in the related Supplement.

"***Series Enhancement***": The rights and benefits provided to the Noteholders of any Series or Class pursuant to any surety bond, financial guaranty insurance policy, insurance agreement or other similar arrangement. The subordination of any Class to another Class shall not be deemed to be a Series Enhancement.

"***Series Enhancer***": For each Series, the Person as set forth in the related Supplement then providing any Series Enhancement, other than the Noteholders of any Class which is subordinated to another Class.

"***Series Enhancer Expenses***": For any Collection Period, an amount equal to all reasonable out-of-pocket expenses incurred by any Series Enhancer pursuant to the Related Documents.

"***Series Issuance Date***": With respect to any Series, the date on which the Notes of such Series are to be originally issued in accordance with **Section 1006** of this Indenture and the related Supplement.

"***Special Purpose Entity***": A trust, partnership, corporation, exempted company with limited liability or other entity established and wholly-owned (directly or indirectly) by TL and/or one or more subsidiaries wholly-owned (directly or indirectly) by TL (each an "Entity") to acquire Containers, leases, other related assets and proceeds of the foregoing, provided that:

(a) no portion of the indebtedness or any other obligations (contingent or otherwise) of such Entity (i) is guaranteed by TL or TGH (excluding guarantees of obligations pursuant to standard securitization undertakings), (ii) is recourse to or obligates TL or TGH in any way other than pursuant to standard securitization undertakings or (iii) subjects any property or asset of TL or TGH, directly or indirectly, contingently or otherwise, to the satisfaction of obligations of such Entity incurred in such transactions, other than pursuant to standard securitization undertakings;

(b) none of TL or TGH has any material contract, agreement, arrangement or understanding with such Entity other than on terms no less favorable to TL or TGH than those that might be obtained at the time from persons that are not affiliates of such Entity, other than fees payable in the ordinary course of business in connection with servicing and managing containers;

provided that a sale of Containers at net book value shall be deemed to comply with this paragraph (b); and

(c) none of TL or TGH has any obligation to maintain or preserve the financial condition of such Entity or cause such Entity to achieve certain levels of operating results.

Notwithstanding the foregoing, TMCLVII constitutes a Special Purpose Entity.

"***Standard & Poor's***": Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"***Step Up Warehouse Fee***": With respect to any Series of Warehouse Notes, the incremental fee stated in the related Supplement (whether or not characterized as a fee in the relevant Related Documents) payable by the Issuer on the Warehouse Notes upon the occurrence and continuance of an Early Amortization Event, DSCR Sweep Event or Event of Default.

"***Subordinate Advance Rate***": The advance rate percentage for a Series of Subordinate Notes, as set forth in the Supplement for such Series.

"***Subordinate Asset Base***": As of any date of determination, an amount equal to the excess (not less than zero) of

(1) an amount equal to the difference (but not less than zero) of (AA) the sum of (a) an amount equal to the product of (i) the Subordinate Advance Rate and (ii) the difference of (x) the Aggregate Net Book Value minus (y) the Excess Concentration Adjustment, each determined as of such date of determination, (b) an amount equal to the sum of (x) the amount of cash and Eligible Investments then on deposit in the Restricted Cash Account and the L/C Cash Account on such date of determination and (y) the Aggregate Available Amount, in each case, after giving effect to all deposits to, withdrawals from the Restricted Cash Account and the L/C Cash Account, and draws on the Eligible Letter(s) of Credit on such date and (c) any amount on deposit in any Pre-Funding Account as of such date, minus (BB) an amount equal to the sum of the Manufacturer Debt with respect to any Managed Container included in the calculation of clause (AA) above; minus

(2) the sum of the then unpaid principal balances on such date of determination of all Series of Senior Notes then Outstanding, such then unpaid principal balances to be determined after giving effect to (i) all advances of principal made by the Noteholders of Senior Notes on such date and (ii) principal payments actually paid in respect of Senior Notes by the Issuer to the Noteholders thereof on such date.

"***Subordinated Management Fee***": For each Payment Date, an amount equal to the product of (i) twenty percent (20%) and (ii) the Management Fee and Management Fee Arrearage payable on such date.

"***Subordinate Notes***": With respect to any Series of Notes, those Note(s), if any, that are designated as "Subordinate Notes" in the related Supplement.

"***Subordinate Series***": Any Series of Subordinate Notes issued pursuant to a Supplement.

"***Subordinate Supplemental Principal Payment Amount***": With respect to any Series of Subordinate Notes on any Payment Date, one of the following:

(i) On any Payment Date on which a Residual Deficiency shall exist, an amount equal to the excess (if any) of (x) the unpaid principal balance of such Subordinate Notes (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Subordinate Notes on such Payment Date) over (y) the excess of (A) Subordinate Asset Base on such Payment Date less (B) the product of (aa) fifteen percent (15%), (bb) the Asset Sales Percentage shown on the Manager Report for such Payment Date and (cc) the Subordinate Asset Base as of the close of business on the last day of the month immediately preceding such Payment Date; or

(ii) On any Payment Date not addressed in clause (i) above, an amount equal to the excess, if any, of (x) the then unpaid principal balance of such Subordinate Notes (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Subordinate Notes on such Payment Date), over (y) the Subordinate Asset Base on such Payment Date.

If the Subordinate Supplemental Principal Payment Amount is not paid in full on any Payment Date, such unpaid amount shall carry over to the next succeeding Payment Date.

"***Subsidiary***": A subsidiary of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than fifty percent (50.0%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled directly or indirectly by such Person, or one or more of the Subsidiaries of such Person, or a combination thereof.

"***Supplement***": Any supplement to the Indenture executed in accordance with Article X of this Indenture.

"***Supplemental Principal Payment Amount***": With respect to any Series of Senior Notes on any Payment Date, one of the following:

(i) on any Payment Date on which a Residual Deficiency shall exist, an amount equal to the excess (if any) of (x) the unpaid principal balance of such Senior Notes (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Senior Notes on such Payment Date) over (y) the excess of (A) Senior Asset Base on such Payment Date, less (B) the product of (aa) fifteen percent (15%), and (bb) the Asset Sales Percentage shown on the Manager Report for such Payment Date and (cc) the Senior Asset Base as of the close of business on the last day of the month immediately preceding such Payment Date; or

(ii) On any Payment Date not addressed in clause (i) above, an amount equal to the excess, if any, of (x) the then unpaid principal balance of such Senior Notes (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Senior Notes on such Payment Date), over (y) the Senior Asset Base on such Payment Date.

"***Supporting Obligation***": Any "supporting obligation" as defined in Section 9-102(a)(77) of the UCC.

"***TEML***": Textainer Equipment Management Limited, a company continued into and existing under the laws of Bermuda, and its successors and permitted assigns.

"***Term Lease***": This term shall have the meaning set forth in the Management Agreement.

"***Term Note***": Any Note that pays principal and interest on each Payment Date from and after its date of issuance.

"***Test Period***": With respect to any Payment Date, the period of six consecutive calendar months ending on the last day of the calendar month immediately preceding the month in which such Payment Date occurs.

"***TEU***": A twenty (20) foot equivalent unit, an industry standard measure based on the physical dimensions of a Container.

"***TGH***": Textainer Group Holdings Limited, a company with limited liability incorporated under the laws of Bermuda, including its permitted successors and assigns.

"***TL***": Textainer Limited, a company incorporated and existing under the laws of Bermuda, including its permitted successors and assigns.

"***TMCLVII***": Textainer Marine Containers Limited VII, an exempted company with limited liability incorporated under the laws of Bermuda, and its permitted successors and assigns.

"***Transferred Assets***": Each of (i) the "Transferred Assets" (as defined in the Container Sale Agreement) transferred by TL to the Issuer thereunder, and (ii) the "Transferred Assets" (as defined in each Container Transfer Agreement) transferred by a Special Purpose Entity to the Issuer thereunder.

"***Trust Account***": The account or accounts established by the Indenture Trustee, in the name of the Indenture Trustee, for the benefit of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer pursuant to **Section 302** hereof.

"***TUS***": This term shall have the meaning set forth in the Management Agreement.

"***TUS Sublease Spread***": This term shall have the meaning set forth in the Management Agreement.

"***TUS Sublease***": This term shall have the meaning set forth in the Management Agreement.

"***TUS Sublessee***": This term shall have the meaning set forth in the Management Agreement.

"***UCC***": The Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Indenture Trustee's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

"***Unrestricted Book-Entry Notes***": The permanent book-entry notes in fully registered form without coupons that are exchangeable for Regulation S Temporary Book-Entry Notes after the expiration of the 40-day distribution compliance period and which will be registered with the Depositary.

"***U.S. Lease Contra***ct": The Container Management Streamlining Contract (Contract No. DAMTO1-03-D-0173) effective as of June 24, 2003, between TEML (US) and The Surface Deployment and Distribution Command (f/k/a The Military Traffic Management Command), as such agreement may be further amended, supplemented or modified from time to time in accordance with its terms.

"***Warehouse Note***": Any Series of Notes that has a revolving period during which periodic payments of principal are not scheduled to be paid.

"***Warehouse Note Increased Inter***est": With respect to any Series of Warehouse Notes, the incremental interest set forth in the related Supplement that is payable by the Issuer on the Warehouse Notes upon the occurrence of a Conversion Event.

"***Warranty Purchase Amount***": With respect to any Container, (i) the "Warranty Purchase Amount" (as defined in each Container Sale Agreement) or (ii) the sum of the "Agreed Values" (as defined in each Container Transfer Agreement) of "Non-Conforming Assets" (as defined in each Container Transfer Agreement) owned by the Issuer, as applicable.

"***Weighted Average Age***": For any date of determination shall be equal to the quotient of (A) the sum of the products of (i) the age in years (determined from the date of the initial sale thereof by the manufacturer) of each Managed Container being evaluated, multiplied by (ii) the Net Book Value of such Managed Container being evaluated, divided by (B) the sum of the Net Book Values of all Managed Containers being evaluated.

"***WTNA***": As defined in the caption.

Section 102. Other Definitional Provisions.

(a) With respect to any Series, all terms used herein and not otherwise defined herein shall have meanings ascribed to them in the related Supplement.

(b) All terms defined in this Indenture shall have the defined meanings when used in any agreement, certificate or other document made or delivered pursuant hereto, including any Supplement, unless otherwise defined therein.

(c) As used in this Indenture and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Indenture or in any such certificate or other document, and accounting terms partly defined in this Indenture or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under GAAP, consistently applied. To the extent that the definitions of accounting terms in this Indenture or in any such certificate or other document are inconsistent with the meanings of such terms under GAAP or regulatory accounting principles, the definitions contained in this Indenture or in any such certificate or other document shall control.

(d) With respect to any Collection Period, the "related Record Date," the "related Determination Date," and the "related Payment Date," shall mean the Record Date occurring on the last Business Day of such Collection Period and the Determination Date and Payment Date occurring in the month immediately following the end of such Collection Period.

(e) With respect to any Series of Notes, the "related Supplement" shall mean the Supplement pursuant to which such Series of Notes is issued and the "related Series Enhancer" shall mean the Series Enhancer for such Series of Notes.

(f) References to the Manager's financial statements shall mean the financial statements of the Manager and its consolidated Subsidiaries.

(g) With respect to any ratio analysis required to be performed as of the most recently completed fiscal quarter, the most recently completed fiscal quarter shall mean the fiscal quarter for which financial statements were required hereunder to have been delivered.

(h) With respect to the calculation of any financial ratio set forth in this Indenture or any other Related Document, the components of such calculations are to be determined in accordance with GAAP, consistently applied, with respect to the Issuer or the Manager, as the case may be.

. Unless otherwise stated in this Indenture or any Supplement issued pursuant to the terms hereof, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

. References in this Indenture and any other Related Document to any section of the UCC shall mean, on or after the effective date of adoption of any revision to the UCC in the applicable jurisdiction, such revised or successor section thereto.

. All of the duties and responsibilities of the Manager Transfer Facilitator set forth in this Indenture, any Supplement or any other Related Document issued pursuant hereto are subject in all respects to the terms and conditions of the Manager Transfer Facilitator Agreement. Each of the Issuer, the Indenture Trustee and, by acceptance of its Notes, each Noteholder hereby acknowledges the terms of the Manager Transfer Facilitator Agreement, and agrees to cooperate with the Manager Transfer Facilitator in their execution of its respective duties and responsibilities.

. Subject to the last sentence hereof, if at any time any change in GAAP (including the adoption of IFRS, if applicable) would affect the computation of any financial ratio or requirement set forth in any Related Document, and Issuer shall so request, Issuer and Administrative Agent

shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP, subject to the consent of the Requisite Global Majority; provided that, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) Issuer shall provide to each party entitled thereto under the applicable Related Documents such financial statements and other documents required thereunder or as reasonably requested by the Administrative Agent setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding the foregoing, if any Related Document expressly sets forth any provision related to changes in GAAP, such provision (rather than this Section 106) shall control."

ARTICLE II
THE NOTES

Section 201. Authorization of Notes.

(a) The number of Series or Classes of Notes which may be created by this Indenture is not limited; provided, however, that, the issuance of any Series of Notes shall not result in, or with the giving of notice or the passage of time or both would result in, the occurrence of an Early Amortization Event. The aggregate principal amount of Notes of each Series which may be issued, authenticated and delivered under this Indenture is not limited except as shall be set forth in any Supplement and as restricted by the provisions of this Indenture.

(b) The Notes issuable under this Indenture shall be issued in such Series, and such Class or Classes within a Series, as may from time to time be created by a Supplement pursuant to this Indenture. Each Series shall be created by a different Supplement and shall be designated to differentiate the Notes of such Series from the Notes of any other Series.

(c) Upon satisfaction of and compliance with the requirements and conditions to closing set forth in the related Supplement, Notes of the Series to be executed and delivered on a particular Series Issuance Date pursuant to such related Supplement, may be executed by the Issuer and delivered to the Indenture Trustee for authentication following the execution and delivery of the related Supplement creating such Series or from time to time thereafter, and the Indenture Trustee shall authenticate and deliver Notes upon an Issuer request set forth in an Officer's Certificate of the Issuer signed by one of its Authorized Signatories, without further action on the part of the Issuer.

Section 202. Form of Notes; Book-Entry Notes.

(a) Notes of any Series or Class may be issued, authenticated and delivered, at the option of the Issuer, as Regulation S Book-Entry Notes, Rule 144A Book-Entry Notes, or as Definitive Notes or as may otherwise be set forth in a Supplement and shall be substantially in the form of the exhibits attached to the related Supplement. Notes of each Series shall be dated the date of their authentication and shall bear interest at such rate, be payable as to principal, premium, if any, and interest on such date or dates, and shall contain such other terms and provisions as shall be established in the related Supplement. Except as otherwise provided in any Supplement, the Notes shall be issued in minimum denominations of $250,000 and in integral multiples of

$250,000 in excess thereof; provided that one Note of each Class may be issued in a nonstandard denomination.

(b) If the Issuer shall choose to issue Regulation S Book-Entry Notes or Rule 144A Book-Entry Notes, such notes shall be issued in the form of one or more Regulation S Book-Entry Notes or one or more Rule 144A Book-Entry Notes which (i) shall represent, and shall be denominated in an aggregate amount equal to, the aggregate principal amount of all Notes to be issued hereunder, (ii) shall be delivered as one or more Notes held by the Book-Entry Custodian, or, if appointed to hold such Notes as provided below, the Notes shall be registered in the name of the Depositary or its nominee, (iii) shall be substantially in the form of the exhibits attached to the related Supplement, with such changes therein as may be necessary to reflect that each such Note is a Book-Entry Note, and (iv) shall each bear a legend substantially to the effect included in the form of the exhibits attached to the related Supplement.

(c) Notwithstanding any other provisions of this Section 202 or of **Section 205**, unless and until a Book-Entry Note is exchanged in whole for Definitive Notes, a Book-Entry Note may be transferred, in whole, but not in part, and in the manner provided in this Section 202, only by (i) the Depositary to a nominee of such Depositary, or (ii) by a nominee of such Depositary to such Depositary or another nominee of such Depositary or (iii) by such Depositary or any such nominee to a successor Depositary selected or approved by the Issuer or to a nominee of such successor Depositary or in the manner specified in **Section 202(d)**. The Depositary shall order the Note Registrar to authenticate and deliver any Book-Entry Notes and any Book-Entry Note for each Class of Notes having an aggregate initial outstanding principal balance equal to the initial outstanding balance of such Class. Noteholders shall hold their respective Ownership Interests in and to such Notes through the book-entry facilities of the Depositary. Without limiting the foregoing, any Book-Entry Noteholders shall hold their respective Ownership Interests, if any, in Book-Entry Notes only through Depositary Participants.

(d) If (i) the Issuer elects to issue Definitive Notes, (ii) the Depositary for the Notes represented by one or more Book-Entry Notes at any time notifies the Issuer that it is unwilling or unable to continue as Depositary of the Notes or if at any time the Depositary shall no longer be a clearing agency registered under the Exchange Act and any other applicable statute or regulation, and a successor Depositary is not appointed or approved by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such condition, as the case may be, (iii) the Indenture Trustee, at the written direction of the Noteholders representing more than 50% of the outstanding principal balance of the Notes, elects to terminate the book-entry system through the Depositary or (iv) after an Event of Default or a Manager Default, Noteholders notify the Depositary, or Book-Entry Custodian, as the case may be, in writing that the continuation of a book-entry system through the Depositary, or the Book-Entry Custodian, as the case may be, is no longer in the Noteholders' best interest, upon the request of the Noteholders, the Issuer will promptly execute, and the Indenture Trustee, upon receipt of an Officer's Certificate evidencing such determination by the Issuer, will promptly authenticate and make available for delivery, Definitive Notes, in authorized denominations and in an aggregate principal amount equal to the principal amount of the Book-Entry Note then outstanding in exchange for such Book-Entry Note or as an original issuance of Notes and this Section 202(d) shall no longer be applicable to the Notes. Upon the exchange of the Book-Entry Notes for such Definitive Notes without coupons, in authorized denominations, such Book-Entry Notes shall be canceled by the Indenture Trustee. All

Definitive Notes shall be issued without coupons. Such Definitive Notes issued in exchange of the Book-Entry Notes pursuant to this Section 202(d) shall be registered in such names and in such authorized denominations as the Depositary, in the case of an exchange, or the Note Registrar, in the case of an original issuance, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Indenture Trustee. The Indenture Trustee may conclusively rely on any such instructions furnished by the Depositary or the Note Registrar, as the case may be, and shall not be liable for any delay in delivery of such instructions. The Indenture Trustee shall make such Notes available for delivery to the Persons in whose names such Notes are so registered.

(e) As long as the Notes outstanding are represented by one or more Book-Entry Notes:

(i) the Note Registrar and the Indenture Trustee may deal with the Depositary for all purposes (including the payment of principal of and interest on the Notes) as the authorized representative of the Noteholders;

(ii) the rights of Noteholders shall be exercised only through the Depositary and shall be limited to those established by law and agreements between such Noteholders and the Depositary and/or the Depositary Participants. Unless and until Definitive Notes are issued, the Depositary will make book-entry transfers among the Depositary Participants and receive and transmit payments of principal of, and interest on, the Notes to such Depositary Participants; and

(iii) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of Notes evidencing a specified percentage of the voting rights of a particular series, the Depositary shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Noteholders and/or Depositary Participants owning or representing, respectively, such required percentage of the beneficial interest in the Notes (or Class of Notes) and has delivered such instruction to the Indenture Trustee.

(f) Whenever a notice or other communication to the Noteholders is required under this Indenture, unless and until Definitive Notes have been issued to Noteholders, the Indenture Trustee shall give all such notices and communications to the Depositary.

(g) The Indenture Trustee is hereby initially appointed as the Book-Entry Custodian and hereby agrees to act as such in accordance with the agreement that it has with the Depositary authorizing it to act as such. The Book-Entry Custodian may, and, if it is no longer qualified to act as such, the Book-Entry Custodian shall, appoint, by written instrument delivered to the Issuer and the Depositary, any other transfer agent (including the Depositary or any successor Depositary) to act as Book-Entry Custodian under such conditions as the predecessor Book-Entry Custodian and the Depositary or any successor Depositary may prescribe, provided that the predecessor Book-Entry Custodian shall not be relieved of any of its duties or responsibilities by reason of any such appointment of other than the Depositary. If the Indenture Trustee resigns or is removed in accordance with the terms hereof, the successor Indenture Trustee or, if it so elects, the Depositary shall immediately succeed to its predecessor's duties as Book-Entry Custodian. The Issuer shall have the right to inspect, and to obtain copies of, any Notes held as Book-Entry Notes by the Book-Entry Custodian.

(h) The provisions of **Section 205(i)** shall apply to all transfers of Definitive Notes, if any, issued in respect of Ownership Interests in the Rule 144A Book-Entry Notes.

(i) To the extent Definitive Notes are issued under any Supplement, the Issuer will require that each relevant Noteholder provide Noteholder Tax Identification Information to the Indenture Trustee and, if requested, a transfer statement in accordance with Treasury Regulation section 1.6045A-1(a)(1) to the Indenture Trustee to comply with its cost basis reporting obligations under the Code.

(j) No transfer of any Note or interest therein shall be made unless that transfer is made pursuant to an effective registration statement under the Securities Act, and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. If a transfer of any Definitive Note is to be made without registration under the Securities Act (other than in connection with the initial issuance thereof or a transfer thereof by the Depositary or one of its Affiliates), then the Note Registrar shall refuse to register such transfer unless it receives (and upon receipt, may conclusively rely upon) either: (i) a certificate from such Noteholder substantially in the form attached as **Exhibit C** hereto or such other certification reasonably acceptable to the Indenture Trustee and a certificate from such Noteholder's prospective transferee substantially in the form attached as **Exhibit C** hereto or such other certification reasonably acceptable to the Indenture Trustee; or (ii) an Opinion of Counsel satisfactory to the Indenture Trustee to the effect that such transfer may be made without registration under the Securities Act (which Opinion of Counsel shall not be an expense of the Issuer or any Affiliate thereof or of the Depositary, the Manager or Affiliate thereof, the Indenture Trustee or the Note Registrar in their respective capacities as such), together with the written certification(s) as to the facts surrounding such transfer from the Noteholder desiring to effect such transfer and/or such Noteholder's prospective transferee on which such Opinion of Counsel is based. If such a transfer of any interest in a Book-Entry Note is to be made without registration under the Securities Act, the transferor will be deemed to have made each of the representations and warranties set forth on **Exhibit C** hereto in respect of such interest as if it was evidenced by a Definitive Note and the transferee will be deemed to have made each of the representations and warranties set forth in **Exhibit C** hereto in respect of such interest as if it was evidenced by a Definitive Note. None of the Depositary, the Issuer, the Indenture Trustee or the Note Registrar is obligated to register or qualify any Class of Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of any Note or interest therein without registration or qualification. Any Noteholder desiring to effect such a transfer shall, and does hereby agree to, indemnify the Depositary, the Issuer, the Indenture Trustee and the Note Registrar against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

Section 203. Execution, Recourse Obligation

. The Notes shall be executed on behalf of the Issuer by an Authorized Signatory of the Issuer. The Notes shall be dated the date of their authentication by the Indenture Trustee.

In case any Authorized Signatory of the Issuer whose signature shall appear on the Notes shall cease to be an Authorized Signatory of the Issuer before the authentication by the Indenture Trustee and delivery of such Notes, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes.

All Notes and the interest thereon shall be full recourse obligations of the Issuer and shall be secured by all of the Issuer's right, title and interest in the Collateral. The Notes shall never constitute obligations of the Indenture Trustee, the Manager, the Sellers or of any shareholder or any Affiliate of any Seller (other than the Issuer) or any member or shareholder of the Issuer, or any officers, directors, employees or agents of any thereof, and no recourse may be had under or upon any obligation, covenant or agreement of this Indenture, any Supplement or of any Notes, or for any claim based thereon or otherwise in respect thereof, against any incorporator or against any past, present, or future owner, partner of an owner or any officer, employee or director thereof or of any successor entity, or any other Person, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed that this Indenture and the obligations issued hereunder are solely obligations of the Issuer, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any other Person under or by reason of this Indenture, any Supplement or any Notes or implied therefrom, or for any claim based thereon or in respect thereof, all such liability and any and all such claims being hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Notes. Except as provided in any Supplement, no Person other than the Issuer shall be liable for any obligation of the Issuer under this Indenture or any Note or any losses incurred by any Noteholder.

Section 204. Certificate of Authentication

. No Notes shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication by the Indenture Trustee, substantially in the form set forth in the form of Note attached to the related Supplement. Such certificate on any Note issued by the Issuer shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

At the written direction of the Issuer, the Indenture Trustee shall authenticate and deliver the Notes. It shall not be necessary that the same Authorized Signatory of the Indenture Trustee execute the certificate of authentication on each of the Notes.

Section 205. Registration; Registration of Transfer and Exchange of Notes

.

(a) The Indenture Trustee shall keep at its Corporate Trust Office books for the registration and transfer of the Notes (the "Note Register"). The Issuer hereby appoints the Indenture Trustee as its registrar (the "Note Registrar") and transfer agent to keep such books and make such registrations and transfers as are hereinafter set forth in this Section 205 and also authorizes and directs the Indenture Trustee to provide a copy of such registration record to each of the Administrative Agent and the Manager upon their request. The names and addresses of the Holders of all Notes and all transfers of, and the names and addresses of the transferee of, all Notes will be registered in such Note Register. The Person in whose name any Note is registered shall be deemed and treated as the owner and Holder thereof for all purposes of this Indenture, and the Indenture Trustee, the related Series Enhancer and the Issuer shall not be affected by any notice or knowledge to the contrary. The related Series Enhancer and, if a Person other than the Indenture Trustee is appointed by the Issuer to maintain the Note Register, the Indenture Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof and the Indenture Trustee shall have the right to conclusively rely upon a certificate executed on behalf of the Note Registrar by an officer thereof as to the names and addresses of the Noteholders and the

principal amounts and number of such Notes. If a Person other than the Indenture Trustee is appointed by the Issuer to maintain the Note Register, the Issuer will give the Indenture Trustee and the Administrative Agent prompt written notice of such appointment and of the location, and any change in the location, of the successor note registrar. Notwithstanding the foregoing, so long as WTNA is acting as the Indenture Trustee, it shall also act as the Note Registrar.

(b) Payments of principal, premium, if any, and interest on any Note shall be payable on each Payment Date only to the registered Holder thereof on the Record Date immediately preceding such Payment Date. The principal of, premium, if any, and interest on each Note shall be payable at the Corporate Trust Office in immediately available funds in such coin or currency of the United States of America as at the time for payment shall be legal tender for the payment of public and private debts. Unless otherwise specified in a Supplement for a Series of Notes, all interest payable on each Series of Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months Notwithstanding the foregoing or any provision in any Note to the contrary, if so requested by the registered Holder of any Note by written notice to the Indenture Trustee, all amounts payable to such registered Holder may be paid either (i) by crediting the amount to be distributed to such registered Holder to an account maintained by such registered Holder with the Indenture Trustee or by transferring such amount by wire to such other bank in the United States, including a Federal Reserve Bank, as shall have been specified in such notice, for credit to the account of such registered Holder maintained at such bank, or (ii) by mailing a check to such address as such Holder shall have specified in such notice, in either case without any presentment or surrender of such Note to the Indenture Trustee (except in connection with the final payment on a Note in accordance with **Section 207**) at the Corporate Trust Office.

(c) All payments on the Notes shall be paid to the Noteholders reflected in the Note Register as of the related Record Date by wire transfer of immediately available funds for receipt prior to 2:00 p.m. (New York City time) on the related Payment Date. Any payments received by the Noteholders after 2:00 p.m. (New York City time) on any day shall be considered to have been received on the next succeeding Business Day; provided, however, that if the Issuer has deposited the required funds with the Indenture Trustee by 1:00 p.m. (New York City time), on such date, then the Issuer, upon receipt by the Noteholders of such payment, shall be deemed to have made such payment at the time so required. Notwithstanding the foregoing or any provision in any Note to the contrary, if so requested by the registered Noteholder by written notice to the Indenture Trustee, all amounts payable to such registered Noteholder may be paid by mailing on the related Payment Date a check to such address as such Noteholder shall have specified in such notice, in either case without any presentment or surrender of such Note (except in connection with the final payment on a Note in accordance with **Section 207**) to the Indenture Trustee at the Corporate Trust Office.

(d) Upon surrender for registration of transfer of any Note at the Corporate Trust Office, the Issuer shall execute and the Indenture Trustee, upon written request, shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of the same class, of any authorized denominations and of a like aggregate original principal amount.

(e) All Notes issued upon any registration of transfer or exchange of Notes shall be the legal, valid and binding obligations of the Issuer, evidencing the same debt, and entitled to the

same benefits under this Indenture and any Supplement, as the Notes surrendered upon such registration of transfer or exchange.

(f) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Issuer or the Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Indenture Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

(g) Any service charge, fees or expenses made or expense incurred by the Indenture Trustee for any such registration, discharge from registration or exchange referred to in this **Section 205** shall be paid by the Noteholder. The Indenture Trustee or the Issuer may require payment by the Holder of a sum sufficient to cover any tax expense or other governmental charge payable in connection therewith.

(h) If Notes are issued or exchanged in definitive form under **Section 202**, such Notes will not be registered by the Indenture Trustee unless each prospective initial Noteholder acquiring a Note, each prospective transferee acquiring a Note and each prospective owner (or transferee thereof) of a beneficial interest in Notes (each, a "Prospective Owner") acquiring such beneficial interest provides the Manager, the Issuer, the Indenture Trustee and any successor Manager with a written representation that the statement in either **Section 208(1)** or **(2)** is an accurate representation as to all sources of funds to be used to pay the purchase price of the Notes.

(i) No transfer of a Note shall be deemed effective unless (x) the transference of such Note is not to a Competitor and (y) the registration and prospectus delivery requirements of Section 5 of the Securities Act and any applicable state securities laws are complied with, or such transfer is exempt from the registration and prospectus delivery requirements under said Securities Act and laws. In the event that a transfer is to be made without registration or qualification, such Noteholder's prospective transferee shall deliver to the Indenture Trustee an investment letter substantially in the form of **Exhibit C** hereto (the "Purchaser Letter") or such other form as set forth in a Supplement to this Indenture. Neither the Indenture Trustee nor the Issuer is under any obligation to register the Notes under the Securities Act or any other securities law or to bear any expense with respect to such registration by any other Person or monitor compliance of any transfer with the securities laws of the United States regulations promulgated in connection thereto or ERISA.

Section 206. Mutilated, Destroyed, Lost and Stolen Notes.

(a) If (i) any mutilated Note is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Indenture Trustee such security or indemnity as it and the Issuer may require to hold the Issuer, the Manager and the Indenture Trustee harmless, then the Issuer shall execute and the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of the same Series and Class and maturity and of like terms as the mutilated, destroyed, lost or stolen Note; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become, or within seven days shall be due and payable, the Issuer may pay such destroyed, lost or stolen Note when so due or payable instead of issuing a replacement Note.

(b) If, after the delivery of such replacement Note, or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Indenture Trustee shall be entitled to recover upon the security or indemnity provided therefor to the extent of any and all loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

(c) The Indenture Trustee and the Issuer may, for each new Note authenticated and delivered under the provisions of this Section 206, require the advance payment by the Noteholder of the expenses, including counsel fees, service charges and any tax or governmental charge which may be incurred by the Indenture Trustee or the Issuer. Any Note issued under the provisions of this Section 206 in lieu of any Note alleged to be destroyed, mutilated, lost or stolen, shall be equally and proportionately entitled to the benefits of this Indenture with all other Notes of the same Series and Class. The provisions of this Section 206 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 207. Delivery, Retention and Cancellation of Notes

. Each Noteholder is required, and hereby agrees, to return to the Indenture Trustee on or prior to the Legal Final Payment Date (or, if earlier, the date on which the unpaid principal balance of, and accrued interest and other amounts related to, the applicable Series of Notes shall have been paid in full (for example, pursuant to a refinancing of the Notes of the applicable Series or pursuant to the exercise of remedies under Article VIII hereof)), any Note on which the final payment due thereon has been made for the related Series of Notes. Any such Note as to which the Indenture Trustee has made or holds the final payment thereon shall be deemed canceled and unless any unreimbursed payment on such Note has been made by a Series Enhancer, shall no longer be Outstanding for any purpose of this Indenture, whether or not such Note is ever returned to the Indenture Trustee. Matured Notes delivered upon final payment to the Indenture Trustee and any Notes transferred or exchanged for other Notes shall be canceled and disposed of by the Indenture Trustee in accordance with its policy of disposal and the Indenture Trustee shall promptly deliver to the Issuer such canceled Notes upon reasonable prior written request. If the Indenture Trustee shall acquire, for its own account, any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes. If the Issuer shall acquire any of the Notes, such acquisition shall operate as a redemption or satisfaction of the indebtedness represented by such Notes. Notes which have been canceled by the Indenture Trustee shall be deemed paid and discharged for all purposes under this Indenture.

Section 208. ERISA Deemed Representations

. Unless otherwise specified in any applicable Supplement, each prospective initial Noteholder acquiring Notes and each Prospective Owner will be deemed to have represented by such purchase to the initial purchaser of the Notes, the Issuer, the Indenture Trustee, the Manager and any successor Manager that either 1. it is not acquiring the Notes with the assets of a Plan; or 1. the acquisition and holding of the Notes will not give rise to a nonexempt prohibited transaction under Section 406(a) of ERISA or Section 4975 of the Code.

ARTICLE III
PAYMENT OF NOTES; STATEMENTS TO NOTEHOLDERS

Section 301. Principal and Interest

. Distributions of principal, premium, if any, and interest on any Series or Class of Notes shall be made to Noteholders of each Series and Class as set forth in **Section 302** of this Indenture and the related Supplement. The maximum Overdue Rate for any Note under any Series shall be equal to the sum of (i) two percent (2.00%) *per annum*, plus (ii) the interest rate for such Note prior to the occurrence of the relevant Event of Default. If interest or principal amounts are paid by a Series Enhancer, then the Overdue Rate shall be owed to such Series Enhancer and shall not be paid to applicable Noteholders of such Series unless the related Series Enhancer has failed to make payment of such amounts in accordance with the terms of any applicable Enhancement Agreement. Except as set forth in any Supplement, all interest and fees payable on, or with respect to, the Notes shall be computed on the basis of a 360-day year for the actual number of days which have elapsed in the relevant calculation period.

Section 302. Trust Account

.

(a) The Indenture Trustee has established and will maintain so long as there are any Outstanding Obligations the Trust Account into which the following amounts shall be deposited: all (i) Collections, (ii) Warranty Purchase Amounts and (iii) other payments required by this Indenture and other Related Documents to be deposited therein. Such Trust Account was established and is maintained with the Corporate Trust Office in trust for the Indenture Trustee, on behalf of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer, and shall be maintained until the Aggregate Outstanding Obligations are paid in full. The Trust Account shall at all times be an Eligible Account and shall be pledged to the Indenture Trustee pursuant to the terms of this Indenture. The Issuer shall not establish any additional Trust Accounts without prior written notice to the Indenture Trustee and without the prior written consent of the Requisite Global Majority.

(b) The Issuer shall cause the Manager to deposit funds into the Trust Account at the times and in the amounts required pursuant to the terms of the Management Agreement. So long as no Event of Default, Manager Default or an Early Amortization Event of the type described in **Section 1201(1)**, **(2)**, **(3)**, **(4)** or **(8)** of this Indenture shall have occurred and then be continuing, the Manager shall be permitted to request the Indenture Trustee to withdraw from amounts on deposit in the Trust Account, or otherwise net out, from amounts otherwise required to be deposited into the Trust Account pursuant to **Section 302(a)** the amount of any Management Fees or Management Fee Arrearage (in each case exclusive of any Subordinated Management Fee) that would otherwise be due and payable on the immediately succeeding Payment Date.

(c) On each Determination Date, the Manager, pursuant to the Management Agreement, shall prepare and deliver to the Issuer, the Indenture Trustee, each Interest Rate Hedge Provider, each Series Enhancer and the Administrative Agent, the Manager Report. On each Payment Date, the Indenture Trustee, based on the Manager Report (provided that, in the absence of any Manager Report, the Indenture Trustee shall distribute all funds available for distribution in accordance with written instructions from the Administrative Agent (with a copy to the Issuer, each Series Enhancer, each Interest Rate Hedge Provider and the Administrative Agent) and shall hold until delivery of such Manager Report (i) any funds otherwise payable to the Issuer and (ii)

any other amounts which the Administrative Agent is unable to ascertain or allocate to a specific payment priority set forth in this Indenture), shall distribute funds in an amount equal to the Available Distribution Amount to the following Persons in the following order of priority:

(i) On each Payment Date, if neither an Early Amortization Event nor an Event of Default shall have occurred and then be continuing, the Indenture Trustee will make the following payments from the Available Distribution Amount then on deposit in the Trust Account to the following Persons in the following order of priority:

(1) To the Indenture Trustee by wire transfer of immediately available funds, all Indenture Trustee Fees and Indenture Trustee Indemnified Amounts (in the case of Indenture Trustee Indemnified Amounts, not to exceed $20,000 annually for each Series of Notes then Outstanding at any time WTNA is acting as Indenture Trustee), then due and payable for all Series then Outstanding;

(2) To the Manager, an amount equal to the excess of (A) the Management Fee and Management Fee Arrearage payable on such Payment Date, over (b) the Subordinated Management Fee;

(3) To the Issuer and the Series Enhancer, *pro rata*, to pay Issuer Expenses (in an aggregate amount not to exceed $250,000 annually) and Series Enhancer Expenses (in an aggregate amount not to exceed $250,000 annually) to the extent such payments would not result in the occurrence of an Early Amortization Event or an Event of Default;

(4) To the Manager Transfer Facilitator, the amount of any Manager Transfer Facilitator Fee (including any reimbursements payable to the Manager Transfer Facilitator pursuant to the Manager Transfer Facilitator Agreement);

(5) In payment of the following amounts on a *pro rata* basis: (A) to the Administrative Agent, the amount of Administrative Agent Fee (and any arrearages thereof) then due and payable and (B) to each Series Enhancer, any Premium payments then due and payable;

(6) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all scheduled payments and interest thereon (but excluding termination payments thereunder) then due and payable under the related Interest Rate Hedge Agreement and the amount of any arrearages thereof;

(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Senior Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to the Interest Payments then due and payable for such Series of Senior Notes, (B) to each Letter of Credit Provider, on a *pro rata* basis, all Letter of Credit Fees (but not to exceed the Maximum Letter of Credit Fee) then due and payable, and (C) to each Series Enhancer with respect to Senior Notes, any Reimbursement Amounts then due and payable in respect of Interest Payments for such Senior Notes paid by such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement) and any arrearages of Premium payments then due and payable to

such Series Enhancer with respect to such Senior Notes (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) To each Series Account for each Series of Subordinate Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series of Subordinate Notes;

(9) First to the Restricted Cash Account, the amount (if any) necessary to restore amounts on deposit therein to the Restricted Cash Amount for such Payment Date and then to each Letter of Credit Provider, on a *pro rata* basis, for reimbursement of unpaid draws on the Letter of Credit issued by such Letter of Credit Provider;

(10) To the Series Account for each Series of Senior Notes then Outstanding and subject to the provisions of **Section 302(d)**, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(11) To the Series Account for each Series of Senior Notes then Outstanding and subject to the provisions of **Section 302(d)**, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(12) To the Series Account for each Series of Senior Notes in accordance with the provisions of **Section 302(e)** hereof, an amount equal to the Supplemental Principal Payment Amount then due and payable;

(13) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all remaining amounts then due and payable under the related Interest Rate Hedge Agreement (after giving effect to clause (6) above);

(14) To each Series Account for each Series of Senior Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Fees, Warehouse Note Increased Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(15) If a DSCR Sweep Event, Lessee Transaction Event and/or a Residual Cash Sweep has occurred and is then continuing, to the Series Account for each Series of Notes then Outstanding, on a *pro rata* basis (based on the then unpaid principal balance of all Series of Notes then Outstanding), all remaining Available Distribution Amount until the unpaid principal balances of all Series of Notes then Outstanding have been paid in full;

(16) To the Series Account for each Series of Subordinate Notes then Outstanding and subject to the provisions of **Section 302(d)**, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(17) To the Series Account for each Series of Subordinate Notes then Outstanding and subject to the provisions of **Section 302(d)**, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(18) To the Series Account for each Series of Subordinate Notes in accordance with the provisions of **Section 302(e)** hereof, an amount equal to the Subordinate Supplemental Principal Payment Amount then due and payable;

(19) To each Series Account for each Series of Subordinate Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Fees, Warehouse Note Increased Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(20) To the Manager, an amount equal to the sum of (A) any unreimbursed Manager Advances, and (B) all unpaid Subordinated Management Fees;

(21) To the Indenture Trustee, the amount of any unpaid Indenture Trustee Indemnified Amounts not otherwise paid pursuant to clause (1) above;

(22) To the officers and directors of the Issuer, the amount of any unpaid indemnification payments then due and payable to them by the Issuer;

(23) To the Manager in the amount of any unpaid indemnification payments payable to the Manager pursuant to Section 18.1 of the Management Agreement; and

(24) To the Issuer (or its designee), any remaining Available Distribution Amount.

(ii) On each Payment Date, if an Early Amortization Event shall have occurred and then be continuing with respect to any Series then Outstanding, but no Event of Default has occurred and is continuing, the Indenture Trustee will make the following payments from the Available Distribution Amount then on deposit in the Trust Account to the following Persons in the following order of priority:

(1) To the Indenture Trustee by wire transfer of immediately available funds, all Indenture Trustee Fees and Indenture Trustee Indemnified Amounts (in the case of Indenture Trustee Indemnified Amounts, not to exceed $20,000 annually for each Series of Notes then Outstanding at any time WTNA is acting as Indenture Trustee), then due and payable for all Series then Outstanding;

(2) To the Manager, an amount equal to the excess of (A) the Management Fee and Management Fee Arrearage payable on such Payment Date, over (b) the Subordinated Management Fee;

(3) To the Issuer and the Series Enhancer, *pro rata*, to pay Issuer Expenses (in an aggregate amount not to exceed $250,000 annually) and Series Enhancer Expenses (in an aggregate amount not to exceed $250,000 annually) to the extent such payments would not result in the occurrence of an Event of Default;

(4) To the Manager Transfer Facilitator, the amount of any Manager Transfer Facilitator Fee (including any reimbursements payable to the Manager Transfer Facilitator pursuant to the Manager Transfer Facilitator Agreement);

(5) In payment of the following amounts on a *pro rata* basis: (A) to the Administrative Agent, the amount of Administrative Agent Fee (and any arrearages thereof) then due and payable, and (B) to each Series Enhancer, any Premium payments then due and payable;

(6) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all scheduled payments and interest thereon (but excluding termination payments thereunder) then due and payable under the related Interest Rate Hedge Agreement and the amount of any arrearages thereof;

(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Senior Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to the Interest Payments then due and payable for such Series of Senior Notes, and (B) to each Letter of Credit Provider, on a *pro rata* basis, all Letter of Credit Fees (but not to exceed the Maximum Letter of Credit Fee) then due and payable, and (C) to each Series Enhancer with respect to Senior Notes, any Reimbursement Amounts then due and payable in respect of Interest Payments for such Senior Notes paid by such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement) and any arrearages of Premium payments then due and payable to such Series Enhancer with respect to such Senior Notes (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) To each Series Account for each Series of Subordinate Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series of Subordinate Notes;

(9) First to the Restricted Cash Account, the amount (if any) necessary to restore amounts on deposit therein to the Restricted Cash Amount for such Payment Date and then to each Letter of Credit Provider, on a *pro rata* basis, for reimbursement of unpaid draws on the Letter of Credit issued by such Letter of Credit Provider;

(10) To the Series Account for each Series of Senior Notes then Outstanding and subject to the provisions of **Section 302(d)** hereof, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(11) To the Series Account for each Series of Senior Notes then Outstanding and subject to the provisions of **Section 302(d)** hereof, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(12) To the Series Account for each Series of Senior Notes then Outstanding (other than the Series Account for any Series of Senior Warehouse Notes for which a Conversion Event has not occurred) on a *pro rata* basis (based on the unpaid principal balance then Outstanding), all remaining Available Distribution Amount until the principal balance of all Senior Notes then Outstanding are paid in full (including Reimbursement Amounts payable in respect thereof to the Series Enhancer);

(13) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all remaining amounts then due and payable under the related Interest Rate Hedge Agreement (after giving effect to **Section 302(c)(ii)(6)** above);

(14) To each Series Account for each Series of Senior Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Fees, Warehouse Note Increased Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(15) To the Series Account for each Series of Subordinate Notes then Outstanding and subject to the provisions of **Section 302(d)** hereof, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(16) To the Series Account for each Series of Subordinate Notes then Outstanding and subject to the provisions of **Section 302(d)** hereof, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(17) To the Series Account for each Series of Subordinate Notes then Outstanding (other than the Series Account for any Series of Subordinate Warehouse Notes for which a Conversion Event has not occurred) on a *pro rata* basis (based on the unpaid principal balance then Outstanding), all remaining Available Distribution Amount until the principal balance of all Subordinate Notes then Outstanding are paid in full;

(18) To each Series Account for each Series of Subordinate Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Fees, Warehouse Note Increased Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(19) To the Manager, an amount equal to the sum of (A) any unreimbursed Manager Advances, and (B) all unpaid Subordinated Management Fees;

(20) To the Indenture Trustee, the amount of any unpaid Indenture Trustee Indemnified Amounts not otherwise paid pursuant to clause (1) above;

(21) To the officers and directors of the Issuer, the amount of any unpaid indemnification payments then due and payable to them by the Issuer;

(22) To the Manager in the amount of any unpaid indemnification payments payable to the Manager pursuant to Section 18.1 of the Management Agreement; and

(23) To the Issuer (or its designee), any remaining Available Distribution Amount.

(iii) On each Payment Date, if an Event of Default shall have occurred and then be continuing with respect to any Series then Outstanding, the Indenture Trustee will make the following payments from the Available Distribution Amount then on deposit in the Trust Account to the following Persons in the following order of priority:

(1) To the Indenture Trustee by wire transfer of immediately available funds, all Indenture Trustee Fees and Indenture Trustee Indemnified Amounts (in the case of Indenture Trustee Indemnified Amounts, not to exceed $20,000 annually for each Series of Notes then Outstanding at any time WTNA is acting as Indenture Trustee), then due and payable for all Series then Outstanding;

(2) To the Manager, an amount equal to the excess of (A) the Management Fee and Management Fee Arrearage payable on such Payment Date, over (B) the Subordinated Management Fee;

(3) To the Issuer and the Series Enhancer, *pro rata*, to pay Issuer Expenses (in an aggregate amount not to exceed $250,000 annually) and Series Enhancer Expenses (in an aggregate amount not to exceed $250,000 annually);

(4) To the Manager Transfer Facilitator, the amount of any Manager Transfer Facilitator Fee (including any reimbursements payable to the Manager Transfer Facilitator pursuant to the Manager Transfer Facilitator Agreement);

(5) In payment of the following amounts on a *pro rata* basis: (A) to the Administrative Agent, the amount of Administrative Agent Fee (and any arrearages thereof) then due and payable and (B) to each Series Enhancer, any Premium payments then due and payable;

(6) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all scheduled payments and interest thereon (but excluding termination payments thereunder) then due and payable under the related Interest Rate Hedge Agreement and the amount of any arrearages thereof;

(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Senior Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to the Interest Payments then due and payable for such Series of Senior Notes, and (B) to each Letter of Credit Provider, on a *pro rata* basis, all Letter of Credit Fees (but not to exceed the Maximum Letter of Credit Fee) then due and payable, and (C) to each Series Enhancer with respect to Senior Notes, any Reimbursement Amounts then due and payable in respect of Interest Payments for such Senior Notes paid by

such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement) and any arrearages of Premium payments then due and payable to such Series Enhancer with respect to such Senior Notes (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) To each Series Account for each Series of Subordinate Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series of Subordinate Notes;

(9) One of the following: (A) if the Notes of any Series then Outstanding have been accelerated, each of the following on a *pro rata* and a pari passu basis (based on amounts then due), all remaining Available Distribution Amount, (1) to each Series Account for each Series of Senior Notes Outstanding, the then unpaid principal balance of such Series (*pro rata* based on the amounts unpaid on the date on which such Event of Default first occurs) (including Reimbursement Amounts payable in respect thereof to the Series Enhancer) and (2) to each Interest Rate Hedge Provider, the remaining amounts then due and payable under the related Interest Rate Hedge Agreement, until such amounts are paid in full; or (B) if none of the Notes of any Series then Outstanding has been accelerated, to the Series Account for each Series of Senior Notes then Outstanding (*pro rata* based on the amounts unpaid on the date on which such Event of Default occurs) all remaining Available Distribution Amount until the then unpaid principal balances of all Notes then Outstanding are paid in full (including Reimbursement Amounts payable in respect thereof to the Series Enhancer);

(10) To each Series Account for each Series of Senior Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Fees, Warehouse Note Increased Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(11) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all remaining amounts then due and payable under the related Interest Rate Hedge Agreement (after giving effect to **Sections Section 302(c)(iii)(**6) and **(9)(A)** above);

(12) All remaining Available Distribution Amount, to each Series Account for each Series of Subordinate Notes Outstanding, the then unpaid principal balance of such Series (*pro rata* based on the amounts unpaid on the date on which such Event of Default first occurs);

(13) To each Series Account for each Series of Subordinate Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Fees, Warehouse Note Increased Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(14) To each Letter of Credit Provider, on a *pro rata* basis, in reimbursement of unpaid draws on the Letter of Credit issued by such Letter of Credit Provider;

(15) To the Manager, an amount equal to the sum of (A) any unreimbursed Manager Advances, and (B) all unpaid Subordinated Management Fees;

(16) To the Indenture Trustee, the amount of any unpaid Indenture Trustee Indemnified Amounts not otherwise paid pursuant to clause (1) above;

(17) To the officers and directors of the Issuer, the amount of any unpaid indemnification payments then due and payable to them by the Issuer;

(18) To the Manager in the amount of any unpaid indemnification payments payable to the Manager pursuant to Section 18.1 of the Management Agreement; and

(19) To the Issuer (or its designee), any remaining Available Distribution Amount.

(d) If on any Payment Date on which no Event of Default is then continuing there are not sufficient funds to pay, in full, the Minimum Principal Payment Amounts and/or Scheduled Principal Payment Amounts owing to all Series of Notes then Outstanding, as the case may be, then principal payments having the same payment priority will be paid, in full, to the Series first issued (based on their respective dates of issuance or Conversion Dates, as applicable) in chronological order based on their respective dates of issuance or Conversion Dates, as applicable. For purposes of this Section 302(d) only, any Series designated as a Warehouse Note will be deemed to have an issuance date equivalent to its Conversion Date. If two or more Series of the Notes were issued on the same date or have the same Conversion Date, then principal payments having the same payment priority will be allocated among each such Series, on a *pro rata* basis, based on the principal payments then due.

(e) (i) On each Payment Date, any Supplemental Principal Payment Amount then due and owing shall be applied first to each Senior Series of Warehouse Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of such Warehouse Notes, until the principal balances of such Warehouse Notes have been paid in full, and then to all Senior Series of Term Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of each such Senior Series of Term Notes. Notwithstanding the foregoing, if sufficient funds are not available to allow the Issuer to pay the full amount of the Supplemental Principal Payment Amount on such Payment Date, then the amount of any Supplemental Principal Payment Amount to be actually paid on such Payment Date shall be allocated among all Series of Senior Notes then Outstanding (including the Term Notes) on a *pro rata* basis, in proportion to the then unpaid principal balance of such Notes; and

(i) On each Payment Date, any Subordinate Supplemental Principal Payment Amount then due and owing shall be applied first to each Subordinate Series of Warehouse Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of such Warehouse Notes, until the principal balances of such Warehouse Notes have been paid in full, and then to all Subordinate Series of Term Notes then Outstanding on a *pro rata* basis, in

proportion to the then unpaid principal balance of each such Subordinate Series of Term Notes. Notwithstanding the foregoing, if sufficient funds are not available to allow the Issuer to pay the full amount of the Subordinate Supplement Principal Payment Amount on such Payment Date, then the amount of any Subordinate Supplemental Principal Payment Amount to be actually paid on such Payment Date shall be allocated among all Series of Subordinate Notes then Outstanding (including the Term Notes) on a *pro rata* basis, in proportion to the then unpaid principal balance of such Notes.

(f) If any Series has more than one Class of Notes then Outstanding, then the Available Distribution Amount shall be calculated without regard to the payment priorities of the Classes of Notes within such Series. Once the Available Distribution Amount has been allocated to each Series, then that portion of the Available Distribution Amount allocable to such Series shall be paid to each Class of Noteholders of such Series in accordance with the priority of payments set forth in the related Supplement.

Section 303. Investment of Monies Held in the Trust Account, the Restricted Cash Account, and Series Accounts.

(a) Subject to the provisions of **Section 703** hereof, the Indenture Trustee shall invest any cash deposited in the Trust Account, the Restricted Cash Account and each Series Account in such Eligible Investments as the Issuer or its designee (or its authorized agent) shall direct in writing or by telephone, subsequently confirmed in writing. Each Eligible Investment (including reinvestment of the income and proceeds of Eligible Investments) shall be held to its maturity and shall mature or shall be payable on demand not later than the Determination Date immediately preceding the next succeeding Payment Date. If the Indenture Trustee has not received written instructions from the Issuer or its designee by 2:30 p.m. (New York time) on the day such funds are received as to the investment of funds then on deposit in any of the aforementioned accounts, such funds shall remain uninvested. Any funds in the Trust Account, the Restricted Cash Account and each Series Account not so invested must be fully insured by the Federal Deposit Insurance Corporation. Eligible Investments shall be made in the name of the Indenture Trustee for the benefit of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer. Any earnings on Eligible Investments in the Trust Account, the Restricted Cash Account and each Series Account shall be retained in each such account and be distributed in accordance with the terms of this Indenture or any related Supplement. The Indenture Trustee shall not be liable or responsible for losses on any investments made by it pursuant to this **Section 303** including, without limitation, any loss of principal or interest or for any breakage fees or penalties in connection with the purchase of liquidation of any investment made in accordance with the instructions of the Issuer. The Issuer acknowledges that upon its written request and at no additional cost, it has the right to receive notification after the completion of each purchase and sale of permitted investments or the Indenture Trustee's receipt of a broker's confirmation. The Issuer agrees that such notifications shall not be provided by the Indenture Trustee hereunder, and the Indenture Trustee shall make available, upon request and in lieu of notifications, periodic account statements that reflect such investment activity. No statement need be made available for any fund/account if no activity has occurred in such fund/account during such period.

(b) Each of the Issuer and the Securities Intermediary have entered into Control Agreements each in the form of **Exhibit G** hereto for each of the Trust Account and the Restricted

Cash Account and, prior to closing date for a Series, the Series Account(s) for such Series. At all times on and after the Closing Date, each such account shall be the subject of a Control Agreement.

(c) The Indenture Trustee, acting in accordance with the terms of this Indenture, shall be entitled to deliver an Entitlement Order to the Securities Intermediary or Depositary Bank, as applicable, at which such accounts are maintained at any time; provided, however, that the Indenture Trustee agrees not to invoke its right to provide an Entitlement Order unless an Event of Default has occurred and is continuing. The Control Agreements shall provide that upon receipt of the Entitlement Order in accordance with the provisions of this Indenture, the Indenture Trustee shall comply with such Entitlement Order without further consent by the Issuer or any other Person.

(d) Each of the Trust Account, the Restricted Cash Account and the Series Accounts shall be initially established with the Indenture Trustee and, so long as any Outstanding Obligation remains unpaid, shall be maintained with the Indenture Trustee so long as (A) the short-term unsecured debt obligations of the financial institution fulfilling the role of the Indenture Trustee are rated not less than the Required Deposit Rating or (B) each of the Trust Account, the Restricted Cash Account and the Series Accounts are maintained at the Corporate Trust Office. If any of the Trust Account, the Restricted Cash Account or the Series Accounts are not maintained at the Corporate Trust Office or if the short-term unsecured debt obligations of the Indenture Trustee fall below the Required Deposit Rating, then the Issuer shall within ten (10) days after obtaining knowledge of such condition, with the Indenture Trustee's assistance as necessary, cause each of the Trust Account, the Restricted Cash Account and the Series Accounts to be transferred to either (A) an Eligible Institution which then maintains the Required Deposit Rating and is otherwise acceptable to the Administrative Agent and each Series Enhancer, or (B) with the prior written consent of the Administrative Agent and each Series Enhancer, the Corporate Trust Office of the successor Indenture Trustee. Prior to any of the Trust Account, the Restricted Cash Account, the Payment Account or any Series Accounts being maintained with a Person other than the Indenture Trustee (or, with respect to the Payment Account, the Depositary Bank), the Issuer shall obtain the prior written consent of the Administrative Agent and each Series Enhancer and shall cause a new Control Agreement to be entered into with such Person as securities intermediary and, solely with respect to the Payment Account, as depositary bank.

(e) Each of the Trust Account, the Restricted Cash Account, the Payment Account and the Series Accounts shall be maintained in the State of New York and shall be governed by the laws of the State of New York, regardless of any provision in any other agreement. Each Control Agreement shall provide for purposes of the UCC that New York shall be deemed to be the jurisdiction of the Securities Intermediary or the Depositary Bank, as applicable, and each of the Trust Account, the Restricted Cash Account and each Series Account (as well as the Securities Entitlements related thereto) shall be governed by the laws of the State of New York.

(f) The Indenture Trustee, in its capacity as the Securities Intermediary, has not entered into, and until the termination of this Indenture will not enter into (i) any agreement with any other Person relating to any of the Trust Account, the Restricted Cash Account, any Series Account or any Financial Assets credited thereto pursuant to which it has agreed to comply with Entitlement Orders of such other Person or (ii) any agreement with the Issuer, any Seller, the Manager or the

Indenture Trustee purporting to limit or condition the obligation of the Securities Intermediary to comply with Entitlement Orders as set forth in **Section 303(c)** hereof.

(g) Except for the claims and interest of the Indenture Trustee and of the Issuer hereunder in each of the Trust Account, the Restricted Cash Account and each Series Account, to the best of its knowledge without independent investigation, the Indenture Trustee, in its capacity as the initial Securities Intermediary, knows of no claim to, or interest in, any of the Trust Account, the Restricted Cash Account, any Series Account or in any Financial Asset credited thereto. If any other Person asserts any Lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any of the Trust Account, the Restricted Cash Account, any Series Account or in any Financial Asset credited thereto, the Securities Intermediary will promptly notify the Indenture Trustee, the Manager, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the Issuer thereof.

(h) The Indenture Trustee shall possess a perfected security interest in all right, title and interest in and to all funds on deposit from time to time in each of the Trust Account, the Restricted Cash Account, each Series Account and in all Proceeds thereof. Each of the Trust Account, the Restricted Cash Account and each Series Account shall be in the name of and under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer. The Indenture Trustee shall make withdrawals and payments from each of the Trust Account, the Restricted Cash Account and each Series Account and apply such amounts in accordance with the provisions of the Indenture and the related Manager Report or, in the absence of any Manager Report, in accordance with written instructions from the Administrative Agent. Effective upon any submission by the Indenture Trustee to each Series Enhancer of a certificate requesting a draw under any related Enhancement Agreement, the Indenture Trustee will be deemed to have assigned to each Series Enhancer all rights under the obligations insured under such Enhancement Agreement in respect of which payment is being requested to each Series Enhancer.

(i) The Issuer shall not direct the Indenture Trustee to make any investment of any funds or to sell any investment held in any of the Trust Account, the Restricted Cash Account and any Series Account unless the security interest of the Indenture Trustee in such account and any funds or investments held therein shall continue to be perfected without any further action by any Person.

(j) The Financial Assets and other items deposited to the accounts will not be subject to deduction, set-off, banker's lien, or any other right in favor of any Person except as created pursuant to this Indenture. For the avoidance of doubt, the fees and expenses of the Indenture Trustee shall be payable solely pursuant to **Section 302** or **Section 806** of this Indenture and shall not be subject to deduction, set-off, bankers lien or other right of the Indenture Trustee.

Section 304. Copies of Reports to Noteholders, each Interest Rate Hedge Provider and each Series Enhancer.

(a) Upon request, the Indenture Trustee shall promptly furnish to each Noteholder, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer a copy of all

reports, financial statements and notices received by the Indenture Trustee pursuant to the Container Sale Agreement, this Indenture, the Management Agreement or any other Related Document.

(b) The Indenture Trustee will make available promptly upon receipt thereof to the Noteholders via the Indenture Trustee's internet website at www.CTSLink.com the financial statements referred to in Section 7.2 of the Management Agreement, the Equipment and Lease Report, the Manager Report, the Asset Base Report and the annual insurance confirmation; provided, that, as a condition to access to the Indenture Trustee's website, the Indenture Trustee shall require each such Noteholder to execute the Indenture Trustee's standard form documentation, and upon such execution, each such Noteholder shall be deemed to have certified to the Indenture Trustee it (i) is a Noteholder, (ii) understands that such items contain material nonpublic information (within the meaning of U.S. Federal Securities laws), (iii) is requesting the information solely for use in evaluating such party's investment in the Notes and will keep such information strictly confidential (with such exceptions and restrictions to distribution of the information as are more fully set forth in the information request certification) and (iv) is not a Competitor. Each time a Noteholder accesses the internet website, it will be deemed to have confirmed the representations and warranties made pursuant to the certification as of the date of such access. The Indenture Trustee will provide the Issuer with copies of such information request certification. Assistance in using the Indenture Trustee's website can be obtained by calling the Indenture Trustee's customer service desk at (866) 846-4526. The Indenture Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

Section 305. Records

. The Indenture Trustee shall cause to be kept and maintained adequate records pertaining to the Trust Account, each Restricted Cash Account and each Series Account and all receipts and disbursements therefrom. The Indenture Trustee shall deliver at least monthly an accounting thereof in the form of a trust statement to the Issuer, each member of the Issuer, the Manager, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer.

Section 306. **Restricted Cash Account**.

(a) The Indenture Trustee has established and will maintain in the name of the Indenture Trustee an Eligible Account with the Corporate Trust Office which shall be designated the restricted cash account (the "Restricted Cash Account") for all Series and which shall be held by the Indenture Trustee pursuant to this Indenture and the related Supplements. Any and all moneys remitted by the Issuer, or Manager on its behalf, to the Restricted Cash Account from the Trust Account, together with any Eligible Investments in which such moneys are or will be invested or reinvested, shall be held in the Restricted Cash Account for all Series. On the issuance date of any Series, the Issuer will deposit, or cause to be deposited, into the Restricted Cash Account sufficient amount of funds such that, after giving effect to such deposit, the amount of funds on deposit therein shall be equal to the Restricted Cash Amount, and thereafter amounts shall be deposited in the Restricted Cash Account in accordance with **Section 302**, or as additional amounts from time to time at Issuer's option. Any and all moneys remitted by the Indenture Trustee to the Restricted Cash Account shall be invested in Eligible Investments in accordance with this Indenture and shall be distributed in accordance with this Section 306.

(b) On each Determination Date, the Indenture Trustee shall, in accordance with the terms of each applicable Supplement and the Manager Report or, in the absence of a Manager Report, pursuant to written instructions from the Administrative Agent, withdraw from the Restricted Cash Account and deposit into the Series Account for each affected Series an amount equal to the Permitted Payment Date Withdrawals for such Series. Amounts transferred to a Series Account pursuant to the provisions of this Section 306(b) may only be used to pay amounts specified in the definition of "Permitted Payment Date Withdrawals". Any other conditions or restrictions related to such draw for a specific Series shall be set forth in the related Supplement.

(c) On each Payment Date, the Indenture Trustee shall, in accordance with the Manager Report or, in the absence of a Manager Report, pursuant to written instructions from the Administrative Agent, deposit in the Trust Account for distribution in accordance with **Section 302** of this Indenture the excess, if any, of (A) amounts then on deposit in the Restricted Cash Account (after giving effect to any withdrawals therefrom on such Payment Date) over (B) the Restricted Cash Amount. On the Legal Final Payment Date for the Series with the latest Legal Final Payment Date, any remaining funds in the Restricted Cash Account shall be deposited in the Trust Account and, subject to the limitations set forth in any Supplement, distributed in accordance with **Section 302** of this Indenture and the related Supplements.

(d) If the amount on deposit in the Restricted Cash Account on a Determination Date is not sufficient to pay in full the aggregate Permitted Payment Date Withdrawals referred to in **Section 306(b)** above, then the amount of funds then available in the Restricted Cash Account will be allocated among the various Series on a *pro rata* basis in proportion to the amount of their respective Permitted Payment Date Withdrawals.

(e) In addition to the withdrawals set forth in **Section 306(b)** above, on any date on which an Event of Default has occurred and is continuing and the Notes have been accelerated in accordance with the terms of this Indenture, the Indenture Trustee, acting at the direction of the Requisite Global Majority, shall withdraw all amounts on deposit in the Restricted Cash Account and use such amounts to pay the sum of interest and arrearages then payable on the Notes plus the Aggregate Principal Balance in accordance with the priorities set forth in **Section 806** hereof.

Section 307. CUSIP Numbers

. The Issuer in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Indenture Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Indenture Trustee of any change in the "CUSIP" numbers.

Section 308. No Claim

. The Indenture Trustee hereby agrees, and by accepting the benefits of this Indenture, each of the Seller and Manager shall be deemed to have agreed, that amounts payable to it pursuant to the terms of the Related Documents shall be non-recourse to the Issuer

and shall not constitute a claim against the Issuer or the Collateral in the event such amounts are not paid in accordance with **Section 302** or **Section 806** of this Indenture.

Section 309. Compliance with Withholding Requirements

. Notwithstanding any other provision of this Indenture, the Indenture Trustee shall comply with all United States federal income tax withholding requirements with respect to payments to Noteholders of interest, original issue discount, or other amounts that the Indenture Trustee reasonably believes are applicable under the Code. The consent of Noteholders shall not be required for any such withholding.

Section 310. Tax Treatment of Notes

. The Issuer has entered into this Indenture, and the Notes will be issued, with the intention that, for United States federal, state and local income, single business and franchise tax purposes, the Notes will qualify as indebtedness. The Issuer and the Indenture Trustee, by entering into this Indenture, and each Noteholder, by its acceptance of its Note, agree to treat the Notes for United States federal, state and local income, single business and franchise tax purposes as indebtedness.

Section 311. Subordination

. WTNA, in its capacities as the Securities Intermediary and the Depositary Bank, hereby irrevocably subordinates to the security interest of the Indenture Trustee under this Indenture any and all security interest in, liens on and rights of setoff against any and all of the Collateral that the Securities Intermediary or the Depositary Bank may have or acquire on the date hereof or at any time hereafter until all Outstanding Obligations, and all amounts payable by the Issuer under this Indenture and all other Related Documents have been paid in full and all covenants and agreements of the Issuer in this Indenture and all other Related Documents have been fully performed.

Section 312. Letters of Credit and L/C Cash Account.

(a) **Delivery of Letter of Credit and Establishment of L/C Cash Account**. The Issuer may, at its option, deliver to the Indenture Trustee on any Business Day after the date hereof, one or more Eligible Letters of Credit in order to satisfy a portion of the Restricted Cash Target Amount provided that all such Eligible Letters of Credit may not in aggregate represent more than eighty percent (80%) of the Restricted Cash Target Amount. The Indenture Trustee shall on the date hereof establish and maintain in the name of the Indenture Trustee an Eligible Account with the Corporate Trust Office which shall be designated as the L/C Cash Account.

(b) **Drawings on Letters of Credit**. On each Determination Date, the Indenture Trustee shall, based on the Manager Report delivered on such Determination Date (or, in the absence of a Manager Report, in accordance with the written direction of the Administrative Agent), submit a draw request on the Letter(s) of Credit in an amount equal to the lesser of:

(i) the Aggregate Available Amount; and

(ii) an amount equal to the excess of (x) the Permitted Payment Date Withdrawals for the related Payment Date, over (y) any amounts drawn from the Restricted Cash Account on such Determination Date to satisfy such Permitted Payment Date Withdrawals in accordance with the terms of the Supplements.

(c) The Indenture Trustee shall receive the proceeds of all drawings on the Letter(s) of Credit on behalf of the Noteholders. Any drawings in respect of a Letter of Credit shall be paid in accordance with the terms of the Supplements.

(d) If there is more than one Letter of Credit on the date of any draw on the Letter(s) of Credit pursuant to the terms of this Indenture, the Indenture Trustee shall draw on each Letter of Credit in an amount equal to the LOC Pro Rata Share of the related Letter of Credit Provider.

(e) If the L/C Cash Account has been funded in accordance with the terms of this Indenture, then the Indenture Trustee shall, based on the information set forth in the Manager Report (or, if the Manager Report has not been submitted, based on the written direction of the Administrative Agent), make drawings outlined in **Section 312(b)** from amounts on deposit in the L/C Cash Account.

(f) If prior to the date which is ten (10) days prior to the then scheduled Letter of Credit Expiration Date of a Letter of Credit, the Aggregate Available Amount, calculated to exclude the amount available to be drawn under such Letter of Credit but taking into account any substitute Letter of Credit which has been obtained from an Eligible Bank in respect of such expiring Letter of Credit, would be less than the available amount on such expiring Letter of Credit, then the Manager shall notify (or, in the absence of a notification from the Manager, the Administrative Agent shall notify) the Indenture Trustee in writing no later than two Business Days prior to such Letter of Credit Expiration Date of the available amount of such Letter of Credit. Upon acknowledgment of receipt of such notice by the Indenture Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Indenture Trustee shall, by 2:00 p.m. (New York City time) on such Business Day (or, in the case of any notice given to the Indenture Trustee after 10:00 a.m. (New York City time), by 2:00 p.m. (New York City time) on the next following Business Day), draw on the expiring Letter of Credit an amount equal to the amount set forth above. The proceeds of any such drawing shall be deposited in the L/C Cash Account.

(g) The Issuer shall, or shall cause the Manager to, notify the Indenture Trustee in writing within one Business Day of becoming aware that the long-term senior unsecured debt credit rating of any Letter of Credit Provider has fallen below "A-" as determined by S&P (each, a "Downgraded Letter of Credit Provider"). The Downgraded Letter of Credit Provider and the Issuer shall have 30 days to deliver to the Indenture Trustee a replacement Eligible Letter of Credit from an Eligible Bank having an available drawing amount at least equal to the available drawing amount under the Letter of Credit provided by the Downgraded Letter of Credit Provider. If the Downgraded Letter of Credit Provider and the Issuer fail to provide such replacement letter of credit within such timeframe, the Issuer or the Manager shall notify the Indenture Trustee of the amount available to be drawn on the downgraded Letter of Credit. Upon acknowledgment of receipt of such notice by the Indenture Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Indenture Trustee shall, by 2:00 p.m. (New York City time) on such Business Day (or, in the case of any notice given to the Indenture Trustee after 10:00 a.m. (New York City time), by 2:00 p.m. (New York City time) on the next following Business Day), draw on such Letter of Credit in an amount equal to the amount set forth in the immediately preceding sentence on such Business Day. The proceeds of any such drawing shall be deposited in the L/C Cash Account.

Section 313. Payment Account

.

(a) The Issuer may, at its option, establish and maintain in the name of the Issuer an Eligible Account that is a Deposit Account with the Depositary Bank, which shall be designated the payment account (the "***Payment Account***").

(b) On each Payment Date, the Issuer may deposit into the Payment Account all, or any portion of, the funds otherwise payable to the Issuer from the Trust Account on such Payment Date. So long as no Event of Default is continuing, the Issuer may, at its discretion, use funds on deposit in the Payment Account to, among other things, acquire additional Containers.

(c) On any date on which an Event of Default has occurred and is continuing and the Notes have been accelerated in accordance with the terms of this Indenture, the Indenture Trustee, acting at the direction of the Requisite Global Majority, shall withdraw all amounts on deposit in the Payment Account and deposit such funds in the Trust Account.

ARTICLE IV
COLLATERAL

Section 401. Collateral.

(a) The Notes and the obligations of the Issuer hereunder shall be obligations of the Issuer as provided in **Section 203** hereof. The Noteholders, each Interest Rate Hedge Provider and each Series Enhancer shall also have the benefit of, and the Notes shall be secured by and be payable from, the Issuer's right, title and interest in the Collateral. The income, payments and Proceeds of such Collateral shall be allocated to each such Series of Notes strictly in accordance with the applicable payment priorities set forth in **Section 302** and **Section 806** hereof.

(b) Notwithstanding anything contained in this Indenture to the contrary, the Issuer expressly agrees that it shall remain liable under each of its Contracts and Leases to observe and perform all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or Lease, as the case may be.

(c) The Indenture Trustee hereby acknowledges the appointment by the Issuer of the Manager to service and administer the Collateral in accordance with the provisions of the Management Agreement and, so long as such Management Agreement shall not have been terminated in accordance with its terms, the Indenture Trustee hereby agrees to provide the Manager with such documentation and to take all such actions with respect to the Collateral as the Manager may reasonably request in writing in accordance with the express provisions of the Management Agreement; provided, however, that the Indenture Trustee shall be entitled to receive from the Issuer reasonable compensation and cost reimbursement for any such action. Until such time as the Management Agreement has been terminated in accordance with its terms, the Manager, on behalf of the Issuer, shall continue to collect all Accounts and payments on the Leases in accordance with the provisions of the Management Agreement and make such deposits into the Trust Account as are required pursuant to the terms of the Management Agreement. Any Proceeds received directly by the Issuer in payment of any Account or Leases or in payment for, or in respect of, any of the Managed Containers or on account of any of the Contracts to which the Issuer is a

party shall be promptly deposited by the Issuer in precisely the form received (with all necessary endorsements) in the Trust Account, and until so deposited shall be deemed to be held in trust by the Issuer as the Indenture Trustee's property and shall continue to be collateral security for all of the obligations secured by this Indenture and shall not constitute payment thereof until applied as hereinafter provided. If (i) an Event of Default has occurred, (ii) any Sale of the Collateral pursuant to **Section 816** hereof shall have occurred or (iii) a Manager Default has occurred, the Issuer shall at the request of the Indenture Trustee, acting with the consent of or at the direction of the Requisite Global Majority, to the extent practicable and to the extent the Issuer possesses such documents, deliver to the Indenture Trustee (or such other Person as the Indenture Trustee may direct) originals (or, to the extent originals cannot be delivered, copies) of all other documents evidencing, and relating to, the sale and delivery of the Managed Containers and the Issuer shall, to the extent practicable and to the extent the Issuer possesses such documents, deliver originals (or, to the extent originals cannot be delivered, copies) of all other documents evidencing and relating to, the performance of any labor, maintenance, remarketing or other service which created such Accounts, including, without limitation, all original orders, invoices and shipping receipts. The Issuer shall be required to deliver or disclose any information, data, document or agreement which is proprietary to the Issuer, only to the extent required by the terms of the Management Agreement.

(d) The Issuer hereby represents and warrants that this Indenture creates a valid and continuing security interest (as defined in the UCC) in the Collateral in favor of the Indenture Trustee, for the benefit of the Noteholders, the Interest Rate Hedge Providers and the Series Enhancer, which security interest is prior to all other Liens (other than Permitted Encumbrances), and is enforceable as such against creditors of and purchasers from the Issuer. Any breaches of the representation and warranty set forth in this Section 401(d) may be waived by the Indenture Trustee, only with the prior written consent of the Requisite Global Majority and the Interest Rate Hedge Providers and with the prior satisfaction of the Rating Agency Condition.

(e) Notwithstanding anything contained in this Indenture to the contrary, the Indenture Trustee may reject or refuse to accept any Collateral for credit toward payment of the Outstanding Obligations that is an account, instrument, chattel paper, lease, or other obligation or property of any kind due from, owed by, or belonging to, a Sanctioned Person.

Section 402. Pro Rata Interest.

(a) Except as expressly provided for herein and in any Supplement, the Notes of all Outstanding Series shall be equally and ratably entitled to the benefits of this Indenture without preference, priority or distinction, all in accordance with the terms and provisions of this Indenture and the related Supplement. All Notes of a particular Class issued hereunder are and are to be, to the extent (including any exceptions) provided in this Indenture and the related Supplement, equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery of the Notes so that all Notes of a particular Series and Class at any time Outstanding (including Notes owned by any Seller and its Affiliates, other than the Issuer) shall have the same right, Lien and preference under this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof.

(b) With respect to each Series of Notes, the execution and delivery of the related Supplement shall be upon the express condition that if the conditions specified in **Section 701** of this Indenture are met with respect to such Series of Notes, the security interest and all other estate and rights granted by this Indenture with respect to such Series of Notes shall cease and become null and void and all of the property, rights, and interest granted as security for the Notes of such Series shall revert to and revest in the Issuer without any other act or formality whatsoever.

Section 403. Indenture Trustee's Appointment as Attorney-in-Fact.

(a) The Issuer hereby irrevocably constitutes and appoints Indenture Trustee, and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Issuer and in the name of the Issuer or in its own name, from time to time, for the purpose of carrying out the terms of this Indenture, to take any and all action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Indenture; provided, however, that the Indenture Trustee has no obligation or duty to take such action nor to determine whether to perfect, file, record or maintain any perfected, filed or recorded document or instrument (all of which the Issuer shall prepare, deliver and instruct the Indenture Trustee to execute) in connection with the grant of a security interest in the Collateral hereunder.

(b) The Indenture Trustee shall not exercise the power of attorney or any rights granted to the Indenture Trustee pursuant to this Section 403 unless an Event of Default shall have occurred and then be continuing. The Issuer hereby ratifies, to the extent permitted by law, all actions that said attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted pursuant to this Section 403 is a power coupled with an interest and shall be irrevocable until all Series of Notes are paid and performed in full.

(c) The powers conferred on the Indenture Trustee hereunder are solely to protect Indenture Trustee's interests in the Collateral and shall not impose any duty upon it to exercise any such powers except as set forth herein. The Indenture Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees, agents or representatives shall be responsible to the Issuer for any act or failure to act, except for its own negligence or willful misconduct.

(d) The Issuer also authorizes (but does not obligate) the Indenture Trustee to (i) so long as a Manager Default is continuing, communicate with any party to any Contract or Lease relating to a Managed Container with regard to the assignment of the right, title and interest of the Issuer in and under the Contracts or Leases relating to a Managed Container hereunder and other matters relating thereto and (ii) so long as an Event of Default is continuing, execute, in connection with the sale of Collateral provided for in Article VIII hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(e) If the Issuer fails to perform or comply with any of its agreements contained herein and a Responsible Officer of the Indenture Trustee shall receive notice of such failure, the Indenture Trustee, with the consent of and at the direction of the Requisite Global Majority, shall perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses, including attorneys' fees and expenses, of Indenture Trustee incurred in

connection with such performance or compliance together with interest thereon at the rate specified in the related Supplement, shall be payable by the Issuer to the Indenture Trustee on demand and shall constitute additional Outstanding Obligations secured hereby.

Section 404. Release of Security Interest

. The Indenture Trustee, at the written direction of the Manager, shall release from the Lien of this Indenture, any Managed Container and the Related Assets sold or transferred or paid-in-kind pursuant to, and in accordance with the terms of, **Section 606(a)** hereof. In effectuating such release, the Indenture Trustee shall be provided with and shall be entitled to rely on: (A) so long as no Early Amortization Event is then continuing, a written direction of the Manager (with a copy to the Administrative Agent and each Series Enhancer) identifying each Managed Container or other items to be released from the Lien of this Indenture in accordance with the provisions of this Section 404 accompanied by an Asset Base Certificate, or (B) (x) if an Early Amortization Event is then continuing, all of the following: (i) the items set forth in clause (A) above, and (ii) a certificate from the Manager (with a copy to the Administrative Agent and each Series Enhancer) stating that such release is in compliance with **Section 404** and **Section 606(a)** hereof and (y) if a Manager Default (other than a Manager Default of the type described in Section 11.1(i), (j) or (l) of the Management Agreement) is then continuing, the prior consent of the Requisite Global Majority shall also be required with respect to each such release. The Indenture Trustee shall, at the expense of the Issuer, execute documents prepared by, or on behalf of, the Issuer evidencing such release was made in accordance with the provisions of this Section 404. The Issuer is authorized to file any UCC partial releases in the appropriate jurisdictions with respect to such released Containers.

The Indenture Trustee will, promptly upon receipt of such certificate from the Manager and at the Issuer's expense, execute and deliver to the Issuer, the Sellers or, the Manager, as appropriate, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer, a non-recourse certificate of release substantially in the form of **Exhibit E** hereto and such additional documents and instruments as that Person may reasonably request to evidence the termination and release from the Lien of this Indenture of such Container and the other related items of Collateral.

Section 405. Administration of Collateral.

(a) The Indenture Trustee hereby acknowledges the appointment by the Issuer of the Manager to service and administer the Collateral in accordance with the provisions of the Management Agreement and agrees to provide the Manager with such documentation, and to take all such actions, as the Manager may reasonably request in accordance with the provisions of the Management Agreement.

(b) The Indenture Trustee shall promptly as practicable notify the Noteholders, each Series Enhancer, the Administrative Agent, each Interest Rate Hedge Provider and the Manager Transfer Facilitator of any Manager Default of which a Responsible Officer has actual knowledge. If a Manager Default shall have occurred and then be continuing, the Indenture Trustee, in accordance with the written direction of the Requisite Global Majority, shall deliver to the Manager (with a copy to the Administrative Agent, each Interest Rate Hedge Provider, each Series Enhancer and the Manager Transfer Facilitator) a Manager Termination Notice terminating the Manager of its responsibilities in accordance with the terms of the Management Agreement. If the Manager Transfer Facilitator is unable to locate and qualify a Replacement Manager acceptable to

the Requisite Global Majority within sixty (60) days after the date of delivery of the Manager Termination Notice, then the Indenture Trustee may and shall, at the direction of the Requisite Global Majority, appoint, or petition a court of competent jurisdiction to appoint as a successor Manager, a Person acceptable to the Requisite Global Majority, having a net worth of not less than $15,000,000 and whose regular business includes marine cargo container leasing and/or container chassis leasing. In connection with the appointment of a Replacement Manager, the Indenture Trustee or Administrative Agent may, with the written consent of the Requisite Global Majority, make such arrangements for the compensation of such Replacement Manager out of Collections as the Indenture Trustee (acting in accordance with the Requisite Global Majority), each Series Enhancer, the Administrative Agent and such Replacement Manager shall agree. The terminated Manager shall not be entitled to receive any Management Fee or other amounts owing to it pursuant to the Management Agreement for any period after the effective date of such replacement, but shall be entitled to receive any such amounts earned or accrued through the effective date of such replacement which amounts shall be payable in accordance with Section 302 of this Indenture. The Indenture Trustee shall take such action, consistent with the Management Agreement and the other Related Documents, as shall be reasonably necessary to effectuate any such succession including exercising the power of attorney granted by the Manager pursuant to Section 11.4 of the Management Agreement.

(c) Upon a Responsible Officer obtaining actual knowledge or the receipt of notice by the Indenture Trustee that any repurchase obligations of the Sellers under Section 2.04 of the Container Sale Agreement or Section 2.04 of any Container Transfer Agreement have arisen, the Indenture Trustee shall notify each Series Enhancer, each Interest Rate Hedge Provider and each Noteholder of such event and shall enforce such repurchase obligations at the written direction of the Requisite Global Majority.

Section 406. Quiet Enjoyment

. The security interest hereby granted to the Indenture Trustee by the Issuer is subject to the right of any lessee to the quiet enjoyment of any Managed Container under lease to such lessee for so long as such lessee is not in default under the Lease therefor and the Manager under the Management Agreement (including any Replacement Manager) or the Indenture Trustee (as provided in **Section 405** hereof) continues to receive all amounts payable under such Lease.

ARTICLE V
RIGHTS OF NOTEHOLDERS; ALLOCATION AND APPLICATION OF NET ISSUER PROCEEDS; REQUISITE GLOBAL MAJORITY

Section 501. Rights of Noteholders

. The Noteholders of each Series shall have the right to receive, to the extent necessary to make the required payments with respect to the Notes of such Series at the times and in the amounts specified in the related Supplement, (i) the portion of Collections allocable to Noteholders of such Series pursuant to this Indenture and the related Supplement, (ii) funds on deposit in the Trust Account (subject to the priorities set forth in **Section 302** hereof) and the Restricted Cash Account, and (iii) funds on deposit in any Series Account for such Series or Class, or payable with respect to any Series Enhancement for such Series or Class. Each Noteholder, by acceptance of its Notes, (a) acknowledges and agrees that (except as expressly provided herein and in a Supplement entered into in accordance with **Section 1006(b)** hereof) the Noteholders of a Series or Class shall not have any interest in any Series Account or Series

Enhancement for the benefit of any other Series or Class and (b) ratifies and confirms the terms of this Indenture and the Related Documents executed in connection with such Series.

Section 502. Allocations Among Series

. With respect to each Collection Period, Collections on deposit in the Trust Account will be allocated to each Series then Outstanding in accordance with **Article III** of this Indenture and the Supplements.

Section 503. Determination of Requisite Global Majority

. Certain actions to be taken, or consents or waivers to be given, require the direction or consent of the Requisite Global Majority. A Requisite Global Majority shall exist with respect to any action proposed to be taken pursuant to the terms of this Indenture or any Supplement if the Control Party or Control Parties representing more than fifty percent (50%) of the sum of the Existing Commitments of all Series then Outstanding shall approve or direct such proposed action (in making such a determination, each Control Party shall be deemed to have voted the entire Existing Commitment of the related Series in favor of, or in opposition to, such proposed action, as the case may be). The Indenture Trustee shall be responsible for identifying the Requisite Global Majority in accordance with the terms of this Section 503.

ARTICLE VI
COVENANTS

For so long as any Aggregate Outstanding Obligation of the Issuer remains outstanding the Issuer shall observe each of the following covenants:

Section 601. Payment of Principal and Interest, Payment of Taxes.

(a) The Issuer will duly and punctually pay the principal of and interest on the Notes in accordance with the terms of the Notes, this Indenture and the related Supplement.

(b) The Issuer will take all actions as are necessary to insure that all taxes and governmental claims, if any, in respect of the Issuer's activities and assets are promptly paid.

Section 602. Maintenance of Office.

(a) The only "place of business" (within the meaning of Section 9-307 of the UCC) of the Issuer is located at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda. The Issuer shall not establish a new place of business or location for its chief executive office outside of Bermuda unless (i) it shall have given to the Indenture Trustee, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer not less than sixty (60) days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Indenture Trustee, the Administrative Agent, any Interest Rate Hedge Provider or any Series Enhancer may reasonably request, (ii) not less than fifteen (15) days' prior to the effective date of such relocation, the Issuer shall have taken, at its own cost, all action necessary so that such change of location does not impair the security interest of the Indenture Trustee in the Collateral, or the perfection of the sale or contribution of the containers to the Issuer, and shall have delivered to the Indenture Trustee, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer copies of all filings required in connection therewith and (iii) the Issuer has delivered to the Indenture Trustee, the

Administrative Agent, each Series Enhancer and each Eligible Interest Rate Hedge Provider, one or more Opinions of Counsel satisfactory to the Requisite Global Majority, stating that, after giving effect to such change of location: (A) none of the Sellers and the Issuer will, pursuant to applicable Insolvency Law, be substantively consolidated in the event of any Insolvency Proceeding by, or against, any Seller, (B) under applicable Insolvency Law, the transfers of Transferred Assets made in accordance with the terms of the Related Documents will be treated as a "true sale" in the event of any Insolvency Proceeding by, or against, either Seller, and (C) either (1) in the opinion of such counsel, all registration of charges, financing statements, or other documents of similar import, and amendments thereto have been executed and filed that are necessary to fully preserve and protect the interest of the Issuer and the Indenture Trustee in the Transferred Assets, or (2) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest.

(b) The Issuer shall not maintain a place of business within the United States of America.

Section 603. Corporate Existence

. The Issuer will keep in full effect its existence, rights and franchises as a company incorporated under the laws of Bermuda, and will obtain and preserve its qualification in each jurisdiction in which such qualification is necessary to protect the validity and enforceability of this Indenture, any Supplements issued hereunder and the Notes.

Section 604. Protection of Collateral

. The Issuer, at its expense, will cause this Indenture and any Supplement to be registered under Section 55 of the Companies Act of 1981 Bermuda in the Register of Charges kept at the Office of the Registrar of Companies of Bermuda (or under any statute enacted in lieu thereof and for the time being in force, or under any law of general application relating to the registration of mortgages of or charges upon personal property for the time being in force in the Islands of Bermuda). In addition, the Issuer will from time to time execute and deliver all amendments thereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will, upon the reasonable request of the Manager, the Indenture Trustee, the Administrative Agent, any Interest Rate Hedge Provider or any Series Enhancer, take such other action necessary or advisable to:

(a)grant more effectively the security interest in all or any portion of the Collateral;

(b) maintain or preserve the Lien of this Indenture (and the priority thereof) or carry out more effectively the purposes hereof including executing and filing such documents, as may be required under any international convention for the perfection of interests in containers that may be adopted subsequent to the date of this Indenture;

(c) perfect, publish notice of, or protect the validity of the security interest in the Collateral created pursuant to this Indenture;

(d) enforce any of the items of the Collateral;

(e) preserve and defend its right, title and interest to the Collateral and the rights of the Indenture Trustee in such Collateral against the claims of all Persons (other than the Noteholders or any Person claiming through the Noteholders);

(f) pay any and all taxes levied or assessed upon all or any part of the Collateral;

(g) pay any and all fees, taxes and other charges payable in connection with the registration of this Indenture and any Supplement with the Office of the Registrar of Companies of Bermuda or any other Governmental Authority; or

(h) notify such parties of any Commercial Tort Claims in which the Issuer has rights that arise after the Closing Date and exceed $250,000 and take such actions necessary to create and perfect the Indenture Trustee's Lien therein.

In furtherance of **Section 604(b)** and **Section 604(c)** above, the Issuer hereby agrees that if at any time subsequent to a Closing Date there is a change in Applicable Law (or a change in the interpretation of Applicable Law as in effect on such Closing Date) which, in the reasonable judgment of the Requisite Global Majority, may affect the perfection of the Indenture Trustee's security interest in the Collateral, then the Issuer shall, within thirty (30) days after written request from the Requisite Global Majority, furnish to the Indenture Trustee, the Administrative Agent and each Series Enhancer, an Opinion of Counsel either (i) stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any Supplements and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as are necessary to maintain the Lien created by this Indenture and reciting the details of such action, or (ii) stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any Supplements and any other requisite documents and the execution and filing of any financing statements and continuation statements that, in the opinion of such counsel, are required to maintain the Lien and security interest of this Indenture.

Section 605. Performance of Obligations

. Except as otherwise permitted by this Indenture, the Management Agreement, the Container Sale Agreement or any Container Transfer Agreement, the Issuer will not take, or fail to take, any action, and will use its best efforts not to permit any action to be taken by others, which would release any Person from any of such Person's covenants or obligations under any agreement or instrument included in the Collateral (excluding any Interest Rate Hedge Agreement), or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such agreement or instrument (excluding any Interest Rate Hedge Agreement).

Section 606. Negative Covenants

. The Issuer will not, without the prior written consent of the Requisite Global Majority :

(a) at any time sell, transfer, exchange or otherwise dispose of any of the Collateral, except as follows:

(i) in connection with a sale following the occurrence of an Event of Default pursuant to **Section 816** hereof;

(ii) sales of Managed Containers and related assets in the ordinary course of business (including any such sales resulting from the sell/repair decision of the Manager) regardless of the sales proceeds realized from such sales so long as none of an Early Amortization

Event, Asset Base Deficiency or an Event of Default is then continuing or would result from such sale;

(iii) if an Early Amortization Event but no Event of Default is then continuing or would result from such sale of Managed Containers and related assets, sales of Managed Containers and related assets in the normal course of business (including any such sales resulting from the sell/repair decision of the Manager) so long as the sum of the Net Book Values of all Managed Containers that were sold for less than Net Book Value during the four (4) immediately preceding Collection Periods shall not exceed an amount equal to the product of (x) five percent (5%) and (y) an amount equal to the quotient of (i) the sum of the Aggregate Net Book Value as of the last day of each of the four (4) immediately preceding Collection Periods, divided by (ii) four (4);

(iv) in connection with a repurchase or substitution by any Seller to remedy a breach of a Container Representations and Warranties;

(v) a dividend or in kind distribution of Managed Containers and/or related Leases by the Borrower to TL for purposes of a substantially simultaneous contribution of such property by TL to another Special Purpose Entity so long as (x) none of an Early Amortization Event, Asset Base Deficiency or an Event of Default is then continuing or would result therefrom and (y) after giving to such dividend or distribution (and any related sale of Managed Containers), the Effective Advance Rate will not increase from the Effective Advance Rate immediately prior to such dividend or distribution;

(vi) sales to an Affiliate of the Issuer of one or more Managed Containers which are not then classified as Eligible Containers and which are not included in the calculation of the Asset Base, and related assets, so long as (w) if the Conversion Date has occurred, the Effective Advance Rate will not increase from the Effective Advance Rate in effect prior to such sale, (x) none of an Early Amortization Event, Asset Base Deficiency (calculated after giving effect to the application of the Sales Proceeds from such sale), or an Event of Default is then continuing or would result from such sale, (y) the cash sales proceeds realized by the Issuer from such sale shall equal or exceed an amount equal to the sum of the Net Book Values of all such sold Managed Containers, and (z) the sum of the Net Book Values of all such sold Managed Containers shall not exceed $15,000,000;

(vii) dispositions of Managed Containers and related assets to an Affiliate of the Issuer that is not a Special Purpose Entity, so long as (w) if the Conversion Date has occurred, the Effective Advance Rate will not increase from the Effective Advance Rate in effect prior to such disposition, (x) no Asset Base Deficiency, Early Amortization Event or Event of Default is then continuing or would result from such disposition, (y) the consideration received by the Issuer from such disposition (A) to the extent consisting of cash, is deposited in the Trust Account, and (B) shall equal or exceed an amount equal to the sum of the then Net Book Values of the assets so disposed of, and (z) the selection procedures used in selecting such Managed Containers did not materially discriminate against the Issuer as to the type of Containers, utilization potential, lease yields, lessees or Lease terms, in comparison to the Managed Containers as a whole (immediately prior to such sale);

(viii) sales to a Special Purpose Entity, of one or more Managed Containers and related assets, so long as (x) if the Conversion Date has occurred, (A) the Effective Advance Rate will not increase from the Effective Advance Rate in effect prior to such sale, and (B) the cash portion of the sales proceeds realized by the Issuer from such sale of Managed Containers shall be not less than the product of (i) the Advance Rate then in effect and (ii) the sum of the then Net Book Values of the sold Managed Containers, (y) none of an Early Amortization Event, Asset Base Deficiency (calculated after giving effect to the application of the Sale Proceeds from such sale) or an Event of Default is then continuing or would result from a sale of such Managed Containers, and (z) (i) the sales proceeds realized by the Issuer from such sale of Managed Containers shall equal or exceed an amount equal to the sum of the then Net Book Values of all such sold Managed Containers (provided that, (1) if the Conversion Date has not occurred and (2) such sales proceeds are comprised in whole or in part of Containers and related assets, such sales proceeds shall exceed or approximately equal such amount) and (ii) if such sales proceeds are comprised in whole or in part of Containers and related assets, for each Container on lease on the date on which acquired in such a transaction, the Cash on Cash Return to the Issuer on such lease is nine percent (9%) or higher. For purposes of clarification, no true sale or nonconsolidation legal opinion shall be required with respect to any sale pursuant to this Section 606(a)(viii); and

(ix) any other sales of Managed Containers and/or related Leases that are not covered by any of the above that is specifically approved in writing by the Requisite Global Majority.

(b) claim any credit on, make any deduction from the principal, premium, if any, or interest payable in respect of the Notes (other than amounts properly withheld from such payments under any Applicable Law) or assert any claim against any present or former Noteholder by reason of the payment of any taxes levied or assessed upon any of the Collateral;

(c) (i) permit the validity or effectiveness of this Indenture to be impaired, or (ii) permit the Lien of this Indenture with respect to the Collateral (excluding any Interest Rate Hedge Agreement) to be subordinated, terminated or discharged, except as permitted with respect to a sale of such Collateral made in accordance with **Section 404**, this **Section 606** or **Article VII** hereof or upon payment in full of all Aggregate Outstanding Obligations, or (iii) permit any Person to be released from any covenants or obligations with respect to such Collateral (excluding any Interest Rate Hedge Agreement), except as may be expressly permitted by the Management Agreement, the Container Transfer Agreement or the Container Sale Agreement;

(d) permit any Lien (except any Permitted Encumbrance) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the Proceeds thereof other than the Lien created pursuant to this Indenture;

(e) permit the Lien of this Indenture not to constitute a perfected security interest in the Collateral, free and clear of all Liens other than Permitted Encumbrance;

(f) fail to maintain the registration of this Indenture or any Supplement with the Office of the Registrar of Companies of Bermuda or fail to maintain the effectiveness of any required UCC financing statements filed in the applicable jurisdictions;

(g) engage in any activities within the United States; provided that containers owned by the Issuer may be leased by the Issuer to Persons in the United States or for use in the United States; or

(h) for purposes of the Asset Base calculation, revise the Depreciation Policy with respect to the Managed Containers in such a way as to reduce the amount of depreciation expense that would be recorded in any year from that which would have been recorded pursuant to the Depreciation Policy without obtaining in each such instance the prior written consent of (A) the Requisite Global Majority and (B) if specified in a Supplement for a Series of Notes, the percentage of Noteholders set forth therein.

Section 607. Non-Consolidation of Issuer.

(a) The Issuer shall be operated in such a manner that it shall not be substantively consolidated with the estate of any other Person in the event of the bankruptcy or insolvency of the Issuer or such other Person. Without limiting the foregoing, the Issuer shall 1. conduct its business in its own name, 1. maintain its books, records and bank accounts separate from those of any other Person, 1. not commingle its funds with those of any other Person (except for any commingling of monies attributable to the Managed Containers that are on deposit in the Master Account until such time as such monies are transferred to the Trust Account in accordance with the terms of the Management Agreement), 1. maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and, to the extent that the Issuer's assets, liabilities, expenses, revenues, and other financial information are required to be included in any consolidated financial statement, a note will be included in such financial statements that indicates that the Issuer is a separate legal entity from the other members of the consolidated group, its assets are not assets of any other member of the consolidated group, and its assets are not available to the creditors of any other member of the consolidated group, 1. other than with respect to Manager Advances, pay its own liabilities and expenses out of its own funds, 1. enter into a transaction with an Affiliate only if such transaction is intrinsically fair, commercially reasonable and on the same terms as would be available in an arm's length transaction with a Person or entity that is not an Affiliate (provided, any transaction between the Issuer and an Affiliate pursuant to the Management Agreement, any Container Transfer Agreement or the Container Sale Agreement shall be deemed to have satisfied this clause (6)), 1. allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, 1. hold itself out as a separate entity and maintain adequate capital in light of its contemplated business operations, 1. correct any known misunderstanding regarding its separate identity, 1. use separate stationary, invoices and checks from those of any other Person and 1. observe all other organizational formalities.

(b) Notwithstanding any provision of law which otherwise empowers the Issuer, the Issuer shall not (1) hold itself out as being liable for the debts of any other Person, (2) act other than in its corporate name and through its duly authorized officers or agents, (3) engage in any joint activity or transaction of any kind with or for the benefit of any Affiliate including any of the transactions described in **Section 611** hereof, except (i) payment of lawful distributions to its members and (ii) the execution, delivery and performance of the Management Agreement, (4) enter into any transaction that is prohibited pursuant to the provisions of **Section 610** herein or (5) take any other action that would be inconsistent with maintaining the separate legal identity of the

Issuer or engage in any other activity not contemplated by this Indenture and the Related Documents.

Section 608. No Bankruptcy Petition

. The Issuer shall not (1) commence any Insolvency Proceeding seeking to have an order for relief entered with respect to it, or seeking reorganization, arrangement, adjustment, wind-up, liquidation, dissolution, composition or other relief with respect to it or its debts, (2) seek appointment of a receiver, trustee, custodian or other similar official for it or any part of its assets, (3) make a general assignment for the benefit of creditors, or (4) take any action in furtherance of, or consenting or acquiescing in, any of the foregoing.

Section 609. Liens

. The Issuer shall not (i) permit any Lien (except any Permitted Encumbrance) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the Proceeds thereof; or (ii) permit the Lien of this Indenture not to constitute a valid first priority (except in the case of any Manufacturer's Lien, in which case the Lien of this Indenture is subordinate solely to such Manufacturer's Lien) security interest in the Collateral.

Section 610. Other Indebtedness

. The Issuer shall not contract for, create, incur, assume or suffer to exist any Indebtedness except (i) any Notes issued pursuant to this Indenture or any Supplement issued hereunder, (ii) obligations incurred in accordance with the terms of the Related Documents including, without limitation, Manager Advances and Management Fees incurred in accordance with the terms of the Management Agreement, (iii) trade payables (including Manufacturer Debt) and expense accruals incurred in the ordinary course and which are incidental to the purposes permitted pursuant to the Issuer's charter documents and (iv) Interest Rate Hedge Agreements required or permitted pursuant to the terms of **Section 627 hereof**. For the avoidance of doubt, the Issuer shall not incur any Indebtedness for borrowed money other than pursuant to clauses (i) and (iv) of this Section 610.

Section 611. Guarantees, Loans, Advances and Other Liabilities

. The Issuer will not make any loan, advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing, or otherwise), endorse (except for the endorsement of checks for collection or deposit) or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stock or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person.

Section 612. Consolidation, Amalgamation, Merger and Sale of Assets; Ownership of the Issuer

.

(a) The Issuer shall not consolidate with, amalgamate or merge with or into any other Person or sell, convey, transfer or lease all or substantially all of its assets, whether in a single transaction or a series of transactions, to any Person, except for (i) any such sale, conveyance or transfer contemplated in this Indenture or any Supplement issued hereunder and (ii) any Lease of a container in accordance with the terms of the Management Agreement.

(b) The obligations of the Issuer hereunder shall not be assignable nor shall any Person succeed to the obligations of the Issuer hereunder except in each case in accordance with the provisions of this Indenture.

(c) The Issuer shall give prior written notice to the Control Party for each Series of Notes and to each Interest Rate Hedge Provider of any action pursuant to this Section 612; provided, that such notice shall also be given to each Noteholder of any Warehouse Notes.

Section 613. Other Agreements.

(a) The Issuer will not after the date of the issuance of the Notes enter into or become a party to any agreements or instruments other than (i) this Indenture, the Supplements, the Container Sale Agreement, any Container Transfer Agreement, the Management Agreement, the Note Purchase Agreement, the other Related Documents for any Series of Notes and any agreements or instruments contemplated under the foregoing agreements listed in this Section 613(a)(i), (ii) any agreement pursuant to which the Issuer issues additional shares to any other Person, (iii) any indemnification agreements with officers and directors of the Issuer provided that any payments owing by the Issuer thereunder shall be payable only to the extent set forth in **Section 302** hereof, (iv) any agreement among the Issuer and one or more Affiliates with respect to the payment and accounting treatment of routine administrative expenses incurred by or on behalf of the Issuer in the normal course of its business, (v) any Interest Rate Hedge Agreement required or permitted pursuant to the terms of **Section 627** hereof, and (vi) any other agreement(s) contemplated by any Related Document, including, without limitation, any agreement(s) for disposition of the Transferred Assets permitted by **Section 404**, **Section 606(a)**, **Section 804** or **Section 816** hereof and any agreement(s) for the sale, repurchase, lease or re-lease of a container made in accordance with the provisions of any Container Transfer Agreement, the Container Sale Agreement or the Management Agreement.

(b) In addition, the Issuer will not amend, modify or waive any provision of the Container Sale Agreement, the Management Agreement or any other Related Documents or give any approval or consent or permission provided for therein without the prior written consent of the requisite Persons set forth in the Container Sale Agreement, the Management Agreement or such other Related Documents, respectively, except to the extent such waiver, modification or amendment is permitted pursuant to the terms of such agreement. Nothing contained in this Section 613 shall prohibit the assignment, novation or termination of an Interest Rate Hedging Agreement done in compliance with **Section 627** of this Indenture, subject to the terms of the related Interest Rate Hedging Agreement.

Section 614. Charter Documents

. The Issuer will not amend or modify its memorandum of association or bye-laws without (i) the vote of 75% of the directors and 70% of the shareholders of the Issuer; (ii) the prior written consent of the Requisite Global Majority and (iii) the prior written notice to the Control Party for each Series of Notes.

Section 615. Capital Expenditures

. The Issuer will not make any expenditure (by long-term or operating lease or otherwise) for capital assets (both realty and personalty), except for (a) the purchase of additional containers and related assets made in accordance with the terms of the Management Agreement and **Section 631** of this Indenture or (b) capital improvements to the

containers made in the ordinary course of its business and in accordance with the Management Agreement.

Section 616. Permitted Activities

. The Issuer will not engage in any activity or enter into any transaction except as permitted under its memorandum of association or bye-laws. The Issuer will observe all organizational and managerial procedures required by its constitutional documents and Applicable Law. The Issuer shall (i) keep complete minutes of the meetings and other proceedings of the Issuer and (ii) continuously maintain the resolutions, agreements and other instruments underlying the transaction contemplated by the Related Documents.

Section 617. Investment Company

. The Issuer will conduct its operations in a manner which will not subject it to registration as an "investment company" under the Investment Company Act of 1940, as amended.

Section 618. Payments of Collateral

. If the Issuer shall receive from any Person any payments with respect to the Collateral (to the extent such Collateral has not been released from the Lien of this Indenture in accordance with **Section 404** hereof), the Issuer shall receive such payment in trust for the Indenture Trustee, as secured party hereunder, and subject to the Indenture Trustee's security interest and shall, by not later than one Business Day after receipt thereof, deposit such payment in the Trust Account.

Section 619. Notices

. The Issuer shall notify the Indenture Trustee, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the Manager Transfer Facilitator (but only with respect to the occurrence of a Manager Default) in writing of any of the following immediately upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken by the Person(s) affected with respect thereto:

(a) **Event of Default**. The occurrence of an Event of Default and any acceleration of any Notes hereunder;

(b) **Litigation**. The institution of any litigation, arbitration proceeding or Proceeding before any Governmental Authority which might have or result in a Material Adverse Change;

(c) **Material Adverse Change**. The occurrence of a Material Adverse Change;

(d) **Other Events**. The occurrence of an Early Amortization Event or such other events that may, with the giving of notice or the passage of time or both, constitute an Event of Default.

Section 620. Books and Records

. The Issuer shall, and shall cause the Manager to, maintain complete and accurate books and records in which full and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities. In connection with each transfer of Transferred Assets, the Issuer shall report, or cause to be reported, on its financial records the transfer of the Transferred Assets as a purchase under GAAP. The Issuer will ensure that no financial statement, nor any consolidated financial statements of the

Issuer, suggests that the assets of the Issuer are available to pay the debts of either of the Sellers, the Manager, or any of their Affiliates.

Section 621. Taxes

. The Issuer shall, or shall cause the Manager to, pay when due, all of its taxes, unless and only to the extent that Issuer is contesting such taxes in good faith and by appropriate Proceedings and Issuer has set aside on its books such reserves or other appropriate provisions therefor as may be required by GAAP.

Section 622. Subsidiaries

. The Issuer shall not create any Subsidiaries.

Section 623. Investments

. The Issuer shall not make or permit to exist any Investment in any Person except for Investments in Eligible Investments made in accordance with the terms of this Indenture.

Section 624. Use of Proceeds

. The Issuer shall use the proceeds of the Notes only for general corporate purposes, including the purchase of additional containers, distribution of dividends, the repayment of other indebtedness and paying the costs of the issuance of the Notes, in each case, subject to the restriction set forth in **Section 631**. In addition, Issuer shall not permit any proceeds of the Notes to be used, either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing or carrying any margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time, and shall furnish to each Holder, upon its request, a statement in conformity with the requirements of Regulation U.

Section 625. Asset Base Report

. The Issuer shall prepare and deliver to the Indenture Trustee, each Series Enhancer, each Interest Rate Hedge Provider and the Administrative Agent on each Determination Date, an Asset Base Report.

Section 626. Financial Statements

. The Issuer shall prepare and deliver to the Indenture Trustee, each Series Enhancer, each Interest Rate Hedge Provider and the Administrative Agent, or shall cause the Manager to prepare and deliver to such parties pursuant to the Management Agreement, unaudited quarterly financial statements of the Issuer, the Manager, Textainer Group Holdings Limited and Textainer Limited within sixty (60) days after the end of each of the first three (3) fiscal quarters of each fiscal year and separate unaudited annual financial statements of the Issuer and the Manager, within one hundred twenty (120) days after the end of each fiscal year. All financial statements shall be prepared in accordance with GAAP. Delivery of such reports, information and documents to the Indenture Trustee is for informational purposes only and the Indenture Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officer's Certificates).

Section 627. Interest Rate Hedge Agreements.

(a) The Issuer shall (or shall cause the Manager on the Issuer's behalf, to) enter into and maintain transactions under Interest Rate Hedge Agreements with respect to Managed Containers that are then subject to the Long-Term Leases and Finance Leases, in the amounts required by the hedging policy set forth in **Exhibit F** hereto. Such Interest Rate Hedge Agreements

related to Long-Term Leases and Finance Leases, collectively, must have a weighted average tenor that does not terminate prior to the Scheduled Conversion Date and shall amortize in accordance with the requirements set forth in **Exhibit F**. If the Scheduled Conversion Date is not renewed by the sixtieth (60th) day prior to such date, then the weighted average tenor for such Interest Rate Hedge Agreements must be extended to the Final Maturity Date. In no event shall the sum of the notional balances of all Interest Rate Swap Agreements in effect exceed an amount equal to one hundred percent (100%) of the then Aggregate Principal Balance.

(b) The Issuer may use Interest Rate Caps and/or Interest Rate Swap Agreements in order to comply with the requirement outlined in **Section 627(a)** *provided that* each such Interest Rate Hedge Agreement entered into by the Issuer must comply with each of the following requirements (to the extent applicable):

(i) the Issuer will receive payments from the Interest Rate Hedge Provider based on the London interbank offered rate (or such applicable or successor rate);

(ii) recourse by the Interest Rate Hedge Provider to the Issuer with respect to an Interest Rate Swap Agreement is limited to the Available Distribution Amount and the Collateral and the proceeds thereof which, pursuant to the terms of this Indenture, is available for such purpose;

(iii) the Interest Rate Hedge Provider is an Eligible Interest Rate Hedge Provider on the date on which Interest Rate Hedge Agreement was entered into; and

(iv) such Interest Rate Hedge Agreement shall provide that if an Interest Rate Hedge Provider ceases to be an Eligible Interest Rate Hedge Provider subsequent to the execution of an Interest Rate Hedge Agreement, then the affected Interest Rate Hedge Provider shall take the actions set forth in **Section 627(i)**.

If the terms of an Interest Rate Swap Agreement require the Issuer to post collateral from time to time, the Issuer may establish an Issuer Swap Posting Account and use amounts on deposit in the Issuer Swap Posting Account solely for the purpose of posting such collateral. The Issuer may, in its discretion, deposit into an Issuer Swap Posting Account all, or a portion of, the funds otherwise distributed to the Issuer from the Trust Account on any Payment Date.

(c) In the event that the application of the formulas set forth in **Exhibit F** hereto indicates that either (i) the Issuer is required to enter into additional transactions under Interest Rate Hedge Agreements, with a total notional balance in excess of Ten Million Dollars ($10,000,000) or (ii) the aggregate notional balance of all outstanding transactions under Interest Rate Hedge Agreements then in effect exceeds the aggregate required notional amount (as determined by application of the formulas set forth in **Exhibit F** hereto) by the lesser of (A) Twenty Million Dollars ($20,000,000) or (B) the then Aggregate Principal Balance (excluding, in such calculation, the unpaid principal balance of any Note of any Series upon which interest is paid at a fixed rate pursuant to the terms of the related Supplement), then the Issuer shall provide notice of such event to the Indenture Trustee, each Interest Rate Hedge Provider and each Series Enhancer within 5 Business Days after such condition is determined to exist. The Issuer (or the Manager on behalf of the Issuer) shall within thirty (30) days after the date on which such condition is

determined to exist, remedy such imbalance (x) under circumstances described in the preceding **clause (i)**, by entering into one or more transactions under Interest Rate Hedge Agreements in order to comply with the requirements of **Section 627(a)** and not exceed such requirements by more than the amounts set forth in **clause (ii)** above, or (y) under circumstances described in the preceding **clause (ii)** by terminating swap transactions for all, or a portion, of one or more transactions under Interest Rate Hedge Agreements then in effect so that the remaining notional amounts for all future calculation periods under all transactions outstanding under the Interest Rate Hedge Agreements then in effect, shall comply with the requirements of **Section 627(a)** and not exceed such requirements by more than the amounts set forth in **clause (ii)** above. The calculations to be made under this **Section 627(c)** shall exclude fully paid Interest Rate Caps, and the Net Book Value of the containers hedged by such fully paid Interest Rate Caps. So long as no Early Amortization Event or Event of Default is then continuing, the Issuer (or the Manager on its behalf) may exercise its discretion in selecting the specific transactions and notional amounts thereof to be terminated. If an Early Amortization Event or Event of Default is then continuing, termination swaps shall be effected over all outstanding transactions under Interest Rate Hedge Agreements then in effect on a *pro rata* basis, based on the respective notional amounts for each remaining calculation period, so that the remaining notional amounts for each remaining calculation period will comply with the requirements of **Section 627(a)** hereof and not exceed the amounts set forth in **Section 627(a)** hereof. If provided for in the terms of an Interest Rate Hedge Agreement, the Issuer may assign to, or accept an assignment or novation of, any Interest Rate Hedge Agreement with a Special Purpose Entity in order to comply with the provisions of this Section 627.

(d) In the event the Issuer, or Manager on behalf of Issuer, fails to enter into or terminate swap transactions as required under **Section 627(c)** within the 30 day time period provided in **Section 627(c)**, the Requisite Global Majority (A) will have the right, in its sole discretion, to direct the Indenture Trustee to enter into additional transactions under Interest Rate Hedge Agreements on the Issuer's behalf in order to comply with the requirements of **Section 627(a)** hereof or (B) within 5 Business Days after the 30 day period provided in **Section 627(c)** will have the right, in its sole discretion, to direct the Indenture Trustee to terminate, in whole or in part, all outstanding transactions under Interest Rate Hedge Agreements then in effect on a *pro rata* basis, based on the respective notional amounts for each remaining calculation period, so that the remaining notional amounts for each remaining calculation period will comply with the requirements of **Section 627(a)** hereof and not exceed the amounts set forth in **Section 627(b)(ii)** hereof. In the event the Requisite Global Majority directs the Indenture Trustee to enter into an Interest Rate Hedge Agreement on the Issuer's behalf, the Requisite Global Majority shall promptly send a copy of any such agreement to the Issuer and may provide the Indenture Trustee and Manager with a written direction to deposit in the Trust Account certain amounts to purchase, or reimburse the Requisite Global Majority or a third-party for purchasing, such Interest Rate Hedge Agreement. All payments received from an Interest Rate Hedge Provider shall be deposited by the Issuer directly into the Trust Account.

(e) With respect to any transaction which is to be terminated in accordance with the terms of this Section 627, the Issuer (or the Manager or Requisite Global Majority) will give the Interest Rate Hedge Provider not less than three Business Days' notice of such termination, specifying the relevant transaction, the notional amount thereof to be terminated for each remaining calculation period and the effective date of such termination. An "Additional Termination Event" and an "Early Termination Date" (as such terms are used in the 1992 ISDA

Master Agreement Multicurrency–Cross Border form agreement) shall be deemed to have occurred under the transaction on the specified termination date with respect to the notional amounts so terminated. For purposes of such Early Termination Date and Section 6(e) of the applicable Interest Rate Hedge Agreement, the "Terminated Transaction" shall be only that portion relating to the terminated notional amounts and the remainder of the transaction will continue in full force and effect and the Issuer will be the "Affected Party" for purposes of such termination. The amount payable under Section 6(e) of the applicable Interest Rate Hedge Agreement shall be determined by the Interest Rate Hedge Provider and shall be due and payable in accordance with the terms of such Section 6(e), provided that "Market Quotation" under the Interest Rate Hedge Agreement shall be determined on the basis of the quotation of one Reference Market-maker selected by the Interest Rate Hedge Provider, which may be such Interest Rate Hedge Provider to the extent its quotation is reasonably determined in good faith. The provisions of this Section 627(e) shall be incorporated by reference in each Interest Rate Hedge Agreement.

(f) On each Determination Date, Issuer shall provide or cause to be provided to the Indenture Trustee, each Interest Rate Hedge Provider and each Series Enhancer, a monthly report reflecting the hedging policy calculations (including, without limitation, the calculation of the formulas set forth in **Exhibit F** hereto) as of the end of the preceding calendar month based on all transactions outstanding as of the end of such month under Interest Rate Hedge Agreements then in effect, including transactions which are scheduled to commence on a future date.

(g) The termination provisions provided for in this Indenture relating to the Interest Rate Hedge Agreements are in addition to, and not to the exclusion of, any termination provisions contained in the Interest Rate Hedge Agreements.

(h) Any changes made after the date hereof in the hedging policy set forth in **Exhibit F** must be approved in advance by the Requisite Global Majority.

(i) Each Interest Rate Hedge Agreement shall provide that if the Eligible Interest Rate Hedge Provider or any party providing credit support on its behalf suffers an Interest Rate Hedge Provider Required Rating Downgrade Event, such Interest Rate Hedge Provider will be required (i) to post, within ten (10) Business Days (or such other period of time as may be set forth in the related Interest Rate Hedge Agreement not to exceed thirty (30) days) after such Interest Rate Hedge Provider Required Rating Downgrade Event, collateral set forth in the applicable Interest Rate Hedge Agreement and execute a credit support annex in connection therewith or (ii) otherwise remedy such Interest Rate Hedge Provider Required Rating Downgrade Event in accordance with the terms of the related Interest Rate Hedge Agreement. Failure to post collateral or so otherwise remedy such Interest Rate Hedge Provider Required Rating Downgrade Event within the applicable period of time shall constitute a termination event under the terms of the applicable Interest Rate Hedge Agreement. Such Interest Rate Hedge Provider may transfer (at its own cost), with the cooperation of the Issuer and the Manager, all of its rights and obligations under its Interest Rate Hedge Agreement to an Eligible Interest Rate Hedge Provider in accordance with the terms of its Interest Rate Hedge Agreement. Each Interest Rate Hedge Agreement shall also provide that if the Interest Rate Hedge Provider (or any party providing credit support identified in the Interest Rate Hedge Agreement or any credit support annex thereto on its behalf) suffers an Interest Rate Hedge Provider Required Rating Replacement Event, such Interest Rate Hedge Provider will be required to transfer (at its own cost) all of its rights and obligations under its Interest Rate Hedge

Agreement to an Eligible Interest Rate Hedge Provider not later than thirty (30) Business Days (or such other period of time as may be set forth in the related Interest Rate Hedge Agreement) after the occurrence of the Interest Rate Hedge Provider Required Rating Replacement Event. Upon the occurrence of an Interest Rate Hedge Provider Required Rating Replacement Event, and the failure of the Interest Rate Hedge Provider to transfer (at its own cost) all of its rights and obligations under its Interest Rate Hedge Agreement to an Eligible Interest Rate Hedge Provider within the applicable period of time, any Series Enhancer shall have the right to direct the Issuer to terminate the applicable Interest Rate Hedge Agreement. The Issuer may, with the prior written consent of each Series Enhancer and the Administrative Agent, or shall, at the direction of any Series Enhancer or the Administrative Agent, terminate an Interest Rate Hedge Agreement and simultaneously enter into a replacement Interest Rate Hedge Agreement in the event an Interest Rate Hedge Provider fails to post collateral or transfer its rights and interests under an Interest Rate Hedge Agreement in accordance with the terms of the Interest Rate Hedge Agreement as required in relation to an Interest Rate Hedge Provider Required Rating Downgrade Event or an Interest Rate Hedge Provider Required Rating Replacement Event, as applicable.

(j) The Indenture Trustee has established a single segregated trust account (with separate subaccounts for each financial institution acting as an Interest Rate Hedge Provider) in the name of the Indenture Trustee (collectively, the "Counterparty Collateral Account"), which shall be held in trust in the name of the Indenture Trustee for the benefit of the Noteholders and any Series Enhancer under this Indenture and over which the Indenture Trustee shall have exclusive control and the sole right of withdrawal. Notwithstanding anything to the contrary in this section, investment earnings on amounts held in the Counterparty Collateral Account shall be remitted to the applicable Interest Rate Hedge Provider upon its written request in accordance with the terms of the applicable Interest Rate Hedge Agreement. The Indenture Trustee shall deposit all collateral received from an Interest Rate Hedge Provider under an Interest Rate Hedge Agreement in the Counterparty Collateral Account. Any and all funds at any time on deposit in, or otherwise held to the credit of, the Counterparty Collateral Account shall be held in trust by the Indenture Trustee for the benefit of the Noteholders and any Series Enhancer under this Indenture. The only permitted withdrawal from or application of funds on deposit in, or otherwise to the credit of the Counterparty Collateral Account shall be (i) for application to obligations of the applicable Interest Rate Hedge Provider to the Issuer under its Interest Rate Hedge Agreement if such Interest Rate Hedge Agreement becomes subject to early termination, or (ii) to return collateral or investment earnings to such Interest Rate Hedge Provider when and as required by such Interest Rate Hedge Agreement. WTNA, as Indenture Trustee and as Securities Intermediary, shall take all actions necessary to return collateral to any Interest Rate Hedge Provider as described in the preceding sentence including, without limitation, issuance of entitlement orders to any Securities Intermediary. All actions to be taken by an Interest Rate Hedge Provider under this Section 627 shall be at the expense of such Interest Rate Hedge Provider.

(k) The parties hereto acknowledge and agree that the Indenture Trustee shall not be required to act as a "commodity pool operator" (as defined in the Commodity Exchange Act, as amended) or be required to undertake regulatory filings related to this Indenture in connection therewith.

Section 628. UNIDROIT Convention

. The Issuer shall comply with the terms and provisions of the UNIDROIT Convention or any other internationally recognized system for recording

interests in or liens against shipping containers at the time that such convention is adopted by the container leasing industry.

Section 629. Other Information

. For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and the Issuer is not subject to Section 13 or 15(d) of the Exchange Act, the Issuer will, and shall cause Manager to, (i) provide or cause to be provided to any Holder of Notes and any prospective purchaser thereof designated by such a Holder, upon the request of such Holder or prospective purchaser, the information required to be provided to such Holder or prospective purchaser by Rule 144A(d)(4) under the Securities Act; and (ii) update such information to prevent such information from becoming materially false and materially misleading in a manner adverse to any Noteholder.

Section 630. Separate Identity

. The Issuer will be operated, or will cause itself to be operated, so that the Issuer will not be substantively consolidated with Textainer Limited, TGH, any Special Purpose Entity, the Manager or any of their respective Affiliates.

Section 631. Purchase of Additional Containers

.

(a) The Issuer shall not use funds to be classified as an Issuer Expense to purchase additional Containers.

(b) The Issuer shall be permitted to purchase Containers on or after November 15, 2021, subject to compliance with the following:

(i) [Reserved]

(ii) the Issuer may acquire new Containers directly from the manufacturers of such Containers that are located at the facilities of such manufacturer regardless of whether such Container is on lease or has been designated to a specific identifiable lease unless one of the following conditions then exists:

(A) the Debt Service Coverage Ratio was less than 1.00 to 1.00, on the most recent Manager Report or either of the two Manager Reports immediately preceding the most recent Manager Report; or

(B) the most recently reported six month average sales price for all Managed Containers (regardless of type) is less than $450 per CEU; or

(C) (1) the most recently reported six (6) month average sales price for all Managed Containers (regardless of type) is less than $550 per CEU (but more than $450 per CEU), and (2) the most recent three (3) month average sales price is less than the most recently reported six (6) month average sales price for all Managed Containers (regardless of type).

A failure of one container type to comply with clause (b) and (c) will not impact the ability of the Issuer to purchase Containers of another type which is in compliance.

Section 632. Compliance with Law

. The Issuer shall comply with any applicable statute, license, rule or regulation by which it or any of its properties may be bound if the failure to comply would reasonably be expected to result in a Material Adverse Effect.

Section 633. FATCA

. Each holder of a Note or an interest therein, by acceptance of such Note or such interest in such Note, will be deemed to have agreed to provide the Issuer and the Indenture Trustee with such Noteholder Tax Identification Information as requested from time to time by the Issuer or the Indenture Trustee. In addition, if a Note is issued or significantly modified (within the meaning of section 1.1001-3 of the income tax regulations) after June 30, 2014, each holder of a Note or an interest therein, by acceptance of such Note or such interest in such Note, will be deemed to have agreed to provide the Issuer and the Indenture Trustee with such Noteholder FATCA Information as requested from time to time by the Issuer or the Indenture Trustee. Each holder of a Note or an interest therein will be deemed to understand that each of the Issuer and the Indenture Trustee has the right to withhold tax on interest and other applicable amounts under the Code (without any corresponding gross-up) payable with respect to each holder of a Note, or to any beneficial owner of an interest in a Note, that fails to comply with the foregoing requirements. The Issuer hereby covenants with the Indenture Trustee that the Issuer will provide the Indenture Trustee with sufficient information so as to enable the Indenture Trustee to determine whether or not the Indenture Trustee is obliged to make any withholding, including FATCA Withholding Tax, in respect of any payments with respect to a Note (and if applicable, to provide the necessary detailed information to effectuate any withholding, including FATCA Withholding Tax, such as setting forth applicable amounts to be withheld). Issuer agrees that, as between Issuer and the Indenture Trustee shall be released of any liability relating to its actions that are in compliance with this Section 633 and FATCA. Notwithstanding any other provisions herein, the term ‘applicable law’ for purposes of this Section 633 includes U.S. federal tax law and FATCA. Upon request from the Indenture Trustee, the Issuer will provide such additional information that it may have to assist the Indenture Trustee in making any withholdings or informational reports.

Section 634.Inspections.

(a) Upon reasonable request, the Issuer agrees that it shall make available to any representative of the Indenture Trustee, each Administrative Agent, any Interest Rate Hedge Provider and any Holder of a Warehouse Note and their duly authorized representatives, attorneys or accountants, for inspection and copying its books of account, records and reports relating to the Managed Containers and copies of all Leases or other documents relating thereto, all in the format which the Manager uses for its own operations. Such inspections shall be conducted during normal business hours and shall not unreasonably disrupt the business of the Manager. The Indenture Trustee, each Interest Rate Hedge Provider and each Noteholder shall, and shall cause their respective representatives to, hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing); provided that, if no Event of Default shall have occurred and then be continuing, the Issuer shall not be required to provide such access to any such Person more than once per calendar year. Each Noteholder, each Interest Rate Hedge Provider, each Holder of a Note and the Indenture Trustee agrees that it and its Affiliates and their respective shareholders, directors, agents, representatives, accountants and attorneys shall keep confidential any matter of which any of them becomes aware through such inspections or discussions (unless readily available from public sources), except as may be otherwise required by regulation, law or court order or required by

appropriate Governmental Authorities (and all reasonable applications for confidential treatment are unavailing) or as necessary to preserve their rights or security under or to enforce the Related Documents, provided that the foregoing shall not limit the right of any Interest Rate Hedge Provider to make such information available to its regulators, securities rating agencies, reinsurers and credit and liquidity providers whom such Interest Rate Hedge Provider, as the case may be, reasonably believes will respect the confidential nature of such information. Any expense incident to the reasonable exercise by the Indenture Trustee, any Interest Rate Hedge Provider or any Noteholder of any right under this Section shall be borne by the Person exercising such right unless an Event of Default shall have occurred and then be continuing in which case such expenses shall be borne by the Issuer.

(b) The Issuer also agrees (i) to make available an officer on a reasonable basis to the Indenture Trustee, the Administrative Agent, each Interest Rate Hedge Provider, any Noteholder or any Prospective Owner of a Note for the purpose of answering reasonable questions respecting recent developments affecting the Issuer and (ii) to allow the Indenture Trustee, the Administrative Agent, Interest Rate Hedge Provider or any Prospective Owner of a Note to inspect the Manager's facilities during normal business hours.

Section 635. Sanctions

. The Issuer will not, directly or indirectly, use the proceeds of the transaction, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

Section 636. Noteholder Tax Information

. Each holder of a Note or an interest therein, by acceptance of such Note or such interest in such Note, will be deemed to have agreed to provide the Issuer and the Indenture Trustee with such Noteholder Tax Identification Information as requested from time to time by the Issuer or the Indenture Trustee. Each Noteholder or holder of an interest in a Note will be deemed to understand that each of the Issuer and the Indenture Trustee has the right to (i) withhold tax (including, without limitation, FATCA Withholding Tax) on interest and other applicable amounts under the Code (without any corresponding gross-up) payable with respect to each holder of a Note, or to any beneficial owner of an interest in a Note, that fails to comply with the foregoing requirements, fails to establish an exemption of such withholding or as otherwise required under the Code or other Applicable Law (including, for the avoidance of doubt, FATCA) and (ii) provide such information and documentation and any other information concerning its interest in the applicable Note to the IRS and any other relevant U.S. or foreign tax authority. Upon request from the Indenture Trustee, the Issuer will provide such additional information that it may have to assist the Indenture Trustee in making any withholdings or informational reports

ARTICLE VII
DISCHARGE OF INDENTURE; PREPAYMENTS

Section 701. Full Discharge

. Upon payment in full of the Aggregate Outstanding Obligations, the Indenture Trustee shall, at the request and at the expense of the Issuer, execute and deliver to the Issuer such deeds or other instruments as shall be requisite to evidence the satisfaction and

discharge of this Indenture and the security hereby created with respect to the applicable Series, and to release the Issuer from its covenants contained in this Indenture and the related Supplement with respect to such Series. In connection with the satisfaction and discharge of the Indenture the Indenture Trustee shall be provided with and shall be entitled to conclusively rely upon an Opinion of Counsel stating that such satisfaction and discharge is authorized and permitted.

Section 702.Prepayment of Notes

.

(a) **Mandatory Prepayments**. Unless otherwise specified in a Supplement for a Senior Series of Notes, the Issuer shall be required to prepay the then unpaid principal balance of all, or a portion, of one or more Senior Series of Notes then Outstanding if, on any Payment Date, the then unpaid principal balance of all Senior Series of Notes exceeds the Senior Asset Base. Unless otherwise specified in a Supplement for a Subordinate Series of Notes, the Issuer shall be required to prepay the then unpaid principal balance of all, or a portion of, one or more Subordinate Series of Notes then Outstanding if, on any Payment Date, the then unpaid principal balance of all Subordinate Series of Notes exceeds the Subordinate Asset Base. Such Prepayment shall be in the amount of the applicable Asset Base Deficiency and shall be paid in accordance with the priority of payments set forth in **Section 302** hereof and the payment allocation rules set forth in **Section 302(e)** hereof. The calculations referred to herein shall be evidenced by the Asset Base Report received by the Indenture Trustee on any Determination Date.

(b) **Voluntary Prepayments**. So long as no Early Amortization Event is then continuing, the Issuer may, from time to time, make an optional Prepayment of principal of the Notes of any Series that the Issuer selects at the times, in the amounts and subject to the conditions and limitations set forth in the Supplement for the Series of Notes to be prepaid. If an Early Amortization Event is then continuing, all optional Prepayments made in accordance with the provisions of this Section 702(b) shall be applied in accordance with the applicable provisions of **Section 302** hereof. The Issuer shall promptly confirm any telephonic notice of prepayment in writing. Any optional Prepayment of principal made by the Issuer pursuant to this Section 702(b) shall also include accrued interest to the date of the prepayment on the amount being prepaid. Any optional Prepayment made pursuant to the provisions of this Section 702(b) shall be accomplished by a deposit of funds directly into the Trust Account and, unless otherwise specified in the Supplement for any Series of Notes then Outstanding, may be applied by the Issuer to reduce the unpaid principal balance of one or more Series of Notes then Outstanding, such Series to be selected in the sole discretion of the Issuer. Notice of any voluntary prepayment of a Series of Term Notes to be made by the Issuer pursuant to the provisions of this Section 702(b) shall be given by the Issuer to the Indenture Trustee and, if applicable, the Series of Notes to be prepaid, not later than the tenth (10th) day prior to the date of such prepayment and not earlier than the Payment Date immediately preceding the date of such Prepayment.

(c) **Repayment of Eligible Interest Rate Hedge Providers**. If the Issuer has elected to make a voluntary Prepayment in accordance with the provisions of **Section 702(b)** above or is required to make a Prepayment in accordance with the provisions of **Section 702(a)** above, then in addition to such Prepayment, the Issuer shall pay such amount, including any termination payments, necessary (in each case as determined by the Administrative Agent and after taking account of payment priorities set forth in **Section 302** hereunder) to reduce the aggregate notional balance of all outstanding transactions under the Interest Rate Hedge Agreements then in effect to

the level required under **Section 627(b)** and not in excess of such requirements by more than the amounts set forth in **Section 627(a)** hereof. So long as no Early Amortization Event or Event of Default is then continuing, the Issuer (or the Manager on its behalf) may exercise its discretion in selecting the specific transactions and the notional amounts thereof to be terminated. If an Early Amortization Event or Event of Default is then continuing the outstanding transactions will be terminated on a *pro rata* basis, based on the respective notional amounts for each remaining calculation period so that the remaining notional amounts for all future calculation periods under such transactions shall comply with the requirements of **Section 627(b)** and not exceed such requirements by more than the amounts set forth in **Section 627(a)** hereof.

(d) **Adjustment of Prospective Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts**. In the event that the Issuer makes a prepayment of less than all of the aggregate unpaid principal balance of any Series of Term Notes or a Series of Warehouse Notes after its Conversion Date in accordance with the provisions of **Section 702(a)** or **(b)**, then, unless otherwise specified in a Supplement for a Series of Notes, the Issuer shall promptly (but in any event within five (5) Business Days after the date on which such Prepayment is made) thereafter reduce (subject to verification by the Administrative Agent) the Minimum Principal Payment Amount and Scheduled Principal Payment Amount for each future Payment Date for each such Series of Notes being prepaid by a percentage equal to the quotient of (i) the aggregate amount of the prepayment received by such Series divided by (ii) the aggregate principal balance of all Notes of such Series immediately prior to such prepayment.

Section 703. Unclaimed Funds

. In the event that any amount due to any Noteholder remains unclaimed, the Issuer shall, at its expense, cause to be published once, in the eastern edition of The Wall Street Journal notice that such money remains unclaimed. Any such unclaimed amounts shall not be invested by the Indenture Trustee (notwithstanding the provisions of **Section 303** hereof) and no additional interest shall accrue on the related Note subsequent to the date on which such funds were available for distribution to such Noteholder. Any such unclaimed amounts shall be held by the Indenture Trustee in accordance with the applicable laws with respect to the escheat of funds.

ARTICLE VIII
DEFAULT PROVISIONS AND REMEDIES

Section 801. Event of Default

. "Event of Default", wherever used herein with respect to any Series of Notes, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(i) default in (A) the payment on any Payment Date of any interest or premium, if any, then due and payable on any Series of Notes or (B) the payment on the Legal Final Payment Date of the then unpaid principal balance of any Series of Notes;

(ii) default in the payment of (A) any Indenture Trustee's Fees then due and payable, or (B) other amounts not dealt with in **Section 801(i)** above owing to the Noteholders of any Series or any Series Enhancer, and the continuation of such default for more than three (3)

Business Days after the same shall have become due and payable in accordance with the terms of such Notes, this Indenture, the related Supplement or any other Related Documents;

(iii) default in the performance, or breach, of any covenant of the Issuer or any Seller in any Related Document (to the extent such breach is not otherwise addressed in this Section 801) which breach materially and adversely affects the interest of any Noteholder, any Interest Rate Hedge Provider or any Series Enhancer and continues for a period of sixty (60) days after the earliest of (i) any Authorized Officer of the Issuer or such Seller, as the case may be, first acquiring knowledge thereof, (ii) the Indenture Trustee's giving written notice thereof to the Issuer or such Seller, as the case may be, or (iii) any Noteholder or any Series Enhancer giving written notice thereof to the Issuer or such Seller, as the case may be, and the Indenture Trustee; *provided, however, that* if the Issuer or the Sellers, as the case may be, is or are diligently attempting to effect such cure at the end of such sixty (60) day period, the Issuer or such Sellers, as the case may be, shall be entitled to an additional sixty (60) day period in which to complete such cure; *provided, further, that*, no notice whatsoever shall be required with respect to any default in the due observance or performance of **Section 603** hereof or of any covenants set forth in **Section 606**, **Section 607**(except **clause (a)(4)** thereof), **Section 608**, **Section 609**, **Section 610**, **Section 611**, **Section 612**, **Section 613**, **Section 614**, **Section 615**, **Section 616**, **Section 622**, **Section 623**, **Section 630**, **Section 631** or **Section 635** hereof, Section 4.01(a)(iii) or 4.01(f) of any Container Transfer Agreement or Section 4.01(a)(iii) or 4.01(f) of the Container Sale Agreement.

(iv) any representation or warranty of the Issuer or the Sellers made in any Related Document shall prove to be incorrect in any material respect as of the time when the same shall have been made which breach materially and adversely affects the interest of any Noteholder, any Interest Rate Hedge Provider or any Series Enhancer and continues and, if capable of cure, the continuance of such condition for a period of 30 days after the earliest of (i) any Authorized Officer of the Issuer or the Sellers, as the case may be, first acquiring knowledge thereof, (ii) the Indenture Trustee's giving written notice thereof to the Issuer or the Sellers, as the case may be, or (iii) any Noteholder or Series Enhancer giving written notice thereof to the Issuer or the Sellers, as the case may be, and the Indenture Trustee; provided, however, that if the Issuer or the Sellers, as the case may be, is diligently attempting to effect such cure at the end of such thirty (30) day period, the Issuer or the Sellers, as the case may be, shall be entitled to an additional thirty (30) day period in which to complete such cure;

(v) the entry of a decree or order for relief by a court having jurisdiction in respect of the Issuer in any involuntary case under any applicable Insolvency Law, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, or sequestrator (or other similar official) for the Issuer or for any substantial part of its properties, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(vi) the commencement by the Issuer of a voluntary case under any applicable Insolvency Law, or other similar law now or hereafter in effect, or the consent by the Issuer to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Issuer or any substantial part of its properties, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the

Issuer generally to pay its debts as they become due, or the taking of any action by the Issuer in furtherance of any such action;

(vii) all of the following conditions shall have occurred: (A) a Manager Default shall have occurred and shall not have been remedied, waived or cured, (B) the Indenture Trustee (acting at the direction of the Requisite Global Majority) shall have directed the Issuer in writing, with a copy of such written direction delivered to the Manager (the "Replacement Request"), to appoint a Replacement Manager for the Terminated Managed Containers in accordance with the terms of the Management Agreement, and (C) a Replacement Manager shall not have been appointed and assumed the management of all Terminated Managed Containers pursuant to a management agreement reasonably acceptable to the Requisite Global Majority by the date which is ninety (90) days after the date on which such Manager Default initially occurred;

(viii) the Indenture Trustee shall fail to have a first priority (except in the case of any Managed Container that is subject to Manufacturer's Lien, in which case the Lien of this Indenture in such Managed Container is subordinate solely to such Manufacturer's Lien) perfected security interest in the Collateral;

(ix) the occurrence of a default by the Issuer under the terms of any Related Document not otherwise addressed in this Section 801, and the continuation of such default for two (2) consecutive Payment Dates;

(x) The earlier to occur of the following conditions or events:

(A) as of any Payment Date, an Asset Base Deficiency exists, and such condition continues unremedied for a period of ninety (90) consecutive days; or

(B) as of any date of determination, the Aggregate Principal Balance shall exceed the sum of (A) the product of (i) one hundred percent (100%) and (ii) the Aggregate Net Book Value, plus (B) the product of (i) one hundred percent (100%) and (ii) an amount equal to the then current balance of the Restricted Cash Account, any Pre-Funding Account and the L/C Cash Account, plus (C) the product of (i) one hundred percent (100%) and (ii) the Aggregate Available Amount;

(xi) any payment is made by a Series Enhancer under any Enhancement Agreement;

(xii) the Issuer is required to register as an Investment Company under the Investment Company Act of 1940, as amended;

(xiii) the occurrence of a reportable event (within the meaning of Section 4043 of ERISA) with respect to any Plan maintained by the Issuer as to which the Pension Benefit Guaranty Corporation has not by regulation waived the requirement that it be notified thereof, or the occurrence of any event or condition with respect to a Plan which reasonably could be expected to result in any liability in excess of $250,000 or which actually results in the imposition of a Lien on the assets of the Issuer; or

(xiv) Textainer Limited or its Affiliates shall fail to own all of the authorized and issued shares of the Issuer.

The occurrence of an Event of Default with respect to one Series of Notes, except to the extent waived in accordance with **Section 813** hereof, shall constitute an Event of Default with respect to all other Series of Notes then Outstanding unless the related Supplement with respect to each such Series of Notes shall specifically provide to the contrary.

Section 802.Acceleration of Stated Maturity; Rescission and Annulment

.

(a) Upon the occurrence of an Event of Default of type described in **Section 801(v)** or **Section 801(vi)**, the unpaid principal balance of, and accrued interest on, all Series of Notes, together with all other amounts then due and owing to the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider shall become immediately due and payable without further action by any Person. Except as set forth in the immediately preceding sentence, if an Event of Default under **Section 801** occurs and is continuing, then and in every such case the Indenture Trustee shall at the direction of any of (A) any affected Noteholder in the case of the occurrence of an Event of Default of the type described in **Section 801(i)**, (B) the respective Series Enhancer in the case of the occurrence of an Event of Default of the type described in **Section 801(xi)**, or (C) the Requisite Global Majority in all other instances, declare the principal of and accrued interest on all Notes of all Series then Outstanding to be due and payable immediately, by a notice in writing to the Issuer and to the Indenture Trustee given by the Requisite Global Majority, and upon any such declaration such principal and accrued interest shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article provided, the Requisite Global Majority, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all of the installments of interest and premium on and, if the Legal Final Payment Date has occurred with respect to any Series, principal of all Notes of such Series which were overdue prior to the date of such acceleration;

(B) to the extent that payment of such interest is lawful, interest at the applicable Overdue Rate on the amounts set forth in **Section 802(b)(i)(A)** above;

(C) all sums paid or advanced by the Indenture Trustee hereunder or the Manager and the reasonable compensation, out-of-pocket expenses, disbursements and advances of the Indenture Trustee, its agents and counsel incurred in connection with the enforcement of this Indenture;

(D) all amounts due to each Series Enhancer;

(E) all payments due under any Interest Rate Hedge Agreement, together with interest thereon in accordance with the terms thereof, and

(ii) all Events of Default, other than the nonpayment of the principal of or interest on Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in **Section 813** hereof.

No such rescission with respect to any Event of Default shall affect any subsequent Event of Default or impair any right consequent thereon, nor shall any such rescission affect any Interest Rate Hedge Agreement which has been terminated in accordance with its terms.

Section 803. Collection of Indebtedness

. The Issuer covenants that, if an Event of Default occurs and is continuing and a declaration of acceleration has been made under **Section 802** and not rescinded, the Issuer will, upon demand of the Indenture Trustee, pay to the Indenture Trustee, for the benefit of the Noteholders of all Series then Outstanding and each Series Enhancer and each Interest Rate Hedge Provider, an amount equal to the sum of (i) the sum of (A) the whole amount then due and payable for all Series of Notes then Outstanding, (B) all amounts owing by the Issuer under any Interest Rate Hedge Agreement, and (C) such further amounts as shall be required to pay in full all of the Outstanding Obligations, including in each case, the costs and out-of-pocket expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee the Requisite Global Majority, their agents and counsel incurred in connection with the enforcement of this Indenture, and (ii) to the extent that the payment of such interest is lawful, interest on the amount set forth in clause (i) at the applicable Overdue Rate with respect to the Notes and at the applicable default rate as set forth in the related Interest Rate Hedge Agreements or other Related Documents.

Section 804. Remedies

. If an Event of Default shall occur and be continuing, the Indenture Trustee, by such officer or agent as it may appoint, shall notify each Noteholder, the Administrative Agent, each Series Enhancer and each Interest Rate Hedge Provider, if any, of such Event of Default. So long as an Event of Default is continuing, the Indenture Trustee may, and shall if instructed by any of (A) any affected Noteholder in the case of the occurrence of an Event of Default of the type described in **Section 801(i)**, (B) the respective Series Enhancer in the case of the occurrence of an Event of Default of the type described in **Section 801(xi)**, or (C) the Requisite Global Majority in all other instances:

(i) institute any Proceedings, in its own name and as trustee of an express trust, for the collection of all amounts then due and payable on the Notes of all Series or under this Indenture or the related Supplement with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral and any other assets of the Issuer any monies adjudged due;

(ii) subject to the quiet enjoyment rights of any lessee of a Managed Container, sell (including any sale made in accordance with **Section 816** hereof), hold or lease the Collateral or any portion thereof or rights or interest therein, at one or more public or private transactions conducted in any manner permitted by law;

(iii) institute any Proceedings from time to time for the complete or partial foreclosure of the Lien created by this Indenture with respect to the Collateral;

(iv) institute such other appropriate Proceedings to protect and enforce any other rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy;

(v) exercise any remedies of a secured party under the UCC or any Applicable Law and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee or the Noteholders hereunder;

(vi) appoint a receiver or a manager over the Issuer or its assets; and

(vii) if a Manager Default is then continuing, terminate the Management Agreement in accordance with its terms;

provided, however, that the prior consent of the Requisite Global Majority shall be required in order to take the actions set forth in **Section 804(ii)**, **Section 804(iii)**, **Section 804(v)**, **Section 804(vi)** or **Section 804(vii)** above.

Section 805.Indenture Trustee May Enforce Claims Without Possession of Notes.

(a) In all Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all of the Noteholders, and it shall not be necessary to make any Noteholder a party to any such Proceedings.

(b) All rights of action and claims under this Indenture, the related Supplement or any of the Notes may be prosecuted and enforced by the Indenture Trustee without the possession of such Notes or the production thereof in any Proceeding relating thereto, and any such Proceeding instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery whether by judgment, settlement or otherwise shall, after provision for the payment of the compensation, expenses, and disbursements incurred and advances made, by the Indenture Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Notes, subject to the subordination of payments among Classes of a particular Series as set forth in the related Supplement.

Section 806.Allocation of Money Collected

. If the Notes of all Series have been declared due and payable following an Event of Default and such declaration and its consequences have not been rescinded or annulled, any money collected by the Indenture Trustee pursuant to this Article or otherwise and any other monies that may be held or thereafter received by the Indenture Trustee as security for such Notes shall be applied, to the extent permitted by law, in the following order, at the date or dates fixed by the Indenture Trustee:

FIRST: To the payment of all amounts due the Indenture Trustee under **Section 905** hereof; and

SECOND: Any remaining amounts shall be distributed in accordance with **Section 302(c)(iii)** hereof.

Section 807. Limitation on Suits

. Except with respect to an Event of Default of the type described in **Section 801(i)** hereof and solely to the extent permitted under **clause (A)** of **Section 804** hereof, no Noteholder shall have the right to institute any Proceeding, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder has previously given written notice to the Indenture Trustee and the Requisite Global Majority of a continuing Event of Default;

(b) the Requisite Global Majority shall have made written request to the Indenture Trustee to institute Proceedings in respect of such Event of Default in its own name as Indenture Trustee hereunder;

(c) such Holder or Holders have offered to the Indenture Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Indenture Trustee has, for thirty (30) days after its receipt by a Responsible Officer of such notice, request and offer of security or indemnity, failed to institute any such Proceeding; and

(e) no direction inconsistent with such written request has been given to the Indenture Trustee during such thirty (30) day period by the Requisite Global Majority;

it being understood and intended that no one or more Noteholders shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder, or to obtain or to seek to obtain priority or preference over any other Noteholder (except to the extent provided in the related Supplement) or to enforce any right under this Indenture, except in the manner herein provided and for the benefit of all Noteholders.

Section 808. Unconditional Right of Holders to Receive Principal, Interest and Commitment Fees

. Notwithstanding any other provision of this Indenture, each Noteholder (including any Series Enhancer with respect to a Note) shall have the right, which is absolute and unconditional, to receive payment of the principal of, and interest, commitment fees and premiums in respect of such Note as such principal, interest and commitment fees becomes due and payable in accordance with the provisions of this Indenture and the related Supplement and to institute any Proceeding for the enforcement of such payment, and such rights shall not be impaired without the consent of such Holder or Series Enhancer.

Section 809. Restoration of Rights and Remedies

. If the Indenture Trustee, any Series Enhancer or any Holder has instituted any Proceeding to enforce any right or remedy under this Indenture or the related Supplement and such Proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Indenture Trustee, any Series Enhancer or to such Holder, then and in every such case, subject to any determination in such Proceeding, the

Issuer, the Indenture Trustee, such Series Enhancer and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Indenture Trustee, such Series Enhancer and the Holders shall continue as though no such Proceeding had been instituted.

Section 810. Rights and Remedies Cumulative

. No right or remedy conferred upon or reserved to the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or to the Holders pursuant to this Indenture or any Supplement is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 811. Delay or Omission Not Waiver

. No delay or omission of the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider, or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee, by any Series Enhancer, by any Interest Rate Hedge Provider, or by the Holders, as the case may be.

Section 812. Control by Requisite Global Majority.

(a) Upon the occurrence of an Event of Default, the Requisite Global Majority shall have the right to direct in writing the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on the Indenture Trustee, provided that (i) such direction shall not be in conflict with any rule of law or with this Indenture, including, without limitation, **Section 804** hereof and (ii) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee which is not inconsistent with such direction.

(b) Notwithstanding the grant of a security interest to secure the Outstanding Obligations owing to the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider, all rights to direct actions or to exercise rights or remedies under this Indenture or the UCC (including those set forth in **Section 804** hereof) shall be vested solely in the Requisite Global Majority and, by accepting the benefits of this Indenture, each Noteholder and Interest Rate Hedge Provider acknowledges such statement; provided, however, that nothing contained herein shall constitute a modification of **Section 808**, **Section 813(b)** or **Section 816(d)** hereof.

Section 813.Waiver of Past Defaults.

(a) The Requisite Global Majority may, on behalf of all Noteholders of all Series, waive any past Event of Default and its consequences, except an Event of Default

(i) in the payment of (x) the principal balance of any Note on the Legal Final Payment Date, (y) interest on any Note of any Series on any Payment Date, or (z) commitment

fees or any Premium owed to any Series Enhancer in respect of any Note of any Series on any Payment Date, all of which defaults can be waived solely by the affected Noteholder or Series Enhancer, as the case may be, or

(ii) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of all the Noteholders of all Series pursuant to **Section 1002** of this Indenture.

(b) Upon any such waiver, such Event of Default shall cease to exist and shall be deemed to have been cured and not to have occurred for every purpose of this Indenture; provided, however, that no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon nor affect any Interest Rate Hedge Agreement which has been terminated in accordance with its terms.

Section 814. Undertaking for Costs

. All parties to this Indenture agree, and each Holder of any Note by acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided, however, that the provisions of this Section shall not apply to any suit instituted by the Indenture Trustee or any Holder or group of Holders, holding in the aggregate more than ten percent (10%) of the aggregate principal balance of the Notes of all Series then Outstanding, or (ii) to any suit instituted by any Holder for the enforcement of (x) the payment of interest on any Notes on any Payment Date or (y) the payment of the principal of any Note on or after the Legal Final Payment Date of such Note.

Section 815. Waiver of Stay or Extension Laws

. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 816. Sale of Collateral.

(a) The power to effect any sale (a "***Sale***") of any portion of the Collateral pursuant to **Section 804** hereof shall not be exhausted by any one or more Sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until the entire Collateral shall have been sold or the Aggregate Outstanding Obligations shall have been paid in full. The Indenture Trustee at the written direction of the Requisite Global Majority may from time to time postpone any Sale by public announcement made at the time and place of such Sale.

(b) Upon any Sale, whether made under the power of sale hereby given or under judgment, order or decree in any Proceeding for the foreclosure or involving the enforcement of this Indenture: (i) the Indenture Trustee, at the written direction of the Requisite Global Majority, may bid for and purchase the property being sold, and upon compliance with the terms of such Sale may hold, retain and possess and dispose of such property in accordance with the terms of this Indenture; and (ii) the receipt of the Indenture Trustee or of any officer thereof making such Sale shall be a sufficient discharge to the purchaser or purchasers at such Sale for its or their purchase money, and such purchaser or purchasers, and its or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Indenture Trustee or of such officer therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misappropriation or non-application thereof.

(c) The Indenture Trustee shall execute and deliver an appropriate instrument of conveyance provided to it transferring its interest in any portion of the Collateral in connection with a Sale thereof. In addition, the Indenture Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey its interest (subject to lessee's rights of quiet enjoyment) in any portion of the Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale. No purchaser or transferee at such a Sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any monies.

(d) The right of the Indenture Trustee to sell, transfer or otherwise convey any Interest Rate Hedge Agreement or any transaction outstanding thereunder, or to exercise foreclosure rights with respect thereto shall be subject to compliance with the provisions of the applicable Interest Rate Hedge Agreement.

(e) The Indenture Trustee shall provide prior written notice to the Issuer, to the Administrative Agent and to each Interest Rate Hedge Provider of any Sale of any portion of the Collateral under this Section 816.

Section 817. Action on Notes

. The Indenture Trustee's right to seek and recover judgment on the Notes under this Indenture or any Supplement shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture or any Supplement. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Collateral or upon any of the assets of the Issuer.

ARTICLE IX
CONCERNING THE INDENTURE TRUSTEE

Section 901.Duties of Indenture Trustee.

The Indenture Trustee, prior to the occurrence of an Event of Default with respect to any Series or after the cure or waiver of any Event of Default with respect to any Series which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the related Supplement and no duties shall be inferred or implied. If an Event

of Default with respect to any Series has occurred and is continuing, the Indenture Trustee, at the written direction of the Requisite Global Majority, shall exercise such of the rights and powers vested in it by this Indenture and the related Supplement, and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

The Indenture Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Indenture Trustee which are specifically required to be furnished pursuant to any provisions of this Indenture and any applicable Supplement, shall determine whether they are substantially in the form required by this Indenture and any applicable Supplement; provided, however, that the Indenture Trustee shall not be responsible for investigating or re-calculating, evaluating, certifying, verifying or independently determining the accuracy or content (including mathematical calculations) of any such resolution, certificate, statement, opinion, report, document, order or other instrument furnished pursuant to this Indenture and any applicable Supplement.

No provision of this Indenture or any Supplement shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; *provided*, *however, that*:

(i) Prior to the occurrence of an Event of Default and after the cure or waiver of any Event of Default which may have occurred, the duties and obligations of the Indenture Trustee shall be determined solely by the express provisions of this Indenture and any Supplements issued pursuant to the terms hereof. The Indenture Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and any Supplements issued pursuant to the terms hereof, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee and, in the absence of bad faith on the part of the Indenture Trustee, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates, statements, reports, documents, orders, opinions or other instruments (whether in their original or facsimile form) furnished to the Indenture Trustee and conforming to the requirements of this Indenture and any Supplements issued pursuant to the terms hereof;

(ii) The Indenture Trustee shall not be liable for actions taken, or any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Indenture Trustee, unless it shall be proved that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) The Indenture Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Requisite Global Majority relating to the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture.

No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that

repayment of such funds or adequate security or indemnity against such risk or liability is not reasonably assured.

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 901.

Section 902. Certain Matters Affecting the Indenture Trustee

. Except as otherwise provided in **Section 901** hereof:

(a) The Indenture Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any Opinion of Counsel, certificate of an officer of the Issuer or the Manager, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) The Indenture Trustee may consult with counsel of its selection and any advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance in reliance thereof;

(c) The Indenture Trustee shall not be liable with respect to any action it takes or omits to take in accordance with a direction received by it from the Issuer or the Requisite Global Majority in accordance with the terms of this Indenture and the other Related Documents. The Indenture Trustee shall be under no obligation to institute, conduct or defend any litigation or Proceeding hereunder or in relation hereto at the request, order or direction of the Requisite Global Majority, pursuant to the provisions of this Indenture, unless the Requisite Global Majority shall have offered to the Indenture Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

(d) The Indenture Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(e) The Indenture Trustee shall not be bound to take any discretionary action, including any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Requisite Global Majority; provided, however, that the Indenture Trustee may require security or indemnity reasonably satisfactory to it against any cost, expense or liability likely to be incurred in making such investigation as a condition to so proceeding. The reasonable expense of any such examination shall be paid, on a *pro rata* basis, by the Noteholders of the applicable Series requesting such examination or, if paid by the Indenture Trustee, shall be reimbursed by such Noteholders upon demand;

(f) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys, and the

Indenture Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder;

(g) The Indenture Trustee shall not be deemed to have knowledge of any default, Event of Default, Early Amortization Event or Manager Default, or other event or information, or be required to act upon any default, Event of Default, Early Amortization Event, Manager Default or Back-up Manager Event, or other event or information (including the sending of any notice) unless a Responsible Officer of the Indenture Trustee shall have received written notice or has actual knowledge of such event or information, and shall have no duty to take any action to determine whether any such event, default, Event of Default, Early Amortization Event or Manager Default has occurred;

(h) The knowledge of the Indenture Trustee shall not be attributed or imputed to WTNA's other roles in the transaction and knowledge of the Securities Intermediary, Paying Agent and Note Registrar shall not be attributed or imputed to each other or to the Indenture Trustee (other than those where the roles are performed by the same group or division within WTNA or otherwise share the same Responsible Officers), or any affiliate, line of business, or other division of WTNA (and vice versa);

(i) Notwithstanding anything to the contrary herein or otherwise, under no circumstance will the Indenture Trustee be liable for special, punitive, indirect, or consequential loss or damage of any kind whatsoever (including lost profits), whether or not foreseeable, even if the Indenture Trustee is actually aware of or has been advised of the likelihood of such loss or damage;

(j) Before the Indenture Trustee acts or refrains from taking any action under this Indenture, it may require an officer's certificate and/or an Opinion of Counsel from the party requesting that the Indenture Trustee act or refrain from acting in form and substance acceptable to the Indenture Trustee, the costs of which (including the Indenture Trustee's reasonable attorney's fees and expenses) shall be paid by the party requesting that the Indenture Trustee act or refrain from acting. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such officer's certificates and/or Opinions of Counsel;

(k) The Indenture Trustee shall incur no liability if, by reason of any provision of any future law or regulation thereunder, or by any force majeure event, including but not limited to natural disaster, act of war or terrorism, or other circumstances beyond its reasonable control, the Indenture Trustee shall be prevented or forbidden from doing or performing any act or thing which the terms of this Indenture provide shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in this Indenture or any other Related Document;

(l) Notwithstanding anything to the contrary in this Indenture, the Indenture Trustee shall not be required to take any action that is not in accordance with applicable law;

(m) The right of the Indenture Trustee to perform any permissive or discretionary act enumerated in this Indenture or any related document shall not be construed as a duty;

(n) Neither the Indenture Trustee nor any of its officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any collateral securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Related Documents for the creation, perfection, continuation, priority, sufficiency or protection of any of the liens, or for any defect or deficiency as to any such matters, or for monitoring the status of any lien or performance of the collateral;

(o) The Indenture Trustee shall not be liable for any action or inaction of the Issuer, the Manager, or any other party (or agent thereof) to this Indenture or any related document and may assume compliance by such parties with their obligations under this Indenture or any related agreements, unless a Responsible Officer of the Indenture Trustee shall have received written notice to the contrary at the Corporate Trust Office of the Indenture Trustee;

(p) The rights, privileges, protections, immunities and benefits given to the Indenture Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Indenture Trustee in each of its capacities hereunder and under the other Related Documents, including without limitation, the Paying Agent, Note Registrar, Securities Intermediary and Manager Transfer Facilitator, and to each agent, custodian and other Person employed to act hereunder; and

(q) The Indenture Trustee shall have no duty to see to, or be responsible for the correctness or accuracy of, any recording, filing or depositing of this Indenture or any agreement referred to herein, or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refilling or re-depositing of any thereof.

The provisions of this **Section 902** shall be applicable to the Indenture Trustee in its capacity as Indenture Trustee under this Indenture and the other Related Documents.

Section 903.Indenture Trustee Not Liable.

(a) The recitals contained herein (other than the representations and warranties contained in **Section 911** hereof), in any Supplement and in the Notes (other than the certificate of authentication on the Notes) shall be taken as the statements of the Issuer, and the Indenture Trustee assumes no responsibility for their correctness. The Indenture Trustee makes no representations as to, and shall not be responsible for, the validity, legality, enforceability or adequacy or sufficiency of this Indenture, any Supplement, the Notes, the Collateral or of any Related Document, or as to the correctness of any statement contained in any thereof. The Indenture Trustee shall not be accountable for (i) the use or application by the Issuer of the proceeds of any Series or Class of Notes, and (ii) the use or application of any funds paid to the Issuer or the Manager in respect of the Collateral except for any payment in accordance with the Manager Report of amounts on deposit in any of the Trust Accounts.

(b) The Indenture Trustee shall have no responsibility or liability for or with respect to the existence or validity of any Managed Container, the perfection of any security interest (whether as of the date hereof or at any future time), the maintenance of or the taking of any action to maintain such perfection, the validity of the assignment of any portion of the Collateral to the

Indenture Trustee or of any intervening assignment, the compliance by the Sellers or the Manager with any covenant or the breach by the Sellers or the Manager of any warranty or representation made hereunder, in any Supplement or in any Related Document or the accuracy of such warranty or representation, any investment of monies in the Trust Account, the Restricted Cash Account or any Series Account or any loss resulting therefrom (provided that such investments are made in accordance with the provisions of **Section 303** hereof), or the acts or omissions of the Sellers or the Manager taken in the name of the Indenture Trustee.

(c) The Indenture Trustee shall not have any obligation or liability under any Contract by reason of or arising out of this Indenture or the granting of a security interest in such Contract hereunder or the receipt by the Indenture Trustee of any payment relating to any Contract pursuant hereto, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any of the obligations of the Issuer, the Sellers or the Manager under or pursuant to any Contract, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it, or the sufficiency of any performance by any party, under any Contract.

Section 904. Indenture Trustee May Own Notes

. The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Notes with the same rights it would have if it were not Indenture Trustee.

Section 905. Indenture Trustee's Fees, Expenses and Indemnities.

(a) The fees, expenses and indemnities (the "***Indenture Trustee Fees***") of the Indenture Trustee shall be paid only by the Issuer in accordance with **Section 302** or **Section** 806 hereof. The Issuer shall indemnify the Indenture Trustee (and any predecessor Indenture Trustee) and each of its officers, directors and employees for, and hold them harmless against, any and all loss, liability, damage claim or expense (including reasonable legal fees, costs and expenses and court costs), in each case, incurred without negligence or willful misconduct on their part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself both individually and in its representative capacity against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder and those incurred in connection with any action, claim or suit brought to enforce the Indenture Trustee's right to indemnification.

(b) The obligations of the Issuer under this Section 905 to compensate the Indenture Trustee, to pay or reimburse the Indenture Trustee for expenses, disbursements and advances and to indemnify and hold harmless the Indenture Trustee, shall constitute Outstanding Obligations hereunder and shall survive the resignation or removal of the Indenture Trustee and the satisfaction and discharge or assignment of this Indenture.

(c) When the Indenture Trustee incurs expenses or renders services in connection with an Event of Default specified in **Section 801(v)** or **Section 801(vi)**, the expenses and the compensation for the services are intended to constitute expenses of administration under Insolvency Law.

Section 906. Eligibility Requirements for Indenture Trustee

. The Indenture Trustee hereunder shall at all times be a national banking association or a corporation, organized and doing

business under the laws of the United States of America or any State, and authorized under such laws to exercise corporate trust powers. In addition, the Indenture Trustee or its parent corporation shall at all times (i) have a combined capital and surplus of at least Two Hundred Fifty Million Dollars ($250,000,000), (ii) be subject to supervision or examination by Federal or state authority and (iii) have a long-term unsecured senior debt rating of at least investment grade by Standard & Poor's and by Moody's and short-term unsecured senior debt rating of at least investment grade by Standard & Poor's and by Moody's. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then, for the purposes of this Section 906, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section, the Indenture Trustee shall resign immediately in the manner and with the effect specified in **Section 907** hereof.

Section 907. Resignation and Removal of Indenture Trustee

. The Indenture Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Issuer, the Manager, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the Noteholders. Upon receiving such notice of resignation, the Issuer at the direction and subject to the consent of the Requisite Global Majority shall promptly appoint a successor Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Indenture Trustee, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and one copy to the successor Indenture Trustee. In addition, the Issuer may, with the consent of the Requisite Global Majority, upon prior written notice to the Indenture Trustee, remove the Indenture Trustee and appoint a successor Indenture Trustee by written instrument. If no successor Indenture Trustee shall have been so appointed by the Issuer or the proposed successor Indenture Trustee has not accepted its appointment within fifteen (15) days after the giving of such notice of resignation or removal, the Requisite Global Majority may appoint a successor trustee or, if it does not do so within fifteen (15) days thereafter, the resigning Indenture Trustee, with the consent of the Administrative Agent and each Series Enhancer, may petition at the expense of the Issuer any court of competent jurisdiction for the appointment of a successor Indenture Trustee, which successor trustee shall meet the eligibility standards set forth in **Section 906**.

If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of **Section 906** hereof and shall fail to resign after written request therefor by the Issuer at the direction of the Requisite Global Majority, any Series Enhancer or the Administrative Agent, or if at any time the Indenture Trustee shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer at the direction of the Requisite Global Majority shall remove the Indenture Trustee for cause and appoint a successor Indenture Trustee with prior notice by written instrument, in duplicate, one copy of which instrument shall be delivered to the Indenture Trustee so removed and one copy to the successor Indenture Trustee. If no successor Indenture Trustee shall have been so appointed and have accepted appointment within 30 days after such resignation or removal, the Requisite Global Majority may appoint a successor Indenture Trustee or, if it does not do so within 30 days after

such resignation or removal, the departing Indenture Trustee may petition at the expense of the Issuer any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor Indenture Trustee as provided in **Section 908** hereof.

Section 908. Successor Indenture Trustee

. Any successor Indenture Trustee appointed as provided in **Section 907** hereof shall execute, acknowledge and deliver to the Issuer and to its predecessor Indenture Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Indenture Trustee herein. The predecessor Indenture Trustee shall deliver to the successor Indenture Trustee all documents relating to the Collateral, if any, delivered to it, together with any amount remaining in the Trust Account, Restricted Cash Account and any other Series Accounts. In addition, the predecessor Indenture Trustee and, upon request of the successor Indenture Trustee, the Issuer shall execute and deliver such instruments and do such other things as may reasonably be required for more fully and certainly vesting and confirming in the successor Indenture Trustee all such rights, powers, duties and obligations.

No successor Indenture Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Indenture Trustee shall be eligible under the provisions of **Section 906** hereof and shall be acceptable to the Requisite Global Majority and each Interest Rate Hedge Provider.

Upon acceptance of appointment by a successor Indenture Trustee as provided in this Section, the Issuer shall mail notice of the succession of such Indenture Trustee hereunder to all Noteholders at their addresses as shown in the registration books maintained by the Indenture Trustee and to each Interest Rate Hedge Provider. If the Issuer fails to mail such notice within ten (10) days after acceptance of appointment by the successor Indenture Trustee, the successor Indenture Trustee shall cause such notice to be mailed at the expense of the Issuer.

Section 909. Merger or Consolidation of Indenture Trustee

. Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, provided such corporation shall be eligible under the provisions of **Section 906** hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 910. Separate Indenture Trustees, Co-Indenture Trustees and Custodians

. If the Indenture Trustee is not capable of acting for jurisdictional purposes, it shall have the power from time to time to appoint one or more Persons or corporations to act either as co-trustees jointly with the Indenture Trustee, or as separate trustees, or as custodians, for the purpose of holding title to, foreclosing or otherwise taking action with respect to any of the Collateral, when such separate

trustee or co-trustee is necessary or advisable under any Applicable Laws or for the purpose of otherwise conforming to any legal requirement, restriction or condition in any applicable jurisdiction. The separate trustees, co-trustees, or custodians so appointed shall be trustees, co-trustees, or custodians for the benefit of all Noteholders and shall have such powers, rights and remedies as shall be specified in the instrument of appointment; provided, however, that no such appointment shall, or shall be deemed to, constitute the appointee an agent of the Indenture Trustee and the Indenture Trustee shall not have any liability relating to such appointment. The Issuer shall join in any such appointment, but such joining shall not be necessary for the effectiveness of such appointment.

Every separate trustee, co-trustee and custodian shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody and payment of moneys shall be exercised solely by the Indenture Trustee;

(ii) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee, co-trustee, or custodian jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed by such separate trustee, co-trustee or custodian;

(iii) no trustee, co-trustee, separate trustee or custodian hereunder shall be liable by reason of any act or omission of any other trustee, co-trustee, separate trustee or custodian hereunder; and

(iv) the Issuer or the Indenture Trustee may at any time accept the resignation of or remove any separate trustee, co-trustee or custodian so appointed by it or them if such resignation or removal does not violate the other terms of this Indenture.

Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee, co-trustee, or custodian shall refer to this Indenture and the conditions of this Article. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be furnished to the Indenture Trustee, each Interest Rate Hedge Provider and each Series Enhancer.

Any separate trustee, co-trustees, or custodian may, at any time, constitute the Indenture Trustee, its agent or attorney-in-fact, with full power and authority, to the extent not prohibited by law, to

do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee, co-trustee, or custodian shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor trustee or custodian.

No separate trustee, co-trustee or custodian hereunder shall be required to meet the terms of eligibility as a successor Indenture Trustee under **Section 906** hereof and no notice to Noteholders of the appointment thereof shall be required under **Section 908** hereof.

The Indenture Trustee agrees to instruct the co-trustees, if any, to the extent necessary to fulfill the Indenture Trustee's obligations hereunder.

Section 911. Representations and Warranties

. The Indenture Trustee hereby represents and warrants as of each Series Issuance Date that:

(a) **Organization and Good Standing**. The Indenture Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States, and has the power to own its assets and to transact the business in which it is presently engaged;

(b) **Authorization**. The Indenture Trustee has the power, authority and legal right to execute, deliver and perform this Indenture and each Supplement and to authenticate the Notes, and the execution, delivery and performance of this Indenture and each Supplement and the authentication of the Notes has been duly authorized by the Indenture Trustee by all necessary corporate action;

(c) **Binding Obligations**. This Indenture and each Supplement, assuming due authorization, execution and delivery by the Issuer, constitutes the legal, valid and binding obligations of the Indenture Trustee, enforceable against the Indenture Trustee in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws (whether statutory, regulatory or decisional) now or hereafter in effect relating to creditors' rights generally and the rights of trust companies in particular and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any Proceeding therefor may be brought, whether in a Proceeding at law or in equity;

(d) **No Violation**. The performance by the Indenture Trustee of its obligations under this Indenture and each Supplement will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice, lapse of time or both) a default under, the charter documents or bylaws of the Indenture Trustee;

(e) **No Proceedings**. There are no Proceedings or investigations to which the Indenture Trustee is a party pending, or, to the best of its knowledge without independent investigation, threatened, before any court, regulatory body, administrative agency or other tribunal or Governmental Authority (A) asserting the invalidity of this Indenture or the Notes, (B) seeking to prevent the issuance of the Notes or the consummation of any of the transactions contemplated by this Indenture or (C) seeking any determination or ruling that would materially and adversely affect

the performance by the Indenture Trustee of its obligations under, or the validity or enforceability of, this Indenture or the Notes; and

(f) **Approvals**. Neither the execution or delivery by the Indenture Trustee of this Indenture nor the consummation of the transactions by the Indenture Trustee contemplated hereby requires the consent or approval of, the giving of notice to, the registration with or the taking of any other action with respect to any Governmental Authority under any existing federal or State of Delaware law governing the banking or trust powers of the Indenture Trustee.

Section 912. Indenture Trustee Offices

. The Indenture Trustee shall maintain in the State of Delaware an office or offices or agency or agencies where Notes may be surrendered for registration of transfer or exchange, which office is currently located at 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Trust Administration/Jose Paredes, and shall promptly notify the Issuer, the Manager, each Interest Rate Hedge Provider, each Series Enhancer and the Noteholders of any change of such location.

Section 913. Notice of Event of Default, Early Amortization Event or Manager Default

. If a Responsible Officer of the Indenture Trustee shall have actual knowledge that an Event of Default, Early Amortization Event or Manager Default has occurred and be continuing, the Indenture Trustee shall promptly (but in any event within five (5) Business Days) give written notice thereof to the Noteholders, each Administrative Agent and each Interest Rate Hedge Provider of such affected Series. For all purposes of this Indenture, in the absence of actual knowledge by a Responsible Officer of the Indenture Trustee, the Indenture Trustee shall not be deemed to have actual knowledge of an Event of Default, Early Amortization Event or Manager Default unless notified in writing thereof by the Issuer, any Seller, the Manager, each Administrative Agent, any Interest Rate Hedge Provider or any Noteholder, and such notice references the applicable Series of Notes generally, the Issuer, this Indenture or the applicable Supplement.

ARTICLE X
SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Creating a New Series Without Consent of Holders

.

(a) Without the consent of any Holder and based on an Opinion of Counsel to the effect that such Supplement is for one of the purposes set forth in **Section 1001(a)(i)** through **Section 1001(a)(vii)** below, the Issuer and the Indenture Trustee, at any time and from time to time, may, in the case of **Section 1001(a)(i)** through **Section 1001(a)(vii)** below with the consent of each affected Interest Rate Hedge Provider (if such proposed amendment would adversely affect the rights, duties or immunities of such Interest Rate Hedge Provider under this Indenture or otherwise), enter into one or more Supplements in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) to add to the covenants of the Issuer in this Indenture for the benefit of the Holders of all Series then Outstanding or of any Series Enhancer, or to surrender any right or power conferred upon the Issuer in this Indenture;

(ii) to cure any ambiguity, to correct or supplement any provision in this Indenture which may be inconsistent with any other provision in this Indenture, or to make any other provisions with respect to matters or questions arising under this Indenture;

(iii) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien of this Indenture, or to subject additional property to the Lien of this Indenture;

(iv) to add to the conditions, limitations and restrictions on the authorized amount, terms and purposes of issue, authentication and delivery of the Notes, as herein set forth, or additional conditions, limitations and restrictions thereafter to be observed by the Issuer;

(v) to convey, transfer, assign, mortgage or pledge any additional property to or with the Indenture Trustee;

(vi) to evidence the succession of the Indenture Trustee pursuant to Article IX; or

(vii) to add any additional Early Amortization Events or Events of Default.

(b) Promptly after the execution by the Issuer and the Indenture Trustee of any Supplement pursuant to this Section, the Issuer shall mail to the Holders of all Notes then Outstanding, the Administrative Agent, each Interest Rate Hedge Provider and Series Enhancer related to such Series, a notice setting forth in general terms the substance of such Supplement, together with a copy of such Supplement. Any failure of the Issuer to mail any such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

Section 1002.Supplemental Indentures Not Creating a New Series with Consent of Holders.

(a) With the consent of the Requisite Global Majority, each affected Series Enhancer and each affected Interest Rate Hedge Provider (if such proposed amendment would adversely affect such Interest Rate Hedge Provider's rights, duties or immunities under this Indenture or otherwise), the Issuer and the Indenture Trustee may enter into a Supplement hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture (other than any such additions, changes, eliminations or modifications described in **Section 1001**); *provided, however, that* no such Supplement shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) reduce the principal amount of any Note or the rate of interest thereon (except in the case of the Series 2012-1 Supplement, to amend the definition of SOFR in accordance with the terms of such Supplement), change the priority of any such payments (other than to increase the priority thereof) required pursuant to this Indenture or any Supplement in a manner adverse to any Noteholder, or the date on which, or the amount of which, or the place of payment where, or the coin or currency in which, any Note or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Legal Final Payment Date thereof,

(ii) reduce the percentage of Outstanding Notes or Existing Commitments required for (a) the consent of any Supplement to this Indenture, (b) the consent required for any waiver of compliance with certain provisions of this Indenture or a Supplement, (c) waiver of certain Events of Default hereunder and their consequences as provided for in this Indenture or (d) the consent required to waive any payment default on the Notes;

(iii) modify any provision of this Indenture or any Supplement (or defined term) which specifies that such provision or defined term cannot be modified or waived without the consent of (x) the Holder of each Outstanding Note affected thereby or (y) a specified percentage of the Holders of a specified Series of Notes (which provisions can only be modified with the consent of not less than the specified percentage);

(iv) modify or alter the definition of the terms "Outstanding", "Requisite Global Majority", "Existing Commitment" or "Initial Commitment";

(v) impair or adversely affect the Collateral in any material respect as a whole except as otherwise permitted herein;

(vi) modify or alter **Section 702(a)** of this Indenture; or

(vii) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Collateral or terminate the Lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security afforded by the Lien of this Indenture.

A Supplement issued to evidence a Series of Notes may also include additional restrictions on the ability to modify or amend each Supplement. Prior to the execution of any Supplement issued pursuant to this Section 1002, the Issuer shall provide written notice to each Interest Rate Hedge Provider and each Series Enhancer setting forth in general terms the substance of any such Supplement.

(b) Promptly after the execution by the Issuer and the Indenture Trustee of any Supplement pursuant to this Section, the Issuer shall mail to the Holders of the Notes (other than those that consented in writing to such Supplement), the Administrative Agent, each Interest Rate Hedge Provider and Series Enhancer related to such Series, a notice setting forth in general terms the substance of such Supplement, together with a copy of such Supplement. Any failure of the Issuer to deliver such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

For purposes of clarification, no change in the Depreciation Policy, for purposes other than calculating the Asset Base, by operation of paragraph (ii) of the definition of "Depreciation Policy", shall be deemed an amendment, restatement, modification or supplement to the terms of any of the Related Documents requiring a Supplement.

Section 1003. Execution of Supplemental Indentures

. In executing, or accepting the additional trusts created by, a Supplement permitted by this Article or the modification thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that all conditions precedent specified in

Section 1001 or **Section 1002** (as applicable) for the execution of such Supplement have been satisfied, and that the execution thereof is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such Supplement which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 1004. Effect of Supplemental Indentures

. Upon the execution of any Supplement under this Article, this Indenture shall be modified in accordance therewith, and such Supplement shall form a part of this Indenture for all purposes, and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 1005. Reference in Notes to Supplemental Indentures

. Notes authenticated and delivered after the execution of any Supplement pursuant to this Article may, and shall if required by the Issuer, bear a notation as to any matter provided for in such Supplement. If the Issuer shall so determine, new Notes so modified as to conform may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

Section 1006. Issuance of Series of Notes.

(a) The Issuer may from time to time issue one or more Series of Notes as long as (i) the Rating Agency Condition shall have been satisfied with respect to the issuance of such Series of Notes, (ii) no Early Amortization Event or Event of Default (or event or condition which with the passage of time or giving of notice or both would become an Early Amortization Event or an Event of Default) is then continuing (nor would occur as a result of the issuance of such additional Series) and (iii) all of the applicable conditions set forth in **Section 1006(b)** of this Indenture have been satisfied.

(b) On or before the Series Issuance Date relating to any Series, the parties hereto will execute and deliver a Supplement which will specify the Principal Terms of such Series. The terms of such Supplement may modify or amend the terms of this Indenture solely as applied to such Series, and, with the consent of the Control Party for any other Series and each affected Interest Rate Hedge Provider, may amend this Indenture as applicable to such other Series, in accordance with **Section 1001** or **Section 1002** hereof. The obligation of the Indenture Trustee to authenticate, execute and deliver the Notes of such Series and to execute and deliver the related Supplement is subject to the satisfaction of the following conditions:

(i) on or before the second (2nd) Business Day immediately preceding the Series Issuance Date (unless the parties to be notified agree to a shorter notice period), the Issuer shall have given the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer entitled thereto pursuant to the relevant Supplement notice of the Series and the Series Issuance Date;

(ii) the Issuer shall have delivered to the Indenture Trustee the related Supplement, in form satisfactory to the Indenture Trustee, executed by each party hereto other than the Indenture Trustee;

(iii) the Issuer shall have delivered to the Indenture Trustee any related Enhancement Agreement executed by each of the parties thereto;

(iv) the Rating Agency Condition shall have been satisfied with respect to the issuance of such Series of Notes;

(v) the Issuer shall have delivered to the Indenture Trustee, each Interest Rate Hedge Provider, each Series Enhancer and, if required, any Noteholder, any Opinions of Counsel required by the related Supplement, including without limitation with respect to true sale, enforceability, non-consolidation and security interest perfection issues;

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate stating that no Early Amortization Event or Event of Default (or event or condition which with the passage of time or giving of notice or both would become an Early Amortization Event or an Event of Default) has occurred and is then continuing (or would result from the issuance of such additional Series);

(vii) written confirmation from an officer of the Manager that after giving effect to such proposed issuance, the aggregate unpaid principal balance of all Series of Notes then Outstanding does not exceed the Senior Asset Base or Subordinate Asset Base, as the case may be, as evidenced by the Asset Base Report most recently received by the Indenture Trustee (but not earlier than the preceding Payment Date);

(viii) such other conditions as shall be specified in the related Supplement; and

(ix) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate that all of the conditions specified in **Section 1006(b)(i)** through **Section 1006(b)(viii)** have been satisfied.

Upon satisfaction of the above conditions, the Indenture Trustee shall execute the Supplement and authenticate, execute and deliver the Notes of such Series.

ARTICLE XI
HOLDERS LISTS

Section 1101. Indenture Trustee to Furnish Names and Addresses of Holders

. Unless otherwise provided in the related Supplement, the Indenture Trustee will furnish or cause to be furnished to the Manager and each Series Enhancer not more than ten (10) days after receipt of a request, a list, in such form as the Indenture Trustee generally maintains, of the names, addresses and tax identification numbers of the Holders of Notes as of such date.

Section 1102. Preservation of Information; Communications to Holders

. The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Indenture Trustee as provided in **Section 1101** and the names and addresses of Holders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in **Section 1101** upon receipt of a new list so furnished.

ARTICLE XII
EARLY AMORTIZATION EVENT

Section 1201. Early Amortization Event

. As of any date of determination, the existence of any one of the following events or conditions:

(1) An "event of default" or a material "default" by TL, TEML or the Issuer under any Related Document (including an Event of Default hereunder) shall have occurred and then be continuing;

(2) A Manager Default shall have occurred and then be continuing;

(3) On any Payment Date, an Asset Base Deficiency with respect to the Senior Notes shall have occurred, and such condition remains unremedied for a period of ten (10) consecutive Business Days;

(4) The amount of any scheduled payment of interest then due and owing on the Notes of any Series then Outstanding is not paid in full;

(5) As of any Payment Date, the Weighted Average Age of the Eligible Container is greater than nine (9) years;

(6) Any payment shall be made by a Series Enhancer under any Enhancement Agreement;

(7) The occurrence of an additional Early Amortization Event as specified in the related Supplement for any Series; or

(8) Either (A) (x) a breach of any financial covenant of TGH set forth in the documents governing any Indebtedness of TGH in an aggregate principal amount of $10,000,000 or greater (the "***Funded Debt Documents***") shall have occurred and (y) shall not have been waived within sixty (60) days thereafter by the applicable lenders, or (B) any default, not described in clause (A), under any Funded Debt Document shall have occurred and as a result the required lenders under the affected financing transaction have accelerated all or part of such Indebtedness.

If an Early Amortization Event exists on any Payment Date, then such Early Amortization Event shall be deemed to continue until the Business Day on which the Requisite Global Majority waives, in writing, such Early Amortization Event.

Promptly following any occurrence of and, if applicable, any cure of an Early Amortization Event, the Issuer shall notify each Interest Rate Hedge Provider thereof.

Section 1202. Remedies

. Upon the occurrence of an Early Amortization Event, the Indenture Trustee shall have in addition to the rights provided in the Related Documents, all rights and remedies provided under all Applicable Laws.

ARTICLE III
MISCELLANEOUS PROVISIONS

Section 1301.Compliance Certificates and Opinions.

(a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture or any Supplement, the Issuer shall furnish to the Indenture Trustee a certificate stating that all conditions precedent, if any, provided for in this Indenture and any relevant Supplement relating to the proposed action have been complied with and, if deemed reasonably necessary by the Indenture Trustee or if required pursuant to the terms of this Indenture, an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

(b) Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1302.Form of Documents Delivered to Indenture Trustee.

(a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows that the

certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous.

(c) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1303.Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture or any Supplement to be given or taken by Holders may be (i) embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing, (ii) evidenced by the written consent or direction of Holders of the specified percentage of the principal amount of the Notes, or (iii) evidenced by a combination of such instrument or instruments; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments and record are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 1304.[Reserved].

Section 1305. Limitation of Rights

. Except as expressly set forth in this Indenture, this Indenture shall be binding upon the Issuer, the Noteholders and their respective successors and permitted assigns and shall not inure to the benefit of any Person other than the parties hereto, the Noteholders and the Manager as provided herein. Notwithstanding the previous sentence, the parties hereto acknowledge that each Interest Rate Hedge Provider and the Series Enhancer for a

Series of Notes is an express third party beneficiary hereof entitled to enforce its rights hereunder as if actually a party hereto.

Section 1306. Severability; Entire Agreement

. If any provision of this Indenture is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

The invalidity of any one or more phrases, sentences, clauses or Sections of this Indenture, shall not affect the remaining portions of this Indenture, or any part thereof.

This Indenture constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

Section 1307. Notices

. All demands, notices and communications hereunder shall be in writing, personally delivered, or by facsimile (with subsequent telephone confirmation of receipt thereof), or sent by internationally recognized overnight courier service, (a) in the case of the Indenture Trustee, at the following address: 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Trust Administration/Jose Paredes, telephone: 302-636-6191, facsimile: 302-636-4149, email: jparedes@wilmingtontrust.com, (b) in the case of the Issuer, at the following address: Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Senior Vice President - Asset Management, with a copy to each: (i) Textainer Equipment Management Limited at its address at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Senior Vice President - Asset Management, and (ii) Textainer Equipment Management (U.S.) Limited at its address at 650 California Street, 16th floor, San Francisco, CA 94108, Telephone: (415) 658-8363, Facsimile: (415) 434-0599, Attention: Senior Vice President - Asset Management, (c) in the case of a Series Enhancer, at its address set forth in the related Supplement, or at such other address as shall be designated by such party in a written notice to the other parties, and (d) in the case of an Interest Rate Hedge Provider, at its address set forth in the related Interest Rate Hedge Agreement, or at such other address as shall be designated by such party in a written notice to the other parties. Any notice required or permitted to be given to a Noteholder shall be given by certified first class mail, postage prepaid (return receipt requested), or by courier, or by facsimile or electronic mail, with subsequent telephone confirmation of receipt thereof, in each case at the address of such Holder as shown in the Note Register or to the telephone or fax number or e-mail address furnished by such Noteholder. Notice shall be effective and deemed received (a) two (2) days after being delivered to the courier service, if sent by courier, (b) upon receipt of confirmation of transmission, if sent by facsimile or electronic mail, or (c) when delivered, if delivered by hand.

Section 1308. Consent to Jurisdiction

. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS INDENTURE, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, STATE OF NEW YORK AND THE ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER

HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS INDENTURE, THE ISSUER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE ISSUER HEREBY IRREVOCABLY APPOINTS AND DESIGNATES COGENCY GLOBAL INC. (FORMERLY KNOWN AS NATIONAL CORPORATE RESEARCH LTD.), HAVING AN ADDRESS AT 10 E. 40TH STREET, 10TH FLOOR, NEW YORK, NY 10016, ITS TRUE AND LAWFUL ATTORNEY-IN-FACT AND DULY AUTHORIZED AGENT FOR THE LIMITED PURPOSE OF ACCEPTING SERVICING OF LEGAL PROCESS AND THE ISSUER AGREES THAT SERVICE OF PROCESS UPON SUCH PARTY SHALL CONSTITUTE PERSONAL SERVICE OF SUCH PROCESS ON SUCH PERSON. THE ISSUER SHALL MAINTAIN THE DESIGNATION AND APPOINTMENT OF SUCH AUTHORIZED AGENT UNTIL ALL AMOUNTS PAYABLE UNDER THIS INDENTURE SHALL HAVE BEEN PAID IN FULL. IF SUCH AGENT SHALL CEASE TO SO ACT, THE ISSUER SHALL IMMEDIATELY DESIGNATE AND APPOINT ANOTHER SUCH AGENT SATISFACTORY TO THE INDENTURE TRUSTEE AND SHALL PROMPTLY DELIVER TO THE INDENTURE TRUSTEE EVIDENCE IN WRITING OF SUCH OTHER AGENT'S ACCEPTANCE OF SUCH APPOINTMENT.

Section 1309. Captions

. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 1310. Governing Law

. THIS INDENTURE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF NEW YORK GENERAL OBLIGATIONS LAW, BUT WITHOUT GIVING EFFECT TO ANY OTHER PRINCIPLES OF CONFLICTS OF LAW, AND THE RIGHTS, OBLIGATIONS AND REMEDIES OF THE PARTIES HERETO SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 1311. No Petition

. The Indenture Trustee, on its own behalf, hereby covenants and agrees, and each Noteholder by its acquisition of a Note shall be deemed to covenant and agree, that it will not institute against the Issuer any bankruptcy, reorganization, arrangement insolvency or liquidation Proceedings, or other Proceedings under any federal or state bankruptcy or similar law, at any time other than on a date which is at least one (1) year and one (1) day after the later of (a) the last date on which any Note of any Series was Outstanding and (b) the date on which all amounts owing to each Series Enhancer pursuant to the terms of this Indenture and the related Insurance Agreements have been paid in full.

Section 1312.General Interpretive Principles

. For purposes of this Indenture except as otherwise expressly provided or unless the context otherwise requires:

(a) the defined terms in this Indenture shall include the plural as well as the singular, and the use of any gender herein shall be deemed to include any other gender;

(b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date hereof;

(c) references herein to “Articles”, “Sections”, “Subsections”, “paragraphs”, and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, paragraphs and other subdivisions of this Indenture;

(d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to paragraphs and other subdivisions;

(e) the words “herein”, “hereof’, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular provision;

(f) the term “include” or “including” shall mean without limitation by reason of enumeration; and

(g) When referring to **Section 302** or **Section 806** of this Indenture, the term “or” shall be additive and not exclusive.

Section 1313. WAIVER OF JURY TRIAL

. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS INDENTURE OR ANY OTHER RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

Section 1314. Waiver of Immunity

. To the extent that any party hereto or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal actions, suits or Proceedings, from set off or counterclaim, from the jurisdiction or judgment of any competent court, from service of process, from execution of a judgment, from attachment prior to judgment, from attachment in aid of execution, or from execution prior to judgment, or other legal process in any jurisdiction, such party, for itself and its successors and assigns and its property, does hereby irrevocably and unconditionally waive, and agrees not to plead or claim, any such immunity with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Indenture, the other Related Documents or the subject matter hereof or thereof, subject, in each case, to the provisions of the Related Documents and mandatory requirements of Applicable Law.

Section 1315. Judgment Currency

. The parties hereto (A) acknowledge that the matters contemplated by this Indenture are part of an international financing transaction and (B) hereby agree that (i) specification and payment of Dollars is of the essence, (ii) Dollars shall be the currency of account in the case of all obligations under the Related Documents unless otherwise expressly provided herein or therein, (iii) the payment obligations of the parties under the Related Documents shall not be discharged by an amount paid in a currency or in a place other than that specified with respect to such obligations, whether pursuant to a judgment or otherwise, except to the extent actually received by the Person entitled thereto and converted into Dollars by such

Person (it being understood and agreed that, if any transaction party shall so receive an amount in a currency other than Dollars, it shall (A) if it is not the Person entitled to receive payment, promptly return the same (in the currency in which received) to the Person from whom it was received or (B) if it is the Person entitled to receive payment, either, in its sole discretion, (x) promptly return the same (in the currency in which received) to the Person from whom it was received or (y) subject to reasonable commercial practices, promptly cause the conversion of the same into Dollars), (iv) to the extent that the amount so paid on prompt conversion to Dollars under normal commercial practices does not yield the requisite amount of Dollars, the obligee of such payment shall have a separate cause of action against the party obligated to make the relevant payment for the additional amount necessary to yield the amount due and owing under the Related Documents, (v) if, for the purpose of obtaining a judgment in any court with respect to any obligation under any of the Related Documents, it shall be necessary to convert to any other currency any amount in Dollars due thereunder and a change shall occur between the rate of exchange applied in making such conversion and the rate of exchange prevailing on the date of payment of such judgment, the obligor in respect of such obligation will pay such additional amounts (if any) as may be necessary to insure that the amount paid on the date of payment is the amount in such other currency which, when converted into Dollars and transferred to New York City, New York, in accordance with normal banking procedures, will result in realization of the amount then due in Dollars and (vi) any amount due under this Section 1315 shall be due as a separate debt and shall not be affected by or merged into any judgment being obtained for any other sum due under or in respect of the Related Documents.

Section 1316. Statutory References

. References in this Indenture and each other Related Document for any Series to any section of the Uniform Commercial Code or the UCC shall mean, on or after the effective date of adoption of any revision to the Uniform Commercial Code or the UCC in the State of New York, such revised or successor section thereto.

Section 1317. Counterparts

. This Indenture may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Indenture by facsimile or e-mail (including in pdf format) shall be effective as delivery of a manually executed counterpart of this Indenture.

Section 1318. Transactions Under Prior Agreement

. On the date hereof, the Prior Agreement shall be amended and restated as provided in this Indenture and shall be superseded by this Indenture. The terms and conditions of this Indenture shall apply to all of the Liens created by, and all of the rights, obligations and remedies incurred by, the Issuer under the Prior Agreement, and the Issuer agrees that this Indenture is not intended to constitute a discharge of the rights, obligations and remedies existing under the Prior Agreement.

Section 1319. Patriot Act

. The parties hereto acknowledge that in accordance with the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, the Indenture Trustee in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Indenture Trustee. Each party hereby agrees that it shall provide the Indenture Trustee with such information as the Indenture Trustee may request that will help Indenture Trustee to identify and verify each party’s identity,

including without limitation each party's name, physical address, tax identification number, organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

Section 1320. Multiple Roles

. The parties expressly acknowledge and consent to WTNA acting in the multiple capacities of Securities Intermediary, Depositary Bank, Paying Agent, Note Registrar, and in the capacity as Indenture Trustee. WTNA may, in such multiple capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles or other breach of duties to the extent that any such conflict or breach arises from the performance by WTNA of express duties set forth in this Indenture and any other Related Documents in any of such capacities, all of which defenses, claims or assertions are hereby expressly waived by the other parties hereto except in the case of negligence (other than errors in judgment) and willful misconduct by WTNA.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Indenture to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

TEXTAINER MARINE CONTAINERS II LIMITED

By _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Indenture Trustee

By _____
Name:
Title:

EXHIBIT A

FORM OF ASSET BASE REPORT

[To Be Updated]

EXHIBIT B

DEPRECIATION METHODS BY TYPE OF CONTAINER

Depreciation Methods - GAAP

1. For purposes of any calculation of the Asset Base, a Managed Container is depreciated using the straight-line method, over the estimated useful life for such type of Container to the Residual Value of such type of Managed Container, in each case, as such estimated useful life and residual value is determined in accordance with GAAP, provided, however that if any such estimated useful life is extended or Residual Value increased from that shown below, all of the Noteholders must first approve of such change.

2. For any purpose other than that described in item 1 above, including without limitation the calculation of financial covenants, the preparation of financial reports, and the calculation of the purchase price to be paid for any containers, the Depreciation Policy shall be in accordance with GAAP (provided that any change in the Depreciation Policy, as described in this item 2, resulting from the application of GAAP, or from the requirements of the Issuer's accountants applying GAAP, shall be deemed not to constitute a change to the Depreciation Policy under any of the Related Documents).

Residual Values based upon GAAP on July 24, 2019

GAAP RESIDUAL VALUES AND USEFUL LIVES
AS OF 30 JUNE 2019

TYPE	GAAP RV	USEFUL LIFE	CEU	
Tanks	10%			
2B	604	13	1.3	BULKER
2C	393	13	1.4	High Cube / High Cube Transrac
2D	845	13	3	SIDE DOOR
2F	140	13	2	FIXED FLAT
2H	666	13	2.3	20'HALF HIGH
2L	1,300	15	2.3	FOLDING FLAT
2M	834	13	2.9	20'MEZZANINE DECKS/ 40" METER ROLLTRAILER
2R	2,750	12	6	REEFER
2S	1,000	13	1	STANDARD DRY FREIGHT
2T	1,500	15	1.4	OPEN TOP
2U	2,377	13	8.3	20" BITUTAINER/ 45' AUTORACK, COLLAPSIBLE
2W	765	13	2.7	HARD TOP HIGH CUBE
2Y	2,049	12	6.5	HIGH CUBE REEFER
2Z	2,534	13	2.7	CHASSIS

4F	820	13	3.5	FIXED FLAT
4H	1,400	13	1.7	40’ HIGH CUBE
4J	1,500	13	2.9	45’ HIGH CUBE/DRY VAN
4L	1,700	16	3.7	FOLDING FLAT
4M	1,169	13	4.1	20’MEZZANINE DECKS/ 40” METER ROLLTRAILER
4N	765	13	2.7	CELLULAR PALLETWIDE HUGH CUBE
4S	1,200	14	1.6	STANDARD DRY FREIGHT (40 FOOT DRY)
4T	2,500	14	2.3	OPEN TOP
4U	2,288	13	8	20” BITUTAINER/ 45’ AUTORACK, COLLAPSIBLE
4W	1,253	13	4.4	HARD TOP HIGH CUBE
4Y	4,000	12	8	HIGH CUBE REEFER

EXHIBIT C

FORM OF PURCHASER LETTER

(Transfers pursuant to Rule 144A)

FOR VALUE RECEIVED the undersigned registered Holder (the "Seller") hereby sell(s), assign(s) and transfer(s) unto (please print or type name and address including postal zip code of assignee):

_____

(The "Purchaser"), Taxpayer Identification No. _____, the accompanying [Series _____ Asset Backed Note bearing number _____] and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Note on the books of the Issuer with full power of substitution in the premises.

1. In connection with such transfer and in accordance with Section 205 of the Third Amended and Restated Indenture, dated as of November 15, 2021 (as amended or supplemented from time to time, the "***Indenture***"), between TEXTAINER MARINE CONTAINERS II LIMITED, a company incorporated and existing under the laws of Bermuda (the "***Issuer***"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association ("***WTNA***"), as Indenture Trustee (the "***Indenture Trustee***"), the Seller hereby certifies the following facts: Neither the Seller nor anyone acting on its behalf has (a) offered, transferred, pledged, sold or otherwise disposed of the Note, any interest in the Note or any other similar security, (b) solicited any offer to buy or accept a transfer, pledge or other disposition of the Note, any interest in the Note or any other similar security from, any Person in any manner, or (c) made any general solicitation by means of general advertising or in any other manner, or taken any other action which would constitute a distribution of the Note under the Securities Act of 1933, as amended (the "***1933 Act***"), or which would render the disposition of the Note a violation of Section 5 of the 1933 Act or require registration pursuant thereto.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Indenture, or if not defined therein, as defined in the Third Amended and Restated Series 2012-1 Supplement, dated as of November 15, 2021, between the Issuer and the Indenture Trustee.

2. The Purchaser warrants and represents to, and covenants with, the Seller, the Indenture Trustee and the Manager pursuant to Section 205 of the Indenture as follows:

a. The Purchaser understands that the Note has not been registered under the 1933 Act or the securities laws of any State.

b. The Purchaser is acquiring the Note for investment for its own account only and not for any other Person.

c. The Purchaser considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Note.

d. The Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the 1933 Act ("Rule 144A") and has completed either of the forms of certification to that effect attached hereto as Annex 1 or Annex 2. The Purchaser is aware that the sale to it is being made in reliance on Rule 144A. The Purchaser is acquiring the Note for its own account or for the account of another qualified institutional buyer, understands that such Note may be offered, resold, pledged or transferred only (i) to a qualified institutional, buyer, or to an offeree or purchaser that the Purchaser reasonably believes is a qualified institutional buyer, that purchases for its own account or for the account of another qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, or (ii) pursuant to another exemption from registration under the 1933 Act.

e. The Purchaser is not a Competitor.

3. The Purchaser represents to the Indenture Trustee, the Issuer and the Manager or any successor Manager that one of the following statements is true and correct: (i) the purchaser is not an "employee benefit plan" within the meaning of Section 3(3) of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code ("Benefit Plan") and it is not directly or indirectly acquiring the Notes on behalf of, as investment manager of, as named fiduciary of, as trustee of, or with assets of, a Benefit Plan, (ii) the acquisition will qualify for a statutory or administrative prohibited transaction exemption under ERISA and the Code and will not give rise to a non-exempt transaction described in Section 406 of ERISA or Section 4975(c) of the Code, (iii) the source of funds (the "Source") to be used by the Purchaser to pay the purchase price of the Notes is a guaranteed benefit policy within the meaning of Section 401(b)(2)(B) of ERISA, or (iv) the Source to be used by the purchaser to pay the purchase price of the Notes is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995), and there is no "employee benefit plan" or "plan" (within the meaning of Section 3(3) of ERISA or Section 4975(e)(1) of the Code as applicable, and treating as a single plan, all plans maintained by the same employer (or an affiliate within the meaning of Section V(a)(1) of PTE 95-60) or employee organization) with respect to which the amount of the reserves and liabilities for the general account contracts held by or on behalf of such plan, as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "NAIC Annual Statement"), exceed ten percent (10%) of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with the Purchaser's state of domicile.

4. This document may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same document.

IN WITNESS WHEREOF, each of the parties have caused this document to be executed by their duly authorized officers as of the date set forth below.

Seller	Purchaser

By:
Name:
Title:
Taxpayer Identification No.:

Date:

By:
Name:
Title:
Taxpayer Identification No.:

Date:

ANNEX 1 TO EXHIBIT C

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Purchasers Other Than Registered Investment Companies]

The undersigned hereby certifies as follows to the parties identified in Section 2 of the attached Purchaser Letter:

1. As indicated below, the undersigned is the President, Chief Financial Officer, Senior Vice President or other senior executive officer of the Purchaser.

2. The Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("**Rule 144A**") because (i) the Purchaser owned and/or invested on a discretionary basis $_____ in securities (except for the excluded securities referred to in paragraph 3 below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and (ii) the Purchaser satisfies the criteria in the category marked below.

____ Corporation etc. The Purchaser is a corporation (other than a bank, savings and loan association or similar institution), a Massachusetts or similar business trust, a partnership, or a charitable organization described in Section 501(c)(3) of the Internal Revenue Code.

____ Bank. The Purchaser (a) is a national bank or banking institution organized under the laws of any State, territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

____ Savings and Loan. The Purchaser (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a state or federal authority having supervision over any such institutions, or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

____ Broker-dealer. The Purchaser is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

____ Insurance Company. The Purchaser is organized as an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and which is subject to supervision by the insurance commissioner or a similar official or agency of a State, territory or the District of Columbia.

____ State or Local Plan. The Purchaser is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

____ ERISA Plan. The Purchaser is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

____ Investment Advisor. The Purchaser is an investment advisor registered under the Investment Advisers Act of 1940.

3. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser, (ii) securities that are part of an unsold allotment to or subscription by the Purchaser, if the Purchaser is a dealer, (iii) securities issued or guaranteed by the U.S. or any instrumentality thereof, (iv) bank deposit notes and certificates of deposit, (v) loan participations, (vi) repurchase agreements, (vii) securities owned but subject to a repurchase agreement and (viii) currency, interest rate and commodity swaps.

4. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Purchaser, the Purchaser used the cost of such securities to the Purchaser (except as provided in Rule 144A(a)(3)) and did not include any of the securities referred to in the preceding paragraph. Further, in determining such aggregate amount, the Purchaser may have included securities owned by subsidiaries of the Purchaser, but only if such subsidiaries are consolidated with the Purchaser in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Purchaser's direction. However, such securities were not included if the Purchaser is a majority-owned, consolidated subsidiary of another enterprise and the Purchaser is not itself a reporting company under the Securities Exchange Act of 1934.

5. The Purchaser acknowledges that it is familiar with Rule 144A and understands that the seller to it and other parties related to the Notes are relying and will continue to rely on the statements made herein because one or more sales to the Purchaser may be in reliance on Rule 144A.

_____	Will the Purchaser be purchasing the
Yes No	Notes only for Purchaser's own account?

6. If the answer to the foregoing question is "no", the Purchaser agrees that, in connection with, any purchase of securities sold to the Purchaser for the account of a third party (including any separate account) in reliance on Rule 144A, the Purchaser will only purchase for the account of a third party that at the time is a "qualified institutional buyer" within the meaning of Rule 144A. In addition, the Purchaser agrees that the Purchaser will not purchase securities for a third party unless the Purchaser has obtained a certificate from such third party substantially identical to this certification or taken other appropriate steps contemplated by Rule 144A to conclude that such third party independently meets the definition of "qualified institutional buyer" set forth in Rule 144A.

7. The Purchaser will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Purchaser's purchase of the Note will constitute a reaffirmation of this certification as of the date of such purchase.

____
Print Name of Purchaser

By:_______________________________
Name:
Title:

Date:______________________________

ANNEX 2 TO EXHIBIT C

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Purchasers That Are Registered Investment Companies]

The undersigned hereby certifies as follows to the parties identified in Section 2 of the attached Purchaser Letter:

1. As indicated below, the undersigned is the President, Chief Financial Officer or Senior Vice President or other senior executive officer of the Purchaser or, if the Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because Purchaser is part of a Family of Investment Companies (as defined below), is such an officer of the adviser.

2. The Purchaser is a "qualified institutional buyer" as defined in SEC Rule 144A because (i) the Purchaser is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Purchaser alone, or the Purchaser's Family of Investment Companies, owned at least $100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year. For purposes of determining the amount of securities owned by the Purchaser or the Purchaser's Family of Investment Companies, the cost of such securities was used (except as provided in Rule 144(a)(3)).

____ The Purchaser owned $_____ in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

____ The Purchaser is part of a Family of Investment Companies which owned in the aggregate $_____ in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "Family of Investment Companies" as used herein means two or more registered investment companies (or series thereof), except for a unit investment trust whose assets consist solely of shares on one or more registered investment companies that have the same investment adviser or investment advisers that are affiliated (by virtue of being majority owned subsidiaries of the same parent or because one investment adviser is a majority owned subsidiary of the other), or, in the case of unit investment trusts, the same depositor.

4. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser or are part of the Purchaser's Family of Investment Companies, (ii) securities issued or guaranteed by the U.S. or any instrumentality thereof, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps.

5. The Purchaser acknowledges that it is familiar with Rule 144A and understands that the seller to it and the other parties related to the Note are relying and will continue to rely on

the statements made herein because one or more sales to the Purchaser will be in reliance on Rule 144A.

6. The undersigned will notify the parties addressed the Purchaser Letter to which this certification relates of any changes in the information and conclusions herein. Until such notice, the Purchaser's purchase of the Note will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

_____
Print Name of Purchaser or Adviser

By:_____
Name:
Title:

IF AN ADVISER:

_____
Print Name of Purchaser

Date:

EXHIBIT D

FORM OF PURCHASER CERTIFICATION

(Transfers other than Rule 144A)

FOR VALUE RECEIVED the undersigned registered Holder (the "Seller") hereby sell(s), assign(s) and transfer(s) unto (please print or type name and address including postal zip code of assignee):
_____ (the "Purchaser"), Taxpayer Identification No._____ the accompanying Series _____ Asset Backed Note bearing number _____ (the "Note") and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Note on the books of the Issuer with full power of substitution in the premises.

1. In connection with such transfer and in accordance with Section 205 of the Third Amended and Restated Indenture, dated as of November 15, 2021 (as amended or supplemented from time to time, the "***Indenture***"), between TEXTAINER MARINE CONTAINERS II LIMITED, a company incorporated and existing under the laws of Bermuda (the "***Issuer***"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "***Indenture Trustee***"), the Seller hereby certifies the following facts: Neither the Seller nor anyone acting on its behalf has (a) offered, transferred, pledged, sold or otherwise disposed of the Note, any interest in the Note or any other similar security, or (b) solicited any offer to buy or accept a transfer, pledge or other disposition of the Note, any interest in the Note or any other similar security from, any Person in any manner, or (c) made any general solicitation by means of general advertising or in any other manner, or taken any other action which would constitute a distribution of the Note under the Securities Act of 1933, as amended (the "***1933 Act***"), or which would render the disposition of the Note a violation of Section 5 of the 1933 Act or require registration pursuant thereto.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Indenture, or if not defined therein, as defined in the Third Amended and Restated Series 2012-1 Supplement, dated as of November 15, 2021, between the Issuer and the Indenture Trustee.

2. The Purchaser warrants and represents to, and covenants with, the Seller, the Indenture Trustee and the Manager pursuant to Section 205 of the Indenture as follows:

   a. The Purchaser understands that the Note has not been registered under the 1933 Act or the securities laws of any State.

   b. The Purchaser is acquiring the Note for investment for its own account only and not for any other Person.

c. The Purchaser is an institutional accredited investor within the meaning of Rule 501(a)(1), (2), (3) or (7) under the 1933 Act.

d. The Purchaser considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Note.

e. The Purchaser is not a Competitor.

3. The Purchaser represents to the Indenture Trustee, the Issuer and the Manager or any successor Manager that one of the following statements is true and correct: (i) the purchaser is not an "employee benefit plan" within the meaning of Section 3(3) of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code ("***Benefit Plan***") and it is not directly or indirectly acquiring the Notes on behalf of, as investment manager of, as named fiduciary of, as trustee of, or with assets of, a Benefit Plan, (ii) the acquisition will qualify for a statutory or administrative prohibited transaction exemption under ERISA and the Code and will not give rise to a non-exempt transaction described in Section 406 of ERISA or Section 4975(c) of the Code, (iii) the source of funds (the "***Source***") to be used by the Purchaser to pay the purchase price of the Notes is a guaranteed benefit policy within the meaning of Section 401(b)(2)(B) of ERISA, or (iv) the Source to be used by the purchaser to pay the purchase price of the Notes is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("***PTE***") 95-60 (issued July 12, 1995), and there is no "employee benefit plan" or "plan" (within the meaning of Section 3(3) of ERISA or Section 4975(e)(1) of the Code as applicable, and treating as a single plan, all plans maintained by the same employer (or an affiliate within the meaning of-Section V(a)(1) of PTE 95-60) or employee organization) with respect to which the amount of the reserves and liabilities for the general account contracts held by or on behalf of such plan, as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "NAIC Annual Statement"), exceed ten percent (10%) of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with the purchaser's state of domicile.

4. This document may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same document.

IN WITNESS WHEREOF, each of the parties have caused this document to be executed by their duly authorized officers as of the date

_____ _____

Seller Purchaser

By: _____
Name:
Title:
Taxpayer Identification No.:
_____

Date:_____

By: _____
Name:
Title:
Taxpayer Identification No.:
_____

Date:_____

EXHIBIT E

FORM OF NON-RECOURSE RELEASE

Indenture Trustee's Certificate
pursuant to Section 404 of the Indenture

[DATE]

Reference is made to the Third Amended and Restated Indenture, dated as of November 15, 2021 (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the "***Indenture***"), between TEXTAINER MARINE CONTAINERS II LIMITED (the "***Issuer***") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as indenture trustee (the "***Indenture Trustee***"). Capitalized terms used herein without definition have the meanings provided in the Indenture.

Pursuant to the Indenture, the Indenture Trustee does, as of [the date hereof] (the "***Effective Date***"), hereby release all of the Indenture Trustee's right, title and interest in and to all of the Released Collateral (as defined below), without recourse, representation or warranty (except that the Indenture Trustee has not created any liens, claims or encumbrances on any Released Collateral, other than the lien of the Indenture).

"***Released Collateral***" shall mean all Managed Containers identified in the attached **Schedule 1**, together with all income thereon and proceeds thereof and all general intangibles, security, chattel paper and documents relating thereto, including without limitation rent (whether paid or unpaid) for such Managed Containers accrued as of [_____] (and not thereafter).

[*Remainder of page intentionally left blank; signature follows*]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first above written.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Indenture Trustee

By _____
Name:
Title:

SCHEDULE 1 TO NON-RECOURSE RELEASE

MANAGED CONTAINERS

[see attached]

EXHIBIT F

INTEREST RATE HEDGING POLICY

In determining the appropriate level of hedging, separate components will be calculated pursuant to established formulas with respect to those Managed Containers that are then subject to Long-Term Leases and Finance Leases. The calculations with respect to Long-Term Leases and Finance Leases are set forth below:

The required aggregate notional balance of Interest Rate Hedge Agreements attributable to those Managed Containers that are then subject to Long-Term Leases and Finance Leases shall be determined in accordance with the following formula:

LTLHR =	AR x NBVLTL
LTLHR =	as of any date of determination, the required aggregate notional balance of Interest Rate Hedge Agreements attributable to Long-Term Leases and Finance Leases;
AR =	as of any date of determination, a fraction (expressed as a percentage) the numerator of which is equal to the then ANPB and the denominator of which is equal to the sum of the Net Book Values of all Eligible Containers;
ANPB =	as of any date of determination, an amount equal to the sum of the unpaid principal balance of the Notes of all Series then Outstanding (excluding the Notes of all Series upon which interest is paid at a fixed rate pursuant to the terms of the related Supplement);
NBVLTL =	as of any date of determination, the sum of the Net Book Values (determined as of the most recently available date, but not less frequently than quarterly) of all Managed Containers then subject to a Long-Term Lease or Finance Lease;

Notwithstanding the foregoing formula, the Issuer will be deemed to be in compliance with the foregoing requirement if the then aggregate notional balance of all Interest Rate Hedge Agreements attributable to Long-Term Leases then in effect differs from the amount calculated above by no more than seven and one-half percent (7.5%) of the amount calculated by the above formula. The notional balance of any Interest Rate Hedge Agreements entered into with respect to Long-Term Leases shall amortize at an annual rate reasonably consistent with the depreciation rate associated with the Managed Containers under Long-Term Leases. The notional balance of any Interest Rate Hedge Agreements entered into with respect to Finance Leases shall amortize at an annual rate reasonably consistent with the depreciation rate associated with the Managed Containers under Finance Leases.

EXHIBIT G

FORM OF CONTROL AGREEMENT

[*see attached*]

EXHIBIT B TO AMENDMENT AND CONSENT

PROPOSED SUPPLEMENT
EXECUTION VERSION

TEXTAINER MARINE CONTAINERS II LIMITED

Issuer

WELLS FARGO BANK, NATIONAL ASSOCIATION

Administrative Agent

and

WILMINGTON TRUST, NATIONAL ASSOCIATION

Indenture Trustee

_____

THIRD AMENDED AND RESTATED SERIES 2012-1 SUPPLEMENT

Dated as of November 15, 2021

to

THIRD AMENDED AND RESTATED INDENTURE

Dated as of November 15, 2021

_____

SERIES 2012-1 NOTES

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

EXHIBITS

TABLE OF CONTENTS
(continued)

Page

SCHEDULES

THIRD AMENDED AND RESTATED SERIES 2012-1 SUPPLEMENT, dated as of November 15, 2021 (as amended, modified and supplemented from time to time in accordance with the terms hereof, this "**Supplement**"), between TEXTAINER MARINE CONTAINERS II LIMITED, a company incorporated and existing under the laws of Bermuda (the "**Issuer**"), Wells Fargo Bank, National Association, a national banking association, as (the "**Administrative Agent**"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association ("**WTNA**"), as Indenture Trustee (the "**Indenture Trustee**").

WITNESSETH:

WHEREAS, the Issuer entered into that certain Second Amended and Restated Series 2012-1 Supplement, dated as of August 31, 2017 (as amended by Amendment 1, dated as of July 24, 2019, the "**Prior Agreement**"), with WELLS FARGO BANK, NATIONAL ASSOCIATION, as indenture trustee ("**Prior Trustee**"), pursuant to which the Issuer had issued the Series 2012-1 Notes;

WHEREAS, Prior Trustee has assigned its role as indenture trustee to WTNA, which has assumed such role; and

WHEREAS, the Issuer and the Indenture Trustee (acting at the direction of all of the Series 2012-1 Noteholders) wish to amend certain provisions of the Prior Agreement as of the date hereof, confirm the Lien of the Prior Agreement and, for ease of reference, to restate the terms of the Prior Agreement in their entirety;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

Article I
Definitions; Calculation Guidelines

Section 101. Definitions

. (a) Whenever used in this Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

"**Adjusted Daily Simple SOFR**" means, for any day (a "SOFR Rate Day"), a rate per annum equal to the greater of (a) the sum of (i) SOFR for the day (such day, a "SOFR Determination Day") that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website; provided that if by 5:00 p.m. on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to Adjusted Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator's Website; provided further

that SOFR as determined pursuant to this proviso shall be utilized for purposes of calculation of Adjusted Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days and (ii) the SOFR Adjustment and (b) the Floor. Any change in Adjusted Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Issuer.

"**Aggregate Series 2012-1 Note Principal Balance**" means, as of any date of determination, an amount equal to the sum of the then Series 2012-1 Note Principal Balances of all Series 2012-1 Notes then Outstanding.

"**Aggregate Series 2012-1 Note Commitment**" shall have the meaning set forth in the Series 2012-1 Note Purchase Agreement.

"**Applicable Law**" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of Governmental Authorities and all orders and decrees of all courts and arbitrators.

"**Applicable Margin**" means, with respect to each day (commencing on the date hereof) during an Interest Accrual Period on which a Series 2012-1 Advance is outstanding, one of the following amounts for such Series 2012-1 Advance:

(A) for each day occurring prior to the Conversion Date, (i) if no DSCR Sweep Event has occurred and is continuing, one and six tenths percent (1.6%) *per annum*, and (ii) if a DSCR Sweep Event has occurred and is continuing, two and one tenth percent (2.1%) *per annum*;

(B) for each day subsequent to the Conversion Date, two and six tenths percent (2.6%) *per annum*.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Supplement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Accrual Period" pursuant to **Section 212(c)(iv)**.

"**Base Rate**" means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.50% and (c) Adjusted Daily Simple SOFR in effect on such day plus 1%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Daily Simple SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Daily Simple SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than zero percent (0%).

"**Base Rate Loan**" means any Series 2012-1 Advance that bears interest that is calculated based on the Base Rate.

"**Benchmark**" means, initially, Adjusted Daily Simple SOFR; provided that if a Benchmark Transition Event has occurred with respect to Adjusted Daily Simple SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to **Section 212(c)(i)**.

"**Benchmark Replacement**" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Issuer giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Supplement and the other Series 2012-1 Related Documents.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Issuer giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

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

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

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

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

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

"**Benchmark Unavailability Period**" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Series 2012-1 Related Document in accordance with **Section 212(c)** and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Series 2012-1

Related Document in accordance with **Section 212(c)**.

"**Breakage Costs**" means any amount or amounts as shall compensate a Series 2012-1 Noteholder for any loss, cost or expense incurred by such Series 2012-1 Noteholder or a member of its Related Group in connection with funding obtained by it with respect to a Series 2012-1 Advance (as reasonably determined by the related Series 2012-1 Noteholder in its sole discretion) as a result of (i) the failure of the Issuer to accept funding of a Series 2012-1 Advance in accordance with a Funding Notice submitted by Issuer, or (ii) the failure of the Issuer to make a prepayment in accordance with the terms of any of the Indenture, this Supplement or the Series 2012-1 Note Purchase Agreement, or (iii) the Issuer making a payment of principal on a Series 2012-1 Note on a day other than a Payment Date. Nothing contained herein shall obligate the Issuer to pay Breakage Costs with respect to any prepayment actually made by the Issuer on a Payment Date.

"**Change in Law**" means the occurrence, after the date hereof, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlement, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities pursuant to Basel III, and (z) the implementation or application of, or compliance with, CRD IV (as defined below) or CRR (as defined below), or any law or regulation that implements or applies CRD IV or CRR shall, in each case, be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued or implemented. As used herein, "CRD IV" means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC, and "CRR" means regulation (EU) no. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012.

"**Conforming Changes**" means, with respect to either the use or administration of Adjusted Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Accrual Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of **Section 214** and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that

adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Supplement and the other Series 2012-1 Related Document).

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Control Party**" means, with respect to Series 2012-1 Notes, the Majority of Holders of the Series 2012-1 Notes.

"**Conversion Date**" means the earlier to occur of (i) the date on which a Conversion Event occurs, and (ii) the date set forth in Section 2.5 of the Series 2012-1 Note Purchase Agreement, as such date in this clause (ii) may be extended from time to time in accordance with the terms, and subject to the conditions, of Section 2.5 of the Series 2012-1 Note Purchase Agreement.

"**Conversion Event**" means the earlier to occur of (x) the date on which an Early Amortization Event occurs and (y) any Payment Date on which the then aggregate unpaid principal balance of any other Series of Notes issued by the Issuer exceeds the Minimum Targeted Principal Balance of such Series (determined after giving effect to any Minimum Principal Payment Amount actually paid on such Payment Date). If the Conversion Event occurs as the result of the occurrence of an Early Amortization Event, then any subsequent cure of such Early Amortization Event will not restore the ability of the Issuer to request Series 2012-1 Advances from a Series 2012-1 Noteholder without the consent of such Series 2012-1 Noteholder.

"**Default Interest**" means, for any Payment Date, the incremental amount of interest payable in accordance with **Section 204(c)** hereof.

"**Defaulting Noteholder**" means any Series 2012-1 Noteholder (or, if applicable, any member of its Related Group that (a) has failed to fund any portion of any Series 2012-1 Advances required to be funded by it hereunder or under the Series 2012-1 Note Purchase Agreement, including any funding to be made in respect of a Delaying Noteholder, within two Business Days of the date required to be funded by it hereunder, unless such Series 2012-1 Noteholder is a Delaying Noteholder, (b) has otherwise failed to pay over to the Administrative Agent or any other Series 2012-1 Noteholder any other amount required to be paid by it under the Series 2012-1 Related Documents within two Business Days of the date when due, unless the subject of a good faith dispute, (c) has notified the Issuer (or any of its Affiliates) or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (d) has failed, within three Business Days after written request by the Administrative Agent or the Issuer, to confirm in writing to the Administrative Agent and the Issuer that it will comply with its prospective funding obligations hereunder (provided that such Noteholder shall cease to be a Defaulting Noteholder pursuant to this clause (d) upon receipt of such written confirmation by the Administrative Agent and the Issuer), or (e) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Insolvency Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee

for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Series 2012-1 Noteholder shall not be a Defaulting Noteholder solely by virtue of the ownership or acquisition of any equity interest in that Series 2012-1 Noteholder or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Series 2012-1 Noteholder with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Series 2012-1 Noteholder (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Series 2012-1 Noteholder. Any determination by the Administrative Agent that a Series 2012-1 Noteholder is a Defaulting Noteholder under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Series 2012-1 Noteholder shall be deemed to be a Defaulting Noteholder (subject to **Section 211(c)**) upon delivery of written notice of such determination to the Issuer and each Series 2012-1 Noteholder. For purposes of the Series 2012-1 Related Documents, a Delaying Noteholder shall not be a Defaulting Noteholder solely as a result of its status as a Delaying Noteholder. A Delaying Noteholder will be classified as a Defaulting Noteholder if such Delaying Noteholder fails to fund a Delayed Amount on the related Delaying Funding Date.

"**Delaying Funding Notice**" shall have the meaning set forth in the Series 2012-1 Note Purchase Agreement.

"**Delaying Noteholder**" shall have the meaning set forth in the Series 2012-1 Note Purchase Agreement.

"**Dollars**" and the sign "**$**" mean lawful money of the United States of America.

"**DSCR Sweep Event**" shall have the meaning set forth in the Indenture.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Series 2012-1 Noteholder, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Series 2012-1 Noteholder, United States federal withholding Taxes imposed on amounts payable to or for the account of such Series 2012-1 Noteholder with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Series 2012-1 Noteholder acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Issuer under **Section 210**) or (ii) such Series 2012-1 Noteholder changes its Lending Office, except in each case to the extent that, pursuant to **Section 207(b)** or **(d)**, amounts with respect to such Taxes were payable either to such Series 2012-1 Noteholder's assignor immediately before such Series 2012-1 Noteholder became a party hereto or to such Series 2012-1 Noteholder immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with **Section 207(g)** and (d) any United States federal withholding Taxes imposed under FATCA

"**Federal Funds Effective Rate**" means for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, and determined by the Administrative Agent or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent.

"**FATCA**" mean, Sections 1471 through 1474 of the Code, as amended, any regulations thereunder or other official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements (including any foreign legislation, rules, regulations, guidance notes or other, similar guidance adopted pursuant to or implementing such agreements) entered into in connection with such Sections.

"**FATCA Withholding Tax**" means, any withholding or deduction made pursuant to FATCA in respect to any payment.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System or any successor thereto.

"**Fee Letter**" means each fee letter, dated on or about the date hereof, between the Issuer and each Series 2012-1 Noteholder (or its designated representative).

"**Foreign Series 2012-1 Noteholder**" means (a) if the Issuer is a U.S. Person, a Series 2012-1 Noteholder that is not a U.S. Person, and (b) if the Issuer is not a U.S. Person, a Series 2012-1 Noteholder that is resident or organized under the laws of a jurisdiction other than that in which the Issuer is resident for tax purposes.

"**Floor**" means a rate of interest equal to zero (0%).

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

"**Funding Notice**" has the meaning set forth in the Series 2012-1 Note Purchase Agreement.

"**Increased Costs**" means any fee, expense, increased cost or reduction in rate of return on capital charged to or incurred by an Indemnified Party on account of the occurrences set forth in **Section 209** hereof.

"**Indemnified Party**" means the Administrative Agent, any Series 2012-1 Noteholder and any member of any Series 2012-1 Noteholder's Related Group.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Issuer under any Series 2012-1 Related Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"**Interest Accrual Period**" means, for each Payment Date, the calendar month immediately preceding such Payment Date; provided, however, that the initial Interest Accrual

Period following the Restatement Date shall commence on the Restatement Date and end on November 30, 2021.

"**Lending Office**" means, as to any Series 2012-1 Noteholder, the office or offices of such Series 2012-1 Noteholder designated the office from which the Series 2012-1 Advances are funded, or such other office or offices as a Series 2012-1 Noteholder may from time to time notify the Issuer and the Administrative Agent.

"**Loan**" means an extension of credit made by, or on behalf of, a Series 2012-1 Noteholder to the Issuer pursuant to **Section 206** hereof.

"**Majority of Holders**" means, with respect to the Series 2012-1 Notes as of any date of determination, one or more Series 2012-1 Noteholders representing more than fifty percent (50%) of the then aggregate Series 2012-1 Note Commitments of all Series 2012-1 Noteholders (or, if the Conversion Date has occurred, the then Aggregate Series 2012-1 Note Principal Balance); *provided however, that* the Series 2012-1 Note Commitments (or, if applicable, Series 2012-1 Note Principal Balance) of any Person classified as a Defaulting Noteholder on such date of determination shall be excluded for purposes of determining the Majority of Holders for Series 2012-1 Notes except to the extent expressly set forth in **Section 211**.

"**Manager Report**" shall have the meaning set forth in the Management Agreement.

"**Minimum Principal Payment Amount**" means, for the Series 2012-1 Notes on any Payment Date, one of the following:

(1) for any Payment Date on or prior to the Conversion Date, zero;

(2) for any Payment Date following the Conversion Date, the excess, if any, of (x) the Aggregate Series 2012-1 Note Principal Balance, over (y) the Minimum Targeted Principal Balance for the Series 2012-1 Notes for such Payment Date.

"**Minimum Targeted Principal Balance**" means for the Series 2012-1 Notes for each Payment Date subsequent to the Conversion Date, an amount equal to the product of (x) the Aggregate Series 2012-1 Note Principal Balance on the Conversion Date and (y) the percentage set forth opposite such Payment Date (based on the number of months elapsed from the Conversion Date; it being agreed that if the Conversion Date does not occur on a Payment Date, the number of months calculation shall commence with the Payment Date immediately following the Conversion Date) on Schedule 1 hereto under the column entitled "Minimum Targeted Principal Balance".

"**Note**" means any Series 2012-1 Note.

"**Noteholder Tax Identification Information**" means, properly completed and signed tax certifications (generally, in the case of U.S. Federal Income Tax, IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States Person" within the meaning of Section 7701(a)(30) of the Code or the appropriate IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States Person" within the meaning of Section 7701(a)(30) of the Code).

"**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Series 2012-1 Related Document, or sold or assigned an interest in any Loan or Series 2012-1 Related Document).

"**Other Taxes**" means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to **Section 210**).

"**Overdue Rate**" means an interest rate per annum equal to the sum of (i) the interest rate otherwise in effect hereunder plus (ii) two percent (2%).

"**Payment Date**" shall have the meaning set forth in **Section 201(b)** hereof.

"**Permitted Interest Withdrawal**" shall have the meaning set forth in **Section 302(a)** hereof.

"**Permitted Principal Withdrawal**" shall have the meaning set forth in **Section 302(b)** hereof.

"**Prime Rate**" means the rate announced by the Administrative Agent (or any successor thereto), from time to time as its "prime rate" or "base rate" in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent (or any successor thereto) in connection with extensions of credit to debtors. For sake of clarity, the references to the Administrative Agent in the two preceding sentences are not intended to refer to the initial Indenture Trustee.

"**Pro Rata**" means in accordance with the Pro Rata Share of each Series 2012-1 Noteholder.

"**Pro Rata Share**" means, with respect to each Series 2012-1 Noteholder as of any date of determination, a ratio (expressed as a percentage) the numerator of which is equal to the Series 2012-1 Note Commitment (or, if the Conversion Date has occurred, the Series 2012-1 Note Principal Balance) of such Series 2012-1 Noteholder and the denominator of which is equal to the Aggregate Series 2012-1 Note Commitments (or, if the Conversion Date has occurred, the Aggregate Series 2012-1 Note Principal Balance).

"**Purchaser**" shall have the meaning set forth in the Series 2012-1 Note Purchase Agreement.

"**Rating Agency Condition**" means, in addition to the meaning set forth in the Indenture, that so long as no Rating Agency maintains a rating on the Series 2012-1 Notes, the Control Party for the Series 2012-1 Notes shall also have consented to the applicable action or decision.

"**Recipient**" means (a) the Administrative Agent or (b) any Series 2012-1 Noteholder or any member of its Related Group.

"**Related Group**" shall have the meaning set forth in the Series 2012-1 Note Purchase Agreement.

"**Relevant Governmental Body**" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"**Residual Cash Sweep**" has the meaning set forth in the Indenture.

"**Restatement Date**" means November 15, 2021.

"**Scheduled Principal Payment Amount**" means, for the Series 2012-1 Notes for any Payment Date, one of the following:

(1) for any Payment Date on or prior to the Conversion Date, zero (0); or

(2) for any Payment Date following the Conversion Date, the excess, if any, of (x) the then Aggregate Series 2012-1 Note Principal Balance (determined after giving effect to any payment of the Minimum Principal Payment Amount for the Series 2012-1 Notes on such Payment Date), over (y) the Scheduled Targeted Principal Balance for the Series 2012-1 Notes for such Payment Date.

"**Scheduled Targeted Principal Balance**" means, for the Series 2012-1 Notes for each Payment Date subsequent to the Conversion Date, an amount equal to the product of (x) the Aggregate Series 2012-1 Note Principal Balance on the Conversion Date and (y) the percentage set forth opposite such Payment Date (based on the number of months elapsed from the Conversion Date; it being agreed that if the Conversion Date does not occur on a Payment Date, the number of months calculation shall commence with the Payment Date immediately following the Conversion Date) on Schedule 2 hereto under the column entitled "Scheduled Targeted Principal Balance".

"**Series 2012-1**" means the Series of Notes the terms of which are specified in this Supplement.

"**Series 2012-1 Advance**" means any advance of funds made by, or on behalf of, a Series 2012-1 Noteholder pursuant to **Section 206** hereof.

"**Series 2012-1 Legal Final Payment Date**" means, with respect to the Series 2012-1 Notes, the Payment Date which is the fourth (4th) annual anniversary of the Conversion Date or, if the Conversion Date is not a Payment Date, the Payment Date immediately following such Conversion Date.

"**Series 2012-1 Note**" means any one of the notes issued pursuant to the terms hereof, substantially in the form of **Exhibit A** hereto, and shall include any and all replacements or substitutions of such notes.

"**Series 2012-1 Note Commitment**" means, for each Series 2012-1 Noteholder (excluding, however, any Series 2012-1 Noteholder which is a CP Purchaser), the commitment of such Series 2012-1 Noteholder to fund Series 2012-1 Advances in an aggregate amount outstanding at any point in time not to exceed the amount set forth opposite such Series 2012-1 Noteholder name on Schedule II to the Series 2012-1 Note Purchase Agreement, as such amount may be modified in accordance with the terms thereof. After the Conversion Date, the Series 2012-1 Note Commitment for each Series 2012-1 Noteholder shall be equal to the then Series 2012-1 Note Principal Balance of the Series 2012-1 Note owned by such Series 2012-1 Noteholder.

"**Series 2012-1 Note Interest Payment**" means, for each Payment Date, an amount equal to the interest payable on such Payment Date on all unpaid Series 2012-1 Advances pursuant to **Section 204(a)** of this Supplement, assuming that the Applicable Margin used in such interest calculation is the amount set forth in clause (A) of the definition of "Applicable Margin".

"**Series 2012-1 Note Principal Balance**" means, with respect to any Series 2012-1 Note as of any date of determination, an amount equal to the excess of (x) all Series 2012-1 Advances made by or on behalf of the related Series 2012-1 Noteholder, over (y) the cumulative amount of all Minimum Principal Payment Amounts, Scheduled Principal Payment Amounts, Supplemental Principal Payment Amounts and any other Prepayments actually paid to the related Series 2012-1 Noteholder.

"**Series 2012-1 Note Purchase Agreement**" means the Third Amended and Restated Series 2012-1 Note Purchase Agreement, dated as of November 15, 2021, among the Issuer, TL, and the Series 2012-1 Noteholders named therein pursuant to which document the Series 2012-1 Noteholders agreed to purchase the Series 2012-1 Notes and make Series 2012-1 Advances, as amended by that certain Omnibus Amendment and Consent, dated as of the date hereof, and as further amended, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series 2012-1 Noteholder**" means, at any time of determination for the Series 2012-1 Notes, any Person in whose name a Series 2012-1 Note is registered in the Note Register, and shall be deemed to include each Purchaser and each related CP Purchaser.

"**Series 2012-1 Related Documents**" means any and all of the Indenture, this Supplement (including any documents necessary to effectuate an increase in the Aggregate Series 2012-1 Note Commitment, as provided for in the Series 2012-1 Note Purchase Agreement), the Series 2012-1 Notes, the Management Agreement, the Container Sale Agreement, the Container Transfer Agreement, the Series 2012-1 Note Purchase Agreement, the Administration Agreement, the Manager Transfer Facilitator Agreement, each Interest Rate Hedge Agreement (upon execution thereof), each Fee Letter and any and all other agreements, documents and instruments executed and delivered by or on behalf or in support of the Issuer with respect to the issuance and sale of the Series 2012-1 Notes, as any of the foregoing may from time to time be amended, modified, supplemented or renewed.

"**Series 2012-1 Series Account**" means the account established by the Issuer with the Indenture Trustee into which funds are deposited from the Trust Account pursuant to Section 303 of the Indenture.

"**SOFR**" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**SOFR Adjustment**" means a percentage equal to one tenth percent (0.10%) per annum.

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"**SOFR Loan**" means any Loan bearing interest at a rate based on Adjusted Daily Simple SOFR (other than pursuant to the Adjusted Daily Simple SOFR component of the definition of "Base Rate"), as provided in **Section 204(a)**.

"**SOFR Determination Day**" has the meaning specified in the definition of "Adjusted Daily Simple SOFR".

"**SOFR Rate Day**" has the meaning specified in the definition of "Adjusted Daily Simple SOFR".

"**Step Up Warehouse Fee**" means, for each Payment Date, the amount of the fee set forth in **Section 204(b)** of this Supplement that is payable with respect to that period of time during the related Interest Accrual Period which a DSCR Sweep Event is continuing.

"**Super Majority of Holders**" means, with respect to the Series 2012-1 Notes as of any date of determination, Series 2012-1 Noteholders that, in aggregate, represent more than sixty six and two thirds percent (66 2/3%) of the then aggregate Series 2012-1 Note Commitments of all Series 2012-1 Noteholders (or, if the Conversion Date has occurred, the then Aggregate Series 2012-1 Note Principal Balance); provided however, that the Related Groups and Series 2012-1 Note Commitments (or, if applicable, Series 2012-1 Note Principal Balance) of any Person classified as a Defaulting Noteholder on such date of determination shall be excluded for purposes of determining the Super Majority of Holders for Series 2012-1 Notes except to the extent expressly set forth in **Section 211**.

"**Supplemental Principal Payment Amount**" means that portion of the Supplement Principal Payment Amount (as defined in the Indenture) that has been allocated to Series 2012-1 in accordance with the provisions of Section 302(e) of the Indenture.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Unadjusted Benchmark Replacement**" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"**Unused Commitment**" means, with respect to any date of determination, the excess of (i) the Aggregate Series 2012-1 Note Commitment then in effect, over (ii) the Aggregate Series 2012-1 Note Principal Balance of such date of determination, measured after giving effect to all Series 2012-1 Advances made and all principal payments to be received on such date of determination.

"**Unused Fee**" shall have the meaning set forth in **Section 204(e)** hereof.

"**Unused Fee Percentage**" means, as of any date of determination, one of the following:

(A) if the quotient (expressed as a percentage) obtained by dividing (y) the Aggregate Series 2012-1 Note Principal Balance on such date of determination, by (y) the Aggregate Series 2012-1 Note Commitments on such date of determination, shall be less than fifty percent (50%) as of such date of determination, four tenths of one percent (0.40%) per annum; or

(B) otherwise, three tenths of one percent (0.30%) per annum.

"**U.S. Government Securities Business Day**" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**U.S. Person**" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"**Warehouse Note Increased Interest**" means, for each Payment Date occurring after the Conversion Date, the incremental amount of interest payable on such Payment Date on all unpaid Series 2012-1 Advances pursuant to **Section 204(a)** of this Supplement, calculated as the difference of (i) the Applicable Margin subsequent to the Conversion Date minus (ii) the Applicable Margin prior to the Conversion Date.

"**Withholding Agent**" means the Issuer and the Administrative Agent.

(i) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Indenture or, if not defined therein, as defined in the Series 2012-1 Note Purchase Agreement.

Article II
Creation of the Series 2012-1 Notes

Section 201. Designation.

(ii) There is hereby created a Series of Notes issued in one Class pursuant to the Indenture and this Supplement known as "Textainer Marine Containers II Limited Floating Rate Asset-Backed Notes, Series 2012-1". The Series 2012-1 Notes were previously issued in the initial maximum principal balance of One Billion, Five Hundred Million Dollars ($1,500,000,000). The Series 2012-1 Notes will not have priority over any other Series, except to the extent set forth in the Supplement for such other Series.

(iii) The Payment Date with respect to the Series 2012-1 Notes shall be the fifteenth (15th) calendar day of each month (or, if such day is not a Business Day, the immediately following Business Day).

(iv) Payments of principal on the Series 2012-1 Notes shall be payable from funds on deposit in the Series 2012-1 Series Account or otherwise at the times and in the amounts set forth in Article III of the Indenture and **Article III** hereof.

(v) Each Series 2012-1 Note is classified as a "Senior Note" and "Warehouse Note", as such term is used in the Indenture.

(vi) No Enhancement Agreement is in effect with respect to the Series 2012-1 Notes on the date hereof.

(vii) The Series 2012-1 Notes are not rated by any Rating Agency on the date hereof. Accordingly, so long as no Rating Agency maintains a public rating for the Series 2012-1 Notes, the term "Rating Agency Condition", as used in the Related Documents, shall have the meaning set forth in this Supplement.

(viii) The Series 2012-1 Legal Final Payment Date shall also constitute the Expected Final Payment Date for the purposes of this Supplement and the Series 2012-1 Notes.

(ix) For purposes of the Indenture, a "**Permitted Payment Date Withdrawal**" for the Series 2012-1 Notes shall mean, for any Payment Date, either or both of the Permitted Interest Withdrawal for such Payment Date and the Permitted Principal Withdrawal for such Payment Date.

(x) For purposes of this Supplement, the "**Interest Payment**" for each Payment Date referenced in the Indenture shall mean an amount equal to the sum of the Series 2012-1 Note Interest Payment for such Payment Date and the Unused Fee for such Payment Date.

(xi) In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions hereof shall govern.

Section 202. Daily Simple Conforming Changes. In connection with the use or administration of Adjusted Daily Simple SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time with prior written notice to the Issuer. Notwithstanding anything to the contrary herein or in any other Series 2012-1 Related Document, if following five (5) Business Days receipt by the Issuer of written notice the Issuer has not raised any objection to such Conforming Changes, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Supplement or any other Series 2012-1 Related Document. The Administrative Agent will promptly notify the Issuer and the Series 2012-1 Noteholders of the effectiveness of any Conforming Changes in connection with the use or administration of Adjusted Daily Simple SOFR.

Section 203. Series 2012-1 Notes

(a) The Issuer has previously signed, and the Indenture Trustee has authenticated, and each Series 2012-1 Noteholder has received, a Series 2012-1 Note with a maximum principal balance equal to its Series 2012-1 Note Commitment. All such Series 2012-1 Notes shall remain in effect on the date hereof and all Series 2012-1 Advances that remain unpaid as the date hereof shall remain a valid obligation of the Issuer entitled to the benefits of the Series 2012-1 Related Documents. Each Series 2012-1 Noteholder (or its designee) shall maintain records of all Series 2012-1 Advances and repayments made on each Series 2012-1 Note, which records shall, absent manifest error, be conclusive.

(b) In connection with any assignment or transfer of a Series 2012-1 Note made in accordance with the terms of the Related Documents, or an increase in the Series 2012-1 Note Commitments made in accordance with the terms of the Series 2012-1 Related Documents, the Issuer shall execute and deliver, and the Indenture Trustee shall in accordance with the direction of the Issuer, authenticate additional Series 2012-1 Notes.

(c) The Issuer shall pay interest on the Series 2012-1 Notes at the rates and in the manner set forth in **Section 204** hereof. The unpaid principal amount of the Series 2012-1 Notes and all unpaid interest accrued thereon, together with any unpaid Unused Fees, Warehouse Note Increased Interest and Step Up Warehouse Fee and, without duplication of the amounts set forth in **Section 205**, all other fees, expenses, costs and other sums chargeable to Issuer incurred in connection with Series 2012-1 Note, shall be due and payable on the Series 2012-1 Legal Final Payment Date.

(d) In accordance with Section 202 of the Indenture, the Series 2012-1 Notes shall be represented by one or more Definitive Notes.

(e) The Series 2012-1 Notes shall be executed by manual, electronic (PDF) or facsimile signature on behalf of the Issuer by any officer of the Issuer and shall be substantially in the form of Exhibit A hereto.

(f) The Series 2012-1 Notes shall be issued in minimum denominations of $250,000 and in integral multiples of $100,000 in excess thereof.

Section 204. Interest Payments on the Series 2012-1 Notes; Fees; Calculations.

(a) Interest on Series 2012-1 Notes. Subject to the provisions of **Section 204(b)** and **Section 204(c)** of this Supplement each Loan shall bear interest at Adjusted Daily Simple SOFR plus the Applicable Margin (provided that Adjusted Daily Simple SOFR shall not be available for five (5) U.S. Government Securities Business Days after the Closing Date unless the Issuer has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Series 2012-1 Noteholders in the manner set forth in Section 214 of this Supplement). Interest shall be payable in arrears on each Payment Date. For purposes of the priority of payments set forth in **Section 303** of this Supplement, the interest referred to in this Section 204(a) shall be divided into the Series 2012-1 Note Interest Payment and the Warehouse Note Increased Interest. For purposes of such interest calculations, the definition of "Applicable Margin" set forth in this Supplement shall become effective as of the opening of business on the date hereof.

(b) **Step Up Warehouse Fee**. In addition to the interest referred to in **Section 204(a)**, the Issuer will pay to each Series 2012-1 Noteholder in arrears on each Payment Date, a Step Up Warehouse Fee for each day during the related Interest Accrual Period on which the Debt Service Coverage Ratio is less than 1.0 to 1 in an amount equal to one half of one percent per annum (0.5%) *per annum* on the unpaid principal balance of each unpaid Loan. If the Step Up Warehouse Fee is not paid in full on any Payment Date occurring prior to the Series 2012-1 Legal Final Payment Date, then such unpaid Step Up Warehouse Fee shall not accrue additional interest prior to the Series 2012-1 Legal Final Payment Date. Accrued but unpaid Step Up Warehouse Fee shall accrue additional interest pursuant to **Section 204(c)** upon the of the earlier to occur of the Series 2012-1 Legal Final Payment Date or any earlier date on which the Series 2012-1 Notes have been accelerated in accordance with Section 802 of the Indenture.

(c) **Interest on Overdue Amounts**. If the Issuer shall default in the payment of (i) the Series 2012-1 Note Principal Balance of any Series 2012-1 Note on the Series 2012-1 Legal Final Payment Date, or (ii) the Series 2012-1 Note Interest Payment on any Series 2012-1 Note on any Payment Date, or (iii) all other amount becoming due under this Supplement on the Series 2012-1 Legal Final Payment Date or any earlier date on which of the Series 2012-1 Notes have been accelerated in accordance with Section 802 of the Indenture, the Issuer shall, from time to time, pay interest on such unpaid amounts, to the extent permitted by Applicable Law, at a rate per annum equal to the Overdue Rate, for the period during which such principal, interest or other amount shall be unpaid from the due date of such payment to the date of actual payment thereof (after as well as before judgment). Default Interest shall be payable at the times and subject to the priorities set forth in **Section 303** hereof.

(d) **Maximum Interest Rate**. In no event shall the interest charged with respect to a Series 2012-1 Note exceed the maximum amount permitted by Applicable Law. If at any time the interest rate charged with respect to the Series 2012-1 Notes exceeds the maximum rate permitted by Applicable Law, the rate of interest to accrue pursuant to this Supplement and such Series 2012-1 Note shall be limited to the maximum rate permitted by Applicable Law, but any subsequent reductions in the Adjusted Daily Simple SOFR or Base Rate, as the case may be, shall not reduce the interest to accrue on such Series 2012-1 Note below the maximum amount permitted by Applicable Law until the total amount of interest accrued on such Series 2012-1 Note equals the amount of interest that would have accrued if a varying rate per annum equal to the interest rate had at all times been in effect. If the total amount of interest paid or accrued on the Series 2012-1 Note under the foregoing provisions is less than the total amount of interest that would have accrued if the interest rate had at all times been in effect, the Issuer agrees to pay to the Series 2012-1 Noteholders an amount equal to the difference between (a) the lesser of (i) the amount of interest that would have accrued if the maximum rate permitted by Applicable Law had at all times been in effect, or (ii) the amount of interest that would have accrued if the interest rate had at all times been in effect, and (b) the amount of interest actually paid in accordance with the other provisions hereof.

(e) **Unused Fee**. Subject to **Section 211(a)(iii)**, the Issuer shall pay to each Series 2012-1 Noteholder its Pro Rata Share of an unused fee (the "**Unused Fee**") in arrears on each Payment Date in an amount equal to the sum for each day during the immediately preceding Interest Accrual Period of the product of (x) the applicable Unused Fee Percentage on such date, and (y) the Unused Commitment on such date. Such Unused Fee shall be payable from amounts

then on deposit in the Series 2012-1 Series Account in accordance with **Section 303** hereof. The Issuer acknowledges that the Unused Fee shall continue to accrue at all times prior to the Conversion Date when either or both of a DSCR Sweep Event or a Residual Cash Sweep is continuing.

(f) **Calculation of Interest and Fees**. All computations of interest for Base Rate Loans when the Base Rate is determined by referral to the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to **Section 212**, bear interest for one day. Each determination by the Indenture Trustee or the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 205. Principal Payments on the Series 2012-1 Notes; Prepayment of Principal on the Series 2012-1 Notes.

(a) The principal balance of the Series 2012-1 Notes shall be payable on each Payment Date from amounts on deposit in the Series 2012-1 Series Account in an amount equal to (i) so long as no Early Amortization Event is continuing, the sum of the Minimum Principal Payment Amount, the Scheduled Principal Payment Amount and Supplemental Principal Payment Amount for such Payment Date and, if a DSCR Sweep Event and/or a Residual Cash Sweep is then continuing, the then unpaid principal balance of the Series 2012-1 Notes shall be payable in full to the extent that funds are available for such purpose in accordance with the provisions of **Section 303(a)**, or (ii) if an Early Amortization Event is then continuing, the then Aggregate Series 2012-1 Note Principal Balance shall be payable in full to the extent that funds are available for such purposes in accordance with the provisions of **Section 303(b)(iv)** hereof. The unpaid principal amount of each Series 2012-1 Note, together with all unpaid interest (including all Default Interest, Unused Fees, Warehouse Note Increased Interest and Step Up Warehouse Fee), fees, expenses, costs and other amounts payable by the Issuer to the Series 2012-1 Noteholders and the Indenture Trustee pursuant to the terms of the Indenture and this Supplement, shall be due and payable in full on the earlier to occur of (x) the date on which an Event of Default shall occur and the Series 2012-1 Notes have been accelerated in accordance with the provisions of Section 802 of the Indenture and (y) the Series 2012-1 Legal Final Payment Date.

(b) The Issuer will have the option to prepay, without premium, all, or a portion of, the Aggregate Series 2012-1 Note Principal Balance, in a minimum amount of Two Hundred Fifty Thousand Dollars ($250,000). Any such Prepayment of the Aggregate Series 2012-1 Note Principal Balance shall also include accrued interest to the date of Prepayment on the principal balance being prepaid, and, if such prepayment is made on a Business Day other than a Payment Date, any Breakage Costs attributable to such Prepayment. The Issuer may not make such Prepayment from funds in the Trust Account, the Series 2012-1 Series Account or the Restricted Cash Account, except to the extent that funds in any such account would otherwise be payable to the Issuer in accordance with the terms hereof and the Indenture. In the event of any Prepayment

of the Series 2012-1 Notes in accordance with this Section 205(b), **Section 208** or any other provision of the Indenture, the Issuer shall pay any termination, notional reduction, breakage or other fees or costs assessed by any Interest Rate Hedge Provider. The Issuer must provide advance notice of at least two Business Days to the Series 2012-1 Noteholders and each Interest Rate Hedge Provider of any such Prepayment, which notice shall be irrevocable when delivered.

(c) Any Prepayment of less than the entire Aggregate Series 2012-1 Note Principal Balance made in accordance with the provisions of Section 205 hereof and occurring after the Conversion Date, shall be applied to reduce the Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts of the Series 2012-1 Notes in respect of each subsequent Payment Date in equal amounts such that, after giving effect to such adjustment, the Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts for each subsequent Payment Date shall be reduced by a percentage equal to a fraction stated as a percentage the numerator of which is equal to the aggregate amount of such Prepayment and the denominator of which is equal to the Aggregate Series 2012-1 Note Principal Balance.

(d) If for any reason the Issuer receives a Series 2012-1 Advance for which all of the conditions precedent set forth in **Section 502** of this Supplement or any other Series 2012-1 Related Document have not been satisfied, the Issuer shall promptly (but in any event within two (2) Business Days after Issuer's knowledge of such failure to comply) repay in full such Series 2012-1 Advance plus accrued interest on the amount repaid to the date of such repayment and all Breakage Costs resulting from such repayment.

Section 206. Amounts and Terms of Series 2012-1 Noteholder Commitments; Payments.

(a) Subject to the terms and conditions hereof and the Series 2012-1 Note Purchase Agreement, each Series 2012-1 Noteholder agrees to make its Series 2012-1 Note Commitment available to the Issuer on the date hereof.

(b) The Issuer may make a request for a Series 2012-1 Advance in accordance with the terms of the Series 2012-1 Note Purchase Agreement.

(c) Each such Series 2012-1 Advance shall be a SOFR Loan unless otherwise required pursuant to the terms of this Supplement.

(d) Subject to the terms of the Series 2012-1 Note Purchase Agreement, each Series 2012-1 Noteholder shall fund its Pro Rata Share of the requested Series 2012-1 Advance in accordance with the terms of the Series 2012-1 Note Purchase Agreement.

(e) Each request for a Series 2012-1 Advance shall constitute an affirmation by Issuer that all of the conditions precedent set forth in **Section 502** of the Supplement and the Series 2012-1 Note Purchase Agreement are true, correct and complete in all material respects to the same extent as though made on and as of the date of the request, except to the extent such representations and warranties specifically relate to an earlier date, in which event they shall be true, correct and complete in all material respects as of such earlier date.

(f) If a Series 2012-1 Noteholder fails to fund a requested Series 2012-1 Advance pursuant to a valid request made in accordance with **Section 502(c)**, and has not delivered a

Delaying Funding Notice in accordance with the terms of the Series 2012-1 Note Purchase Agreement, the Issuer shall promptly notify the Indenture Trustee that such Person should be classified as a Defaulting Noteholder. Thereafter, the Issuer shall promptly notify the Indenture Trustee of any subsequent change in such classification.

Section 207. Taxes.

(a) **Defined Terms**. For purposes of this Section 207, "Applicable Law" includes FATCA.

(b) **Payments Free of Taxes**. Any and all payments by or on account of any obligation of the Issuer under any Series 2012-1 Related Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Issuer shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Issuer**. The Issuer shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Issuer**. The Issuer shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Issuer by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) **Indemnification by the Series 2012-1 Noteholders**. Each Series 2012-1 Noteholder shall severally indemnify (x) the Administrative Agent, within ten (10) days after demand therefor, for any Indemnified Taxes attributable to such Series 2012-1 Noteholder (but only to the extent that the Issuer has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Issuer to do so) and (y) the Administrative Agent and the Issuer (as applicable), within ten (10) days after demand therefor, for any Excluded Taxes attributable to such Series 2012-1 Noteholder, in each case, that are payable or paid by the Administrative Agent or the Issuer in connection with any Series 2012-1 Related Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental

Authority. A certificate as to the amount of such payment or liability delivered to any Series 2012-1 Noteholder by the Administrative Agent shall be conclusive absent manifest error. Each Series 2012-1 Noteholder hereby authorizes the Administrative Agent and the Issuer (as applicable) to setoff and apply any and all amounts at any time owing to such Series 2012-1 Noteholder under any Series 2012-1 Related Document or otherwise payable by the Administrative Agent or the Issuer (as applicable) to the Series 2012-1 Noteholder from any other source against any amount due to the Administrative Agent or the Issuer (as applicable) under this Section 207(e).

(f) **Evidence of Payments**. As soon as practicable after any payment of Taxes by the Issuer to a Governmental Authority pursuant to this Section 207, the Issuer shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Series 2012-1 Noteholders.

(i) Any Series 2012-1 Noteholder that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Series 2012-1 Related Document shall deliver to the Issuer and the Administrative Agent, at the time or times reasonably requested by the Issuer or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Issuer or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Series 2012-1 Noteholder, if reasonably requested by the Issuer or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Issuer or the Administrative Agent as will enable the Issuer or the Administrative Agent to determine whether or not such Series 2012-1 Noteholder is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in **Section 207(g)(ii)(A)**, **(B)** and **(D)** below) shall not be required if in the Series 2012-1 Noteholder's reasonable judgment such completion, execution or submission would subject such Series 2012-1 Noteholder to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Series 2012-1 Noteholder.

(ii) Without limiting the generality of the foregoing:

(A) any Series 2012-1 Noteholder that is a U.S. Person shall deliver to the Issuer and the Administrative Agent on or prior to the date on which such Series 2012-1 Noteholder becomes a Series 2012-1 Noteholder under this Agreement (and from time to time thereafter upon the reasonable request of the Issuer or the Administrative Agent), an executed copy of IRS Form W-9 certifying that such Series 2012-1 Noteholder is exempt from United States federal backup withholding tax;

(B) any Foreign Series 2012-1 Noteholder shall, to the extent it is legally entitled to do so, deliver to the Issuer and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Series 2012-1 Noteholder becomes a Series 2012-1 Noteholder under this Agreement (and from time to time

thereafter upon the reasonable request of the Issuer or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Series 2012-1 Noteholder claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Series 2012-1 Related Document, executed copies of IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Series 2012-1 Related Document, IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Series 2012-1 Noteholder claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Series 2012-1 Noteholder is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Issuer within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN-E; or

(4) to the extent a Foreign Series 2012-1 Noteholder is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Series 2012-1 Noteholder is a partnership and one or more direct or indirect partners of such Foreign Series 2012-1 Noteholder are claiming the portfolio interest exemption, such Foreign Series 2012-1 Noteholder may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C) any Foreign Series 2012-1 Noteholder shall, to the extent it is legally entitled to do so, deliver to the Issuer and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Series 2012-1 Noteholder becomes a Series 2012-1 Noteholder under this Agreement (and from time to time thereafter upon the reasonable request of the Issuer or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Issuer or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Series 2012-1 Noteholder under any Series 2012-1 Related Document would be subject to United States federal withholding Tax imposed by FATCA if such Series 2012-1 Noteholder were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Series 2012-1 Noteholder shall deliver to the Issuer and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Issuer

or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer or the Administrative Agent as may be necessary for the Issuer and the Administrative Agent to comply with their obligations under FATCA and to determine that such Series 2012-1 Noteholder has complied with such Series 2012-1 Noteholder's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Series 2012-1 Noteholder agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Issuer and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds**. If any Indemnified Party determines, in its sole discretion exercised in good faith, that it has received a credit or refund of any Taxes as to which it has been indemnified pursuant to this Section 207 (including by the payment of additional amounts pursuant to this Section 207), it shall pay to the indemnifying party an amount equal to such credit or refund (but only to the extent of indemnity payments made or additional amounts paid under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such Indemnified Party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such Indemnified Party, shall repay to such Indemnified Party the amount paid over pursuant to this Section 207(h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Indemnified Party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 207(h), in no event will the Indemnified Party be required to pay any amount to an indemnifying party pursuant to this Section 207(h) the payment of which would place the Indemnified Party in a less favorable net after-Tax position than the Indemnified Party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 207(h) shall not be construed to require any Indemnified Party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival**. Each party's obligations under this Section 207 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Series 2012-1 Noteholder, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Series 2012-1 Related Document.

Section 208. Illegality. If, in any applicable jurisdiction, the Administrative Agent or any Series 2012-1 Noteholder determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent or any Series 2012-1 Noteholder to (i) perform any of its obligations hereunder or under any other Series 2012-1 Related Document, (ii) to fund or maintain its participation in any Loan or (iii) issue, make, maintain, fund or charge interest or fees with respect to any Loan, such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying the Issuer, and

until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest or fees with respect to any such Loan shall be suspended, and to the extent required by Applicable Law, cancelled. Upon receipt of such notice, the Issuer shall, (A) repay that Person's participation in the next succeeding Payment Date occurring after the Administrative Agent has notified the Issuer or, in each case, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by Applicable Law) and (B) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

Section 209. Increased Costs.

(a) **Increased Costs Generally**. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Series 2012-1 Noteholder or any member of its Related Group;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Series 2012-1 Noteholder any other condition, cost or expense (other than Taxes) affecting this Supplement or Loans made by such Series 2012-1 Noteholder or any member of its Related Group;

and the result of any of the foregoing shall be to increase the cost to such Series 2012-1 Noteholder (or any member of its Related Group) of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Series 2012-1 Noteholder, (whether of principal, interest or any other amount) then, upon written request of such Series 2012-1 Noteholder, the Issuer shall promptly pay to any such Series 2012-1 Noteholder, such additional amount or amounts as will compensate such Series 2012-1 Noteholder, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements**. If any Series 2012-1 Noteholder determines that any Change in Law affecting such Series 2012-1 Noteholder or any Lending Office of such Series 2012-1 Noteholder or such Series 2012-1 Noteholder's holding company, if any, or other member of its Related Group regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Series 2012-1 Noteholder's capital or on the capital of such Series 2012-1 Noteholder's holding company, if any, or other member of its Related Group as a consequence of this Supplement, to a level below that which such Series 2012-1 Noteholder or

such Series 2012-1 Noteholder's holding company could have achieved but for such Change in Law (taking into consideration such Series 2012-1 Noteholder's policies and the policies of such Series 2012-1 Noteholder's holding company with respect to capital adequacy and liquidity (other than a change solely in such policy)), then from time to time upon written request of such Series 2012-1 Noteholder the Issuer shall pay on the next succeeding Payment Date to such Series 2012-1 Noteholder such additional amount or amounts as will compensate such Series 2012-1 Noteholder or such Series 2012-1 Noteholder's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement**. A certificate of a Series 2012-1 Noteholder setting forth the amount or amounts necessary to compensate such Series 2012-1 Noteholder or any of their respective holding companies, as the case may be, as specified in **Section 209(a)** or **(b)** and delivered to the Issuer, shall be conclusive absent manifest error. The Issuer shall pay such Series 2012-1 Noteholder the amount shown as due on any such certificate on the next succeeding Payment Date after receipt thereof.

(d) **Delay in Requests**. Failure or delay on the part of any Series 2012-1 Noteholder to demand compensation pursuant to this Section shall not constitute a waiver of such Series 2012-1 Noteholder's to demand such compensation; *provided that* the Issuer shall not be required to compensate any Series 2012-1 Noteholder pursuant to this Section for any increased costs incurred or reductions (i) suffered more than ninety (90) days prior to the date that such Series 2012-1 Noteholder notifies the Issuer of the Change in Law giving rise to such increased costs or reductions, and of such Series 2012-1 Noteholder's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ninety (90) day period referred to above shall be extended to include the period of retroactive effect thereof) or (ii) if such Series 2012-1 Noteholder has not required other similarly situated borrowers or obligors to pay comparable amounts with respect to such increased costs or reductions.

(e) **Survival**. All of the obligations of the Issuer under this Section 209 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Series 2012-1 Noteholder, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Series 2012-1 Related Document.

Section 210. Replacement of Series 2012-1 Noteholder; Survival.

(a) The Issuer may, at its sole expense and effort, upon not less than three Business Days prior written notice to any Indemnified Party that makes a demand pursuant to **Section 207** or **Section 209** (each an "**Affected Party**"), require such Affected Party to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in the Indenture and the Series 2012-1 Note Purchase Agreement), all of its interests, rights and obligations under its Series 2012-1 Note to an assignee that shall assume such assigned obligations (which assignee may or may not be another Series 2012-1 Noteholder, if a Series 2012-1 Noteholder accepts such assignment, but is not required to be another Series 2012-1 Noteholder); *provided that* (A) such Affected Party shall have received payment of an amount equal to the unpaid principal of its Series 2012-1 Note, accrued interest thereon, accrued fees and all other amounts payable to such Affected Party (including any amounts that have been accrued pursuant to **Section 207** and/or **Section 209**, as applicable) and under the other Series 2012-1 Related Documents from the Issuer or the assignee

(to the extent of such outstanding principal and accrued interest and fees) or the Issuer (in the case of all other amounts); and (B) such assignment does not conflict with Applicable Law.

(b) All of the Issuer's obligations under **Section 207** or **Section 209** shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

Section 211. Defaulting Noteholders.

(a) **Adjustments**. Notwithstanding anything to the contrary contained in any Series 2012-1 Related Document, if any Series 2012-1 Noteholder becomes a Defaulting Noteholder, then, until such time as that Series 2012-1 Noteholder is no longer a Defaulting Noteholder, to the extent permitted by applicable law:

(i) **Waivers and Amendments**. Notwithstanding anything to the contrary in any Series 2012-1 Related Document, a Series 2012-1 Noteholder that is then classified as Defaulting Noteholder shall not have any right to approve or disapprove any amendment, waiver or consent under any Series 2012-1 Related Document (and any amendment, waiver or consent which by its terms requires the consent of all Series 2012-1 Noteholders or each affected Series 2012-1 Noteholder may be effected with the consent of the applicable Series 2012-1 Noteholders other than Defaulting Noteholders), except that (A) the Series 2012-1 Note Commitment of any Defaulting Noteholder may not be increased or extended without the consent of such Series 2012-1 Noteholder and (B) any waiver, amendment or modification requiring the consent of all Series 2012-1 Noteholders or each affected Series 2012-1 Noteholder that by its terms affects any Defaulting Noteholder more adversely than other affected Series 2012-1 Noteholders shall require the consent of such Defaulting Noteholder.

(ii) **Limited Right of Set-off**. Until the Conversion Date, any amounts on deposit in the Series 2012-1 Series Account which would otherwise be payable as principal, interest, fees or other amounts (whether payable pursuant to **Section 303** or otherwise) to a Series 2012-1 Noteholder that is then classified as a Defaulting Noteholder, shall, in accordance with the written direction of the Issuer, be applied to fund to the Issuer any previously requested Series 2012-1 Advance in respect of which such Defaulting Noteholder has failed to fund its portion thereof as required by the terms of the Series 2012-1 Related Documents. Any payments, prepayments or other amounts paid or payable to a Defaulting Noteholder that are so applied shall be deemed paid to and redirected by such Defaulting Noteholder, and each Series 2012-1 Noteholder is hereby deemed to have irrevocably consented to this treatment.

(iii) **Unused Fees**. A Defaulting Noteholder shall not be entitled to receive any Unused Fee accrued during any period in which such Series 2012-1 Noteholder is a Defaulting Noteholder (and the Issuer shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Noteholder).

(b) **Replacement of Defaulting Noteholder**. The Issuer may, at its sole expense and effort, upon not less than three Business Days prior written notice to a Defaulting Noteholder, require such Defaulting Noteholder to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in the Indenture), all of its interests, rights and obligations

under its Series 2012-1 Note to an assignee that shall assume such assigned obligations (which assignee may or may not be another Series 2012-1 Noteholder, if a Series 2012-1 Noteholder accepts such assignment, but is not required to be another Series 2012-1 Noteholder); *provided that* (A) such Defaulting Noteholder shall have received payment of an amount equal to the unpaid principal of its Series 2012-1 Note, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Series 2012-1 Related Documents, excluding Breakage Costs, from the Issuer or the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Issuer (in the case of all other amounts), except to the extent that any Unused Fees are not due and payable to such Defaulting Noteholder pursuant to **Section 211(a)(iii)**; and (B) such assignment does not conflict with Applicable Law.

(c) **Defaulting Noteholder Cure**. If through the application of the provisions of **Section 211(a)(ii)** hereof or otherwise by the Defaulting Noteholder, a Defaulting Noteholder shall have fully funded all Series 2012-1 Advances that it has previously failed to fund, such Person shall cease to be classified as a Defaulting Noteholder.

Section 212. Changed Circumstances.

(a) **Circumstances Affecting Benchmark Availability**. Subject to clause (c) below, in connection with any request for a SOFR Loan or a continuation thereof or otherwise, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Adjusted Daily Simple SOFR pursuant to the definition thereof or (ii) the Majority of Holders shall determine (which determination shall be conclusive and binding absent manifest error) that Adjusted Daily Simple SOFR does not adequately and fairly reflect the cost to such Series 2012-1 Noteholders of making or maintaining such Loans and, in the case of clause (ii), the Majority of Holders have provided notice of such determination to the Administrative Agent, then, in each case, the Administrative Agent shall promptly give notice thereof to the Issuer. Upon notice thereof by the Administrative Agent to the Issuer, any obligation of the Series 2012-1 Noteholders to make SOFR Loans, and any right of the Issuer to continue any Loan as a SOFR Loan, shall be suspended (to the extent of the affected SOFR Loans) until the Administrative Agent (with respect to clause (ii), at the instruction of the Majority of Holders) revokes such notice. Upon receipt of such notice, (A) the Issuer may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans) or, failing that, the Issuer will be deemed to have converted any such request into a request for a borrowing of Base Rate Loans in the amount specified therein and (B) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans immediately. Upon any such prepayment or conversion, the Issuer shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to **Section 214**.

(b) **Laws Affecting SOFR Availability**. If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Series 2012-1 Noteholders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any of the Series 2012-1 Noteholders (or any of their respective

Lending Offices) to honor its obligations hereunder to make or maintain any SOFR Loan, or to determine or charge interest based upon SOFR, Adjusted Daily Simple SOFR or Daily Simple SOFR, such Series 2012-1 Noteholder shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Issuer and the other Series 2012-1 Noteholders. Thereafter, until the Administrative Agent notifies the Issuer that such circumstances no longer exist, (i) any obligation of the Series 2012-1 Noteholders to make SOFR Loans, and any right of the Issuer to convert any Loan to a SOFR Loan or continue any Loan as a SOFR Loan, shall be suspended and (ii) if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate", in each case until each such affected Series 2012-1 Noteholder notifies the Administrative Agent and the Issuer that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Issuer shall, if necessary to avoid such illegality, upon demand from any Series 2012-1 Noteholder (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Loans to Base Rate Loans (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate"), on the Payment Date therefor, if all affected Series 2012-1 Noteholders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Series 2012-1 Noteholder may not lawfully continue to maintain such SOFR Loans to such day. Upon any such prepayment or conversion, the Issuer shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to **Section 214**.

(c) Benchmark Replacement Setting.

(i) Benchmark Replacement.

(A) Notwithstanding anything to the contrary herein or in any other Series 2012-1 Related Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Issuer may amend this Supplement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Series 2012-1 Noteholders and the Issuer so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Series 2012-1 Noteholders comprising the Required Series 2012-1 Noteholders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 212(c)(i) will occur prior to the applicable Benchmark Transition Start Date.

(B) No Interest Rate Hedge Agreement shall be deemed to be a "Series 2012-1 Related Document" for purposes of this Section 212(c).

(ii) **Benchmark Replacement Conforming Changes**. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent and the Issuer will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Series 2012-1 Related Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Supplement or any other Series 2012-1 Related Document.

(iii) **Notices; Standards for Decisions and Determinations**. The Administrative Agent will promptly notify the Issuer and the Series 2012-1 Noteholders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Issuer of the removal or reinstatement of any tenor of a Benchmark pursuant to **Section 212(c)(iv)**. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Series 2012-1 Noteholder (or group of Series 2012-1 Noteholders) pursuant to this Section 212(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Supplement or any other Series 2012-1 Related Document, except, in each case, as expressly required pursuant to this Section 212(c).

(iv) **Unavailability of Tenor of Benchmark**. Notwithstanding anything to the contrary herein or in any other Series 2012-1 Related Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent and the Issuer in their reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent and the Issuer may modify the definition of "Interest Accrual Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent and the Issuer may modify the definition of "Interest Accrual Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) **Benchmark Unavailability Period**. Upon the Issuer's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Issuer may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Issuer will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans and (B) any outstanding affected SOFR Loans will be deemed to have been converted to Base Rate Loans immediately. During any Benchmark Unavailability Period, the component of Base Rate based upon the then-current Benchmark will not be used in any determination of Base Rate.

In no event shall Wilmington Trust, National Association, in any capacity, have any obligation to determine any Benchmark (including a Benchmark Replacement) or make any determination with respect to a Benchmark Unavailability Period or Conforming Changes.

Section 213. Payment on the Series 2012-1 Notes. All payments of principal and interest on the Series 2012-1 Notes and fees with respect to the Series 2012-1 Notes shall be paid to the Series 2012-1 Noteholders reflected in the Note Register as of the related Record Date on a Pro Rata basis by wire transfer of immediately available funds for receipt prior to 11:00 a.m. (New York City time) on the related Payment Date. Any payments received by a Series 2012-1 Noteholder after 11:00 a.m. (New York City time) on any day shall be considered to have been received on the next succeeding Business Day.

Section 214. Indemnity. The Issuer hereby indemnifies each of the Series 2012-1 Noteholders against any loss, cost or expense (including any loss, cost or expense arising from the liquidation or reemployment of funds or from any fees payable) which may arise, be attributable to or result due to or as a consequence of (a) any failure by the Issuer to make any payment when due of any amount due hereunder in connection with a SOFR Loan, (b) any failure of the Issuer to borrow or continue a SOFR Loan or convert to a SOFR Loan on a date specified therefor in a notice of borrowing, (c) any failure of the Issuer to prepay any SOFR Loan on a date specified therefor in any notice of prepayment (regardless of whether any such notice of prepayment may be revoked, (d) any payment, prepayment or conversion of any SOFR Loan on a date other than on the Payment Date therefor (including as a result of an Event of Default) or (e) the assignment of any SOFR Loan other than on a Payment Date as a result of a request by the Issuer pursuant to **Section 210**. A certificate of such Series 2012-1 Noteholder setting forth the basis for determining such amount or amounts necessary to compensate such Series 2012-1 Noteholder shall be forwarded to the Issuer through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error. All of the obligations of the Issuer under this Section 214 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Series 2012-1 Noteholder, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Series 2012-1 Related Document.

Article III
Series 2012-1 Series Account and Allocation and Application of Amounts Therein

Section 301. Series 2012-1 Series Account

. The Issuer has established and will maintain, so long as any Series 2012-1 Note is Outstanding, an Eligible Account with the Indenture Trustee which shall be designated as the Series 2012-1 Series Account, which account shall be held by the Indenture Trustee for the benefit of the Series 2012-1 Noteholders. All deposits of funds by or for the benefit of the Series 2012-1 Noteholders from the Trust Account and the Restricted Cash Account shall be accumulated in, and withdrawn from, the Series 2012-1 Series Account in accordance with the provisions of the Indenture and this Supplement. To secure the payment of the Outstanding Obligations under the Series 2012-1 Notes, the Issuer hereby confirms its grant to the Indenture Trustee, for the benefit of the Series 2012-1 Noteholders, of a security interest in the Series 2012-1 Series Account, all cash and Eligible Investments on deposit therein, all securities entitlement credited thereto, and income and proceeds of the foregoing.

Section 302. Drawing Funds from the Restricted Cash Account and Letters of Credits.

(a) In the event that the Manager Report with respect to any Determination Date shall state that (or the Administrative Agent shall, pursuant to Section 302(c) of the Indenture, determine that) the funds on deposit in the Series 2012-1 Series Account will not be sufficient to make

payment in full on the related Payment Date of the related Series 2012-1 Note Interest Payment then due for the Series 2012-1 Notes (the amount of such deficiency, the "**Permitted Interest Withdrawal**"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the lesser of (x) the Permitted Interest Withdrawal, and (y) the amount then on deposit in the Restricted Cash Account. If the amount on deposit in the Restricted Cash Account is not sufficient to fund in full the Permitted Interest Withdrawal, then the Indenture Trustee shall, on such Determination Date, based on the information set forth on the Manager Report (or, if no Manager Report has been delivered based on the written instruction of the Administrative Agent), submit a draw request on the Letters of Credit in an amount equal the lesser of (x) the remaining Permitted Interest Withdrawal and (y) the Aggregate Available Amount.

(b) In the event that the Manager Report delivered with respect to the Determination Date immediately preceding the Series 2012-1 Legal Final Payment Date shall state that (or the Administrative Agent shall, pursuant to Section 302(c) of the Indenture, determine that) the funds on deposit in the Series 2012-1 Series Account will not be sufficient to make payment in full on the Series 2012-1 Legal Final Payment Date of the then Aggregate Series 2012-1 Note Principal Balance (the amount of such deficiency, the "**Permitted Principal Withdrawal**"), then the Indenture Trustee shall on such Determination Date, based on the information set forth on the Manager Report (or, if no Manager Report has been delivered based on the written instruction of the Administrative Agent), draw on the Restricted Cash Account in an amount equal to the least of (w) the Aggregate Series 2012-1 Note Principal Balance, (x) the Permitted Principal Withdrawal, (y) the Maximum Principal Withdrawal Amount as calculated for Series 2012-1 and (z) the amount then on deposit in the Restricted Cash Account. If the amount on deposit in the Restricted Cash Account is not sufficient to fund in full the Permitted Principal Withdrawal then the Indenture Trustee shall, on such Determination Date submit a draw request on the Letters of Credit in an amount equal the lesser of (x) the remaining Permitted Principal Withdrawal and (y) the Aggregate Available Amount.

(c) Drawings will be made pursuant to **Section 302(a)** before any drawing is made on such date pursuant to **Section 302(b)**, and notice of each such drawing will be delivered to the Manager, by hand delivery or facsimile transmission. Drawings will be made on the Restricted Cash Account before any drawings are made on the Letter of Credit pursuant to **Section 302**. Any such funds actually received by the Indenture Trustee pursuant to **Section 302(a)** or **(b)** shall be used solely to make payments of the Series 2012-1 Note Interest Payment or the Aggregate Series 2012-1 Note Principal Balance, as the case may be.

Section 303. Distribution from Series 2012-1 Series Account. On each Payment Date, the Indenture Trustee shall (based on the Manager Report or, if no Manager Report is delivered, based on the written instructions from the Administrative Agent) distribute funds then on deposit in the Series 2012-1 Series Account in accordance with the provisions of **Section 303(a)**, **(b)** or **(c)**, in each case, subject to **Section 211**:

(a) If neither an Early Amortization Event nor an Event of Default shall have occurred and be continuing with respect to any Series of Notes:

(i) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Interest Payment for Series 2012-1, as follows: (A) such Holder's Pro Rata Share of the Series 2012-1 Note Interest Payment (for sake of clarity, exclusive of Default Interest, Warehouse Note Increased Interest and Step Up Warehouse Fees) for such Payment Date, plus (B) such Holder's Pro Rata Share of the Unused Fee for such Payment Date;

(ii) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Minimum Principal Payment Amount then due and payable to Series 2012-1 Noteholders on such Payment Date;

(iii) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Scheduled Principal Payment Amount then due and payable to Series 2012-1 Noteholders on such Payment Date;

(iv) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share (if any) of the Supplemental Principal Payment Amount then due and payable to Series 2012-1 Noteholders on such Payment Date;

(v) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date and each other Indemnified Party, an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Warehouse Note Increased Interest, indemnities and other amounts (including Default Interest) then due and payable to the Series 2012-1 Noteholders and each other Indemnified Party pursuant to the Series 2012-1 Related Documents; and

(vi) If a DSCR Sweep Event, Lessee Transaction Event and/or a Residual Cash Sweep has occurred and is then continuing, all remaining available funds on deposit in the Series 2012-1 Series Account shall be paid to the Series 2012-1 Noteholders as an additional principal payment on the Series 2012-1 Notes until the unpaid principal balances, Pro Rata, of all Series 2012-1 Notes then Outstanding have been paid in full;

(vii) To the Issuer, any remaining amounts then on deposit in the Series 2012-1 Series Account.

(b) If an Early Amortization Event shall have occurred and be continuing with respect to any Series but no Event of Default shall have occurred and be continuing with respect to any Series:

(i) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Interest Payment allocated to Series 2012-1, as follows: (A) such Holder's Pro Rata Share of the Series 2012-1 Note Interest Payment (for sake of clarity, exclusive of Default Interest, Warehouse Note Increased Interest and Step Up Warehouse Fees) for such Payment Date, plus (B) such Holder's Pro Rata Share of the Unused Fee for such Payment Date;

(ii) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Minimum Principal Payment Amount then due and payable to Series 2012-1 on such Payment Date;

(iii) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Scheduled Principal Payment Amount then due and payable to Series 2012-1 on such Payment Date;

(iv) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the then remaining funds on deposit in the Series 2012-1 Series Account until the Aggregate Series 2012-1 Note Principal Balance has been reduced to zero;

(v) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date and each other Indemnified Party, its Pro Rata Share of an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Warehouse Note Increased Interest, indemnities and other amounts (including Default Interest) then due and payable to Series 2012-1 Noteholders and each Indemnified Party pursuant to the Series 2012-1 Related Documents; and

(vi) After application of the amounts required to be paid pursuant to Section 302 of the Indenture, to the Issuer, any remaining amounts then on deposit in the Series 2012-1 Series Account.

(c) If an Event of Default shall have occurred and be continuing with respect to any Series:

(i) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata Share of the Interest Payment allocated to Series 2012-1, as follows: (A) such Holder's Pro Rata Share of the Series 2012-1 Note Interest Payment (for sake of clarity, exclusive of Default Interest, Warehouse Note Increased Interest and Step Up Warehouse Fees) for such Payment Date, plus (B) such Holder's Pro Rata Share of the Unused Fee for such Payment Date;

(ii) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date its Pro Rata Share of the then remaining funds on deposit in the Series 2012-1 Series Account equal to the then Aggregate Series 2012-1 Note Principal Balance until the Series 2012-1 Notes are paid in full;

(iii) To each Holder of a Series 2012-1 Note on the immediately preceding Record Date and each other Indemnified Party, its Pro Rata Share of an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Warehouse Note Increased Interest, indemnities and other amounts (including Default Interest) then due and payable to the Series 2012-1 Noteholders and each other Indemnified Party pursuant to the Series 2012-1 Related Documents; and

(iv) After application of the amounts required to be paid pursuant to Section 302 of the Indenture, to the Issuer, any remaining amounts then on deposit in the Series 2012-1 Series Account.

Article IV
Additional Covenants and Agreements

In addition to the covenants set forth in Article VI of the Indenture, the Issuer hereby makes the following additional covenants for the benefit of the Series 2012-1 Noteholders:

Section 401. Rule 144A

. So long as any of the Series 2012-1 Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer shall, unless it becomes subject to and complies with the reporting requirements of Section 13 and 15(d) of the Exchange Act, or Rule 12g3-2(b) thereunder, provide to any Series 2012-1 Noteholder of such restricted securities, or to any prospective Series 2012-1 Noteholder of such restricted securities designated by a Series 2012-1 Noteholder, upon the request of such Series 2012-1 Noteholder or prospective Series 2012-1 Noteholder, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

Section 402. Depreciation Policy

. For purposes of the calculation of the Asset Base, the Issuer will not, without obtaining in each such instance the prior written consent of all of the Series 2012-1 Noteholders (other than any Defaulting Noteholders), (i) increase the assumed useful life of a Managed Container to in excess of the useful life for such type of Container set forth in Exhibit B to the Indenture on the date hereof, (ii) increase the residual value of a type of Managed Container to an amount in excess of the Residual Value for such type of Managed Container that is set forth on Exhibit B to the Indenture on the date hereof, or (iii) otherwise revise the Depreciation Policy with respect to the Managed Containers in such a way as to reduce the amount of Depreciation Expense that would be recorded in any year from that which would have been recorded pursuant to the Depreciation Policy. Any amendment, modification or waiver of this Section 402 shall require the prior written consent of all Series 2012-1 Noteholders (other than Defaulting Noteholders).

Section 403. Perfection Requirements

. The Issuer will not (a) change any of (i) its corporate name or (ii) the name under which it does business or (b) amend any provision of its certificate of formation or operating agreement or become organized under the laws of any other jurisdiction without the prior written consent of the Control Party.

Section 404. United States Federal Income Tax Election

. The Issuer shall not make an election to be classified as an association taxable as a corporation pursuant to Section 301.7701-3 of the United States Treasury Regulations.

Section 405. OFAC Matters

. The Issuer shall not in an manner which would violate the laws of the United States, other than pursuant to a license issued by OFAC (i) lease, or consent to any sublease of, any of the Containers to any Person that is a Sanctioned Person or (ii) derive any of its assets or operating income from investments in or transactions with any such Sanctioned Person. If the Issuer obtains knowledge that a Container is subleased to a Sanctioned Person or located or used in a Sanctioned Country in a manner which would violate one or more Sanctions

(other than pursuant to a license issued by the relevant Sanctions Authority), then the Issuer shall, within ten (10) Business Days after obtaining knowledge thereof, remove such Container from the Asset Base for so long as such condition continues.

Section 406. Consent to Series Issuance

. The Issuer shall not issue any additional Series of Notes without obtaining the prior written consent of (i) with respect to any Series of Senior Notes, the Majority of Holders, and (ii) with respect to any Series of Subordinate Notes, the Holders of all of the Series 2012-1 Notes. Any amendment, modification or waiver of clause (ii) of the preceding sentence will require the prior written consent of the Control Party.

Section 407. Additional Series

. In addition to the limitations set forth in **Section 406**, the Issuer will not during the term of this Supplement:

(a) issue any obligations that (a) constitute asset backed commercial paper, or (b) are securities required to be registered under the Securities Act of 1933 or that may be offered for sale under Rule 144A of the Securities and Exchange Commission thereunder, or

(b) issue any other debt obligations or equity interests, in each case, other than (i) debt obligations substantially similar to the obligations of the Issuer under this Supplement that are (A) issued to the other banks or asset backed commercial paper conduits in privately negotiated transactions, and (B) subject to transfer restrictions substantially similar to the transfer restrictions set forth in the Series 2012 1 Related Documents, and (ii) equity interests issued to TL or its Affiliates under the terms of the memorandum of association and bye-laws of the Issuer.

Section 408.Use of Proceeds. The Issuer shall use the proceeds of each Series 2012-1 Advance for a purpose permitted pursuant to **Section 620** of this Supplement.

Article V
Conditions of Effectiveness of Amendment and Restatement of Supplement and Future Lending

Section 501. Effectiveness of Amendment and Restatement of this Supplement

. The amendment and restatement of the Prior Agreement is subject to the condition precedent that the Indenture Trustee and the Administrative Agent shall have received all of the following, each duly executed and delivered, in form and substance satisfactory to all of the initial Series 2012-1 Noteholders and each (except for the Series 2012-1 Notes, of which only the originals shall be signed) in sufficient number of signed counterparts, which may be photocopied or electronic, to provide one for each Series 2012-1 Noteholder:

(a) **Series 2012-1 Notes**. Except to the extent previously delivered, separate Series 2012-1 Notes executed by the Issuer in favor of each Series 2012-1 Noteholder in the stated maximum principal amount equal to the Series 2012-1 Note Commitment of such Series 2012-1 Noteholder.

(b) **Certificate(s) of Secretary or Assistant Secretary or Officer**. Separate certificates executed by the corporate secretary, assistant secretary or authorized officer of each of the Manager and the Issuer as of the date hereof, certifying (i) that the respective company has the

authority to execute and deliver, and perform its respective obligations under each of the Series 2012-1 Related Documents to which it is a party, and (ii) that attached are true, correct and complete copies of the Memorandum of Association, Certificate of Incorporation, by-laws, board resolutions and incumbency certificates of the related company in form and substance satisfactory to each Series 2012-1 Noteholder as to such matters as the Series 2012-1 Noteholder shall reasonably require.

(c) **Security Documents**. (i) This Supplement, (ii) except to the extent previously delivered, a control agreement with respect to the Series 2012-1 Series Account, each in form and substance satisfactory to all of the initial Series 2012-1 Noteholders, among the Issuer, Indenture Trustee and the Securities Intermediary, and (iii) all UCC financing statements, documents of similar import in other jurisdictions, and other documents reasonably requested by any Series 2012-1 Noteholder.

(d) **Opinions of Counsel**. Opinions from counsel to the Issuer and counsel to the Manager, each dated the date hereof and in form and in substance satisfactory to each Series 2012-1 Noteholder as to such matters as it shall reasonably require, including, without limitation, that the Issuer has granted a perfected security interest in the Collateral to the Indenture Trustee.

(e) **Fees**. The Issuer shall have paid (A) all fees to each new or continuing Series 2012-1 Noteholder in accordance with its respective Fee Letter (or authorized Series 2012-1 Noteholder to offset and retain the amount of such fees from the Series 2012-1 Advance made on the date hereof) and (B) all fees to each Series 2012-1 Noteholders that have accrued under the Prior Agreement that remain unpaid as of the date hereof including any Unused Fee, Deferral Fee, Step Up Warehouse Fee and Warehouse Note Increased Interest that accrued on the terms of the Prior Agreement.

(f) **Opinion of Counsel to the Indenture Trustee**. An opinion of counsel to the Indenture Trustee, as of the date hereof, as to the due organization of the Indenture Trustee, the enforceability of the Indenture and as to such other matters as each Series 2012-1 Noteholder may reasonably request.

Section 502. Subsequent Advances on Series 2012-1 Notes

. The obligation of a Series 2012-1 Noteholder to make any Series 2012-1 Advance on the Series 2012-1 Note pursuant to its Series 2012-1 Note Commitment under this Supplement and the Series 2012-1 Note Purchase Agreement is subject to the following further conditions precedent:

(a) **Default**. Before and after giving effect to such Series 2012-1 Advance, no Event of Default shall have occurred and be continuing (or would occur with the giving of notice or the passage of time or both).

(b) **Early Amortization Event**. Before and after giving effect to such advance, no Early Amortization Event shall have occurred and be continuing (or would occur with the giving of notice or the passage of time or both or would otherwise be reasonably expected to occur) unless such Series 2012-1 Advance has been approved by each Series 2012-1 Noteholder (other than a then Defaulting Noteholder).

(c) **Certification and Funding Notice**. The Issuer shall have delivered to the Administrative Agent a compliance certificate and funding notice, substantially in the form of Exhibit A to the Series 2012-1 Note Purchase Agreement, signed by an officer of Issuer, certifying that (A) the Issuer has complied with all of the conditions precedent set forth in **Section 501** and **Section 502** hereof and in the Series 2012-1 Note Purchase Agreement; (B) all of the representations and warranties of the Issuer, the Seller and the Manager contained in any of the Series 2012-1 Related Documents are true and correct in all material respects as of the date of such Series 2012-1 Advance, except to the extent such representations and warranties specifically relate to an earlier date, in which event such representation and warranty was true, correct and complete in all material respects as of such earlier date; and (C) all of the conditions precedent to the making of such Series 2012-1 Advance have been satisfied.

(d) **Asset Base Report**. The Issuer shall have delivered to the Administrative Agent a duly completed and executed Asset Base Report, determined after giving effect to any Eligible Containers to be acquired with the proceeds of such Series 2012-1 Advance and any associated Manufacturer Debt with respect to the Containers to be acquired with the proceeds of such Series 2012-1 Advance, which demonstrates that, after giving effect to such Series 2012-1 Advance, the sum of the then unpaid principal balance of all Series of Senior Notes then Outstanding (calculated after giving effect to the requested Series 2012-1 Advance) does not exceed the Senior Asset Base.

(e) **Conversion Date**. The Conversion Date shall not have occurred, unless such Series 2012-1 Advance has been approved by each Series 2012-1 Noteholder (other than a then Defaulting Noteholder).

(f) **Lien Release Documents**. The Issuer shall deliver to the Administrative Agent and each Series 2012-1 Noteholder, a copy of all lien release documents specified in the Container Sale Agreement or Container Transfer Agreement, as the case may be, and any other document requested by the Administrative Agent or any Series 2012-1 Noteholder evidencing the release of all Liens in all Containers and related assets that will be acquired by the Issuer on such funding date.

(g) **Debt Service Coverage Ratio**. The Debt Service Coverage Ratio (as reported on the most recent Manager Report and the two Manager Reports immediately preceding the most recent Manager Report) is greater than or equal to 1.00 to 1.00.

Article VI
Representations and Warranties

To induce the Series 2012-1 Noteholders to continue its investment in the Series 2012-1 Notes hereunder, the Issuer represents and warrants to the Series 2012-1 Noteholders on the date hereof and each funding date of a Series 2012-1 Advance that:

Section 601. Existence

. The Issuer is a company duly incorporated, validly existing and in compliance under the laws of Bermuda. The Issuer is in good standing and is duly qualified to do business in each jurisdiction where the failure to do so would have a material adverse effect upon the Issuer and in each jurisdiction in which a failure to so qualify would materially and adversely affect the ability of the Indenture Trustee to enforce its security interest in the Collateral.

Section 602. Authorization

. The Issuer has the power and is duly authorized to execute and deliver this Supplement and the other Series 2012-1 Related Documents to which it is a party. The Issuer is and will continue to be duly authorized to borrow monies hereunder; and the Issuer is and will continue to be authorized to perform its obligations under this Supplement and under the other Series 2012-1 Related Documents. The execution, delivery and performance by the Issuer hereof and the other Series 2012-1 Related Documents to which it is a party and the borrowings hereunder do not and will not require any consent or approval of any Governmental Authority, stockholder or any other Person which has not already been obtained.

Section 603. No Conflict, Legal Compliance

. The execution, delivery and performance hereof and each of the other Series 2012-1 Related Documents and the execution, delivery and payment of the Series 2012-1 Notes will not: (a) contravene any provision of Issuer's memorandum of association or bye-laws; (b) contravene, conflict with or violate any Applicable Law or regulation, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority; or (c) violate or result in the breach of, or constitute a default under the Indenture, the Series 2012-1 Related Documents, any other indenture or other loan or credit agreement, or other agreement or instrument to which the Issuer is a party or by which the Issuer, or its property and assets may be bound or affected. Issuer is not in violation or breach of or default under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any contract, agreement, lease, license, indenture or other instrument to which it is a party.

Section 604. Validity and Binding Effect

. This Supplement is, and each Series 2012-1 Related Document to which Issuer is a party, when duly executed and delivered, will be, the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

Section 605. Financial Statements

. Since the date of the most recent financial statements delivered pursuant to Section 626 of the Indenture, there has been no Material Adverse Change in the financial condition of any of the Issuer, either Seller or the Manager.

Section 606. Place of Business

. The Issuer's only "place of business" (within the meaning of 9-307 of the UCC) is located at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda. The Issuer does not maintain an office or assets in the United States, other than (i) the Trust Account, the Restricted Cash Account and the Series Accounts and (ii) off-hire containers located in depots in the United States and containers described in Section 606(g) of the Indenture.

Section 607. No Agreements or Contracts

. The Issuer is not now and has not been a party to any contract or agreement (whether written or oral) other than the Related Documents.

Section 608. Consents and Approvals

. No approval, authorization or consent of any trustee or holder of any Indebtedness or obligation of Issuer or of any other Person under any agreement, contract, lease or license or similar document or instrument to which Issuer is a party or by which Issuer is bound, is required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2012-1 Related Documents, except for those approvals, authorizations and consents that have been obtained on or prior to the date hereof. All consents

and approvals of, filings and registrations with, and other actions in respect of, all Governmental Authorities required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2012-1 Related Documents have been, or prior to the time when required will have been, obtained, given, filed or taken and are or will be in full force and effect.

Section 609. Margin Regulations

. Issuer does not own any "margin security", as that term is defined in Regulation U of the Federal Reserve Board, and the proceeds of the Series 2012-1 Notes issued under this Supplement will be used only for the purposes contemplated hereunder. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the loans under this Supplement to be considered a "purpose credit" within the meaning of Regulations T, U and X. Issuer will not take or permit any agent acting on its behalf to take any action which might cause this Supplement or any document or instrument delivered pursuant hereto to violate any regulation of the Federal Reserve Board.

Section 610. Taxes

. All federal, state, local and foreign tax returns, reports and statements required to be filed by Issuer have been filed with the appropriate Governmental Authorities, and all Taxes, Other Taxes and other impositions shown thereon to be due and payable by Issuer have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof, or any such fine, penalty, interest, late charge or loss has been paid, or Issuer is contesting its liability therefor in good faith and has fully reserved all such amounts according to GAAP in the financial statements provided to the Noteholders pursuant to Section 626 of the Indenture. Issuer has paid when due and payable all material charges upon the books of Issuer and no Governmental Authority has asserted any Lien against Issuer with respect to unpaid Taxes or Other Taxes. Proper and accurate amounts have been withheld by Issuer from its employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law and such withholdings have been timely paid to the respective Governmental Authorities.

Section 611. Investment Company Act of 1940

. The Issuer is not, and is not controlled by, an "investment company" registered, or required to be registered, under the Investment Company Act. The Issuer is not an "investment company" as defined in Section 3(a)(1) of the Investment Company Act, or, alternatively, the Issuer is relying on an exemption from such definition under Rule 3(a)(5) under the Investment Company Act. The Issuer is not relying on the exemptions set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The Issuer is structured so as not to constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act.

Section 612. Solvency and Separateness

.

(a) The capital of the Issuer is adequate for the business and undertakings of the Issuer.

(b) Other than with respect to the transactions contemplated hereby, the Issuer is not engaged in any business transactions with the Sellers or the Manager except as permitted by the Management Agreement, the Container Transfer Agreement or the Container Sale Agreement.

(c) Immediately after the effectiveness of the Series 2012-1 Note Purchase Agreement, the bye-laws of the Issuer provide that the Issuer shall have six (6) directors, unless increased to seven (7) directors under certain circumstances described in the bye-laws including those discussed below. If a resolution of the directors is proposed which involves a Specified Matter (as defined in the Bye-Laws of the Issuer in effect on the date hereof) and/or a Special Bye-law Amendment (as defined in the bye-laws of the Issuer in effect on the date hereof) then, in such instance, the number of directors of the Issuer shall automatically be increased to seven (7), and the quorum for any such vote shall be seven (7) directors, one of which must be an Independent Director who shall be elected by an affirmative vote of all of the other directors from a pool of candidates (and such pool may consist of only one person) put forward by AMACAR Group, L.L.C. The Independent Director so elected shall be a director until the resolution regarding the Specified Matter and/or the Special Bye-law Amendment has been voted upon and shall automatically cease to be a director of the Issuer immediately following such vote.

(d) The Issuer's funds and assets are not, and will not be, commingled with those of the Sellers or the Manager, except as permitted by the Management Agreement.

(e) The bye-laws of the Issuer require it to maintain correct and complete books and records of account, and Bermuda law requires it to maintain minutes of the meetings and other proceedings of its members.

(f) The Issuer is not insolvent under the Insolvency Law and will not be rendered insolvent by the transactions contemplated by the Series 2012-1 Related Documents and after giving effect to such transactions, the Issuer will not be left with an unreasonably small amount of capital with which to engage in its business nor will the Issuer have intended to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature. The Issuer does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation Proceedings or the appointment of a receiver, liquidator, trustee or similar official in respect of the Issuer or any of its assets.

Section 613. Title; Liens

. The Issuer has good and marketable title to the Collateral, free and clear of all Liens other than Permitted Encumbrances. The Indenture Trustee has a valid first priority (except in the case of a Managed Container that is subject to a Manufacturer's Lien, in which case the Lien of the Indenture in such Managed Container is subordinated to such Manufacturer's Lien) perfected Lien in the Collateral.

Section 614. No Existing Events

. No Event of Default, or Early Amortization Event (or event or condition which with the giving of notice or passage of time or both would become an Event of Default or Early Amortization Event) has occurred and is continuing.

Section 615. Litigation and Contingent Liabilities

. No claims, litigation, arbitration Proceedings or governmental Proceedings by any Governmental Authority are pending or threatened against or are affecting the Issuer or any of its Affiliates the results of which might interfere with the consummation of any of the transactions contemplated by this Supplement or any document issued or delivered in connection herewith.

Section 616. Subsidiaries

. The Issuer has no Subsidiaries.

Section 617. No Partnership

. The Issuer is not a partner or joint venturer in any partnership or joint venture.

Section 618. Pension and Welfare Plans

. No accumulated funding deficiency (as defined in Section 412 of the Code or Section 302 of ERISA) or reportable event (within the meaning of Section 4043 of ERISA), has occurred with respect to any Plan of the Issuer or any ERISA Affiliate. The present value of all benefit liabilities under all Plans of the Issuer or any ERISA Affiliate subject to Title IV of ERISA, as defined in Section 4001(a)(16) of ERISA, exceeds the fair market value of all assets of Plans subject to Title IV of ERISA (determined as of the most recent valuation date for such Plan on the basis of assumptions prescribed by the Pension Benefit Guaranty Corporation for the purpose of Section 4044 of ERISA), by no more than $1.9 million. Neither Issuer nor any ERISA Affiliate is subject to any present or potential withdrawal liability pursuant to Title IV of ERISA and no multiemployer plan (with the meaning of Section 4001(a)(3) of ERISA) to which the Issuer or any ERISA Affiliate has an obligation to contribute or any liability, is or is likely to be disqualified for tax purposes, in reorganization within the meaning of Section 4241 of ERISA or Section 418 of the Code) or is insolvent (as defined in Section 4245 of ERISA). No liability (other than liability to make periodic contributions to fund benefits) with respect to any Plan of Issuer, or Plan subject to Title IV of ERISA or any ERISA Affiliate, has been, or is expected to be, incurred by Issuer or an ERISA Affiliate, either directly or indirectly. All Plans of Issuer are in material compliance with ERISA and the Code. No lien under Section 412 of the Code or 302(f) of ERISA or requirement to provide security under the Code or ERISA has been or is reasonably expected by Issuer to be imposed on its assets. The Issuer does not have any obligation under any collective bargaining agreement. As of the date hereof, the Issuer is not an “employee benefit plan” with the meaning of ERISA or a “plan” within the meaning of Section 4975 of the Code and assets of the Issuer do not constitute “plan assets” within the meaning of Section 2510.3-101 of the regulations of the Department of Labor.

Section 619. Ownership of Issuer

. The Issuer is a wholly-owned Subsidiary of TL.

Section 620. Use of Proceeds

. The Issuer shall, subject to any restrictions contained in the Indenture or this Supplement, use the proceeds from the issuance of the Series 2012-1 Notes (i) to acquire additional Eligible Containers and other Collateral, (ii) to pay the costs of issuance or restatement of the Series 2012-1 Notes and the Series 2012-1 Related Documents, (iii) to repay other indebtedness include payments on other Series of Notes issued by the Issuer, and (iv) for general corporate purposes.

If a DSCR Sweep Event and/or a Residual Cash Sweep is continuing on the funding date of a Series 2012-1 Advance, the proceeds of such Series 2012-1 Advance shall be used solely to acquire additional Eligible Containers and related assets, subject to any restrictions contained in the Indenture.

Section 621. Security Interest Representations.

(a) The Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Containers and the proceeds thereof in favor of the Indenture Trustee, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from the Issuer.

(b) The Containers constitutes “goods” within the meaning of the applicable UCC.

(c) The Issuer owns and has good and marketable title to the Containers free and clear of any Lien, claim, or encumbrance of any Person.

(d) The Issuer has caused or will have caused, within ten days, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Containers and the proceeds thereof granted to the Indenture Trustee under the Indenture.

(e) Other than the security interest granted to the Indenture Trustee pursuant to the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Containers or the proceeds thereof. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Containers or the proceeds thereof other than any financing statement relating to the security interest granted to the Indenture Trustee under the Indenture or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

(f) No creditor of the Issuer other than Indenture Trustee has in its possession any goods that constitute or evidence the Containers or the proceeds thereof.

(g) The Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Trust Account, the Restricted Cash Account and the Series 2012-1 Series Account in favor of the Indenture Trustee, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from Issuer.

(h) All Eligible Investments have been and will have been credited to one of the Trust Account, the Restricted Cash Account and the Series 2012-1 Series Account. The Securities Intermediary for the Trust Account, the Restricted Cash Account and the Series 2012-1 Series Account has agreed to treat all assets credited to such accounts as “financial assets” within the meaning of the UCC.

(i) The Issuer owns and has good and marketable title to each of the Trust Account, the Restricted Cash Account, the Series 2012-1 Series Account and the Eligible Investments credited thereto (collectively, the “**Securities Entitlements Collateral**”) free and clear of any Lien, claim, or encumbrance of any Person.

(j) The Issuer has received all consents and approvals required by the terms of the Eligible Investments to the transfer to the Indenture Trustee all of its interest and rights in the Eligible Investments.

(k) The Issuer has delivered to Indenture Trustee a fully executed agreement pursuant to which the securities intermediary has agreed to comply with all instructions originated by the Indenture Trustee relating to the Trust Account, the Restricted Cash Account and the Series 2012-1 Series Account without further consent by the Issuer.

(l) Other than the security interest granted to the Indenture Trustee pursuant to the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise

conveyed any of the Securities Entitlement Collateral. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Securities Entitlement Collateral other than any financing statement relating to the security interest granted to the Indenture Trustee hereunder or that has been terminated.

(m) The Trust Account, the Restricted Cash Account and the Series 2012-1 Series Account are not in the name of any person other than the Issuer or the Indenture Trustee. The Issuer has not consented to the securities intermediary of any Trust Account, the Restricted Cash Account and the Series 2012-1 Series Account to comply with entitlement orders of any person other than the Indenture Trustee.

(n) The Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Issuer's contractual rights under any Interest Rate Hedge Agreement, the Contribution and Sale Agreement and the Management Agreement (collectively, the "**General Intangible Collateral**") in favor of the Indenture Trustee, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from the Issuer.

(o) The Issuer's contractual rights under any Interest Rate Hedge Agreement, the Contribution and Sale Agreement and the Management Agreement constitute "general intangibles" within the meaning of the applicable UCC.

(p) The Issuer owns and has good and marketable title to the General Intangible Collateral free and clear of any Lien, claim, or encumbrance of any Person.

(q) The Issuer has received all consents and approvals required by the terms of the General Intangible Collateral to pledge such General Intangibles Collateral to the Indenture Trustee.

(r) The Issuer has caused or will have caused, within ten days, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the General Intangible Collateral granted to the Indenture Trustee.

(s) Other than the security interest granted to the Indenture Trustee pursuant to the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the General Intangible Collateral. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the General Intangible Collateral other than any financing statement relating to the security interest granted to the Indenture Trustee hereunder or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

The representations and warranties set forth in this Section 621 shall survive until this Supplement is terminated in accordance with its terms and the terms of the Indenture. Any breaches of the representations and warranties set forth in this Section 621 may be waived by the Indenture Trustee, only with the prior written consent of the Control Party, and satisfaction of the Rating Agency Condition.

Section 622. FATCA

. This Supplement is a material modification of the Series 2012-1 Notes for FATCA purposes.

Section 623. Other Series of Notes

. The Issuer has not:

(a) issued any obligations that (a) constitute asset-backed commercial paper, or (b) are securities required to be registered under the Securities Act of 1933 or that may be offered for sale under Rule 144A of the Securities and Exchange Commission thereunder, or

(b) issued any other debt obligations or equity interests,

in each case, other than (i) debt obligations substantially similar to the obligations of the Issuer under this Supplement that are (A) issued to the other banks or asset-backed commercial paper conduits in privately negotiated transactions, and (B) subject to transfer restrictions substantially similar to the transfer restrictions set forth in the Series 2012-1 Related Documents, and (ii) equity interests issued to TL or its Affiliates under the terms of the memorandum of association and bye-laws of the Issuer.

Section 624. Survival of Representations and Warranties

. So long as any of the Series 2012-1 Notes shall be Outstanding and until payment and performance in full of the Aggregate Outstanding Obligations, the representations and warranties contained herein shall have a continuing effect as having been true when made.

Article VII
Miscellaneous Provisions

Section 701. Ratification of Indenture

. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

Section 702. Counterparts

. This Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart hereof by facsimile or by electronic means shall be equally effective as the delivery of an originally executed counterpart.

Section 703. Governing Law

. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICTS OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 704. Notices

. All demands, notices and communications hereunder shall be in writing, personally delivered, or by facsimile (with subsequent telephone confirmation of receipt thereof), or sent by internationally recognized overnight courier service, (a) in the case of the Indenture Trustee, at the following address: 1100 North Market Street, Wilmington, Delaware 19890-1605,

Attention: Corporate Trust Administration/Jose Paredes, telephone: 302-636-6191, facsimile: 302-636-4149, email: jparedes@wilmingtontrust.com, and (b) in the case of the Issuer, at the following address: Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Executive Vice President - Asset Management, with a copy to each: (i) Textainer Equipment Management Limited at its address at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Executive Vice President - Asset Management, and (ii) Textainer Equipment Management (U.S.) Limited at its address at 650 California Street, 16th floor, San Francisco, CA 94108, Telephone: (415) 658-8363, Facsimile: (415) 434-0599, Attention: Executive Vice President - Asset Management, or at such other address as shall be designated by such party in a written notice to the other parties. Any notice required or permitted to be given to a Noteholder shall be given by certified first class mail, postage prepaid (return receipt requested), or by courier, or by facsimile, with subsequent telephone confirmation of receipt thereof, in each case at the address of such Holder as shown in the Note Register or to the telephone and fax number furnished by such Noteholder. Notice shall be effective and deemed received (a) upon receipt, if sent by courier or U.S. mail, (b) upon receipt of confirmation of transmission, if sent by facsimile, or (c) when delivered, if delivered by hand.

Section 705. Amendments, Waivers and Modifications of this Supplement

.

(a) Any amendment, modification or waiver of terms of this Supplement shall be deemed a Supplement subject to Article X of the Indenture. Except for the matters set forth in **Section 211(a)(i)**, **Section 705(b)**, **Section 705(c)** and **Section 705(d)**, the terms of this Supplement and the term used herein may be waived, modified, or amended only in a written instrument signed by each of the Issuer and the Indenture Trustee (acting at the direction of, and with the consent of, the Control Party) (except with respect to the matters set forth in (x) Section 1001(a) of the Indenture, in the case of which any such waiver, modification or amendment shall be made subject to the terms of such Section 1001, and (y) **Section 212(c)** hereof, in the case of which any such waiver, modification or amendment shall be made subject to the terms of such **Section 212(c)**).

(b) An amendment, modification or waiver of the following matters may be effectuated only in a written instrument signed by each of the Issuer and the Indenture Trustee (acting at the direction of, and with the consent of, the Super Majority of Holders):

(i) an amendment to the provisions of this Section 705(b); or

(ii) except for the matters set forth in **Section 705(d)(ii)**, an amendment, modification or waiver of the definitions of the terms “Advance Rate” (in a manner that would increase such amount), “Asset Base” (in a manner that would increase such amount), “Senior Asset Base” (in a manner that would increase such amount), “Subordinate Asset Base” (in a manner that would increase such amount), “Restricted Cash Target Amount” (in a manner that would decrease such amount) or “Eligible Letter of Credit” (in a manner that would make such definition less restrictive, as evidenced by an Officer’s Certificate to that effect, delivered to the Indenture Trustee; provided that if an Officer’s Certificate is delivered to the Indenture Trustee certifying that an amendment, modification or waiver of the definition of the term “Eligible Letter of Credit” would make such definition more restrictive, or no less restrictive, then such amendment,

modification or waiver shall require the consent of the Control Party, rather than the Super Majority of Holders).

(c) An amendment, modification or waiver of each of the following matters may be effectuated only in a written instrument signed by each affected Series 2012-1 Noteholder:

(i) any increase in the Series 2012-1 Note Commitment of such Series 2012-1 Noteholder or extension of the Conversion Date (other than any such extension made via an amendment of the Series 2012-1 Note Purchase Agreement), and the Series 2012-1 Note Purchase Agreement may only be amended, in accordance with the provisions of Section 9.1 of the Series 2012-1 Note Purchase Agreement; or

(ii) subject to **Section 211(a)(i)**, any waiver of any conditions precedent set forth in **Article V** hereof, or a reduction, modification or amendment of any rights, indemnification, Breakage Costs or amounts under **Section 207** or **Section 209** owing or accruing to any Series 2012-1 Noteholder.

(d) An amendment, modification or waiver of each of the following matters may be effectuated only in a written instrument signed by each of the Series 2012-1 Noteholders:

(i) an amendment of this Section 705(d);

(ii) an amendment, modification or waiver of any provision of this Supplement that expressly states that any amendment, modification, waiver thereof, or non-conformity with such provision, requires the consent or approval of all of the Series 2012-1 Noteholders, or

(iii) an amendment requiring the consent of each affected Series 2012-1 Noteholder pursuant to the provisions of Section 1002(a)(i) of the Indenture.

(e) Promptly after the execution by the Issuer and the Indenture Trustee of any written instrument pursuant to this Section, the Indenture Trustee shall mail to the Noteholders, the Administrative Agent, and each Interest Rate Hedge Provider, a copy of such Supplement. Any failure of the Indenture Trustee to mail such copy, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

Section 706. Consent to Jurisdiction

. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, STATE OF NEW YORK AND THE ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS SUPPLEMENT, THE ISSUER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE ISSUER HEREBY IRREVOCABLY APPOINTS AND DESIGNATES COGENCY GLOBAL INC. (FORMERLY KNOWN AS NATIONAL CORPORATE RESEARCH LTD.) HAVING AN ADDRESS AT 10 E. 40TH STREET, 10TH FLOOR, NEW YORK, NY 10016, ITS TRUE AND LAWFUL ATTORNEY-IN-FACT AND DULY

AUTHORIZED AGENT FOR THE LIMITED PURPOSE OF ACCEPTING SERVICE OF LEGAL PROCESS AND THE ISSUER AGREES THAT SERVICE OF PROCESS UPON SUCH PARTY SHALL CONSTITUTE PERSONAL SERVICE OF SUCH PROCESS ON SUCH PERSON. THE ISSUER SHALL MAINTAIN THE DESIGNATION AND APPOINTMENT OF SUCH AUTHORIZED AGENT UNTIL ALL AMOUNTS PAYABLE UNDER THIS SUPPLEMENT SHALL HAVE BEEN PAID IN FULL. IF SUCH AGENT SHALL CEASE TO SO ACT, THE ISSUER SHALL IMMEDIATELY DESIGNATE AND APPOINT ANOTHER SUCH AGENT SATISFACTORY TO THE INDENTURE TRUSTEE AND SHALL PROMPTLY DELIVER TO THE INDENTURE TRUSTEE EVIDENCE IN WRITING OF SUCH OTHER AGENT'S ACCEPTANCE OF SUCH APPOINTMENT.

Section 707. Waiver of Jury Trial

. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS SUPPLEMENT OR ANY OTHER SERIES 2012-1 RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

Section 708. Successors

. This Supplement shall inure to the benefit of and be binding upon the Issuer, the Indenture Trustee and, by its acceptance of any Series 2012-1 Note or any legal or beneficial interest therein, each Series 2012-1 Noteholder and each of such Person's successors and assigns.

Section 709. Nonpetition Covenant

. Each Series 2012-1 Noteholder by its acquisition of a Series 2012-1 Note shall be deemed to covenant and agree, that it will not institute against the Issuer any bankruptcy, reorganization, arrangement insolvency or liquidation Proceedings, or other Proceedings under any federal or state bankruptcy or similar law, at any time other than on a date which is at least one (1) year and one (1) day after the last date on which any Note of any Series was Outstanding.

Section 710. Transactions Under Prior Agreement

. On the date hereof, the Prior Agreement shall be amended and restated as provided in this Supplement and shall be superseded by this Supplement. The terms and conditions of this Supplement shall apply to all of the Liens created by, and all of the rights, obligations and remedies incurred by, the Issuer under the Prior Agreement, and the Issuer agrees that this Supplement is not intended to constitute a discharge of the rights, obligations (including any unpaid Series 2012-1 Advances) and remedies existing under the Prior Agreement.

Section 711. Reports, Financing Statements and other Information to Series 2012-1 Noteholders

. The Indenture Trustee will make available promptly upon receipt thereof to the Series 2012-1 Noteholders via the Indenture Trustee's internet website at www.CTSLink.com the financial statements referred to in Section 7.2 of the Management Agreement, the Manager Report, the Asset Base Report, and the annual insurance confirmation; provided, that, as a condition to access to the Indenture Trustee's website, the Indenture Trustee shall require each such Series 2012-1 Noteholder to execute the Indenture Trustee's standard form documentation, and upon

such execution, each such Series 2012-1 Noteholder shall be deemed to have certified to the Indenture Trustee it (i) is a Series 2012-1 Noteholder, (ii) understands that such items contain material nonpublic information (within the meaning of U.S. Federal securities laws), (iii) is requesting the information solely for use in evaluating such party's investment in the Series 2012-1 Notes and will keep such information strictly confidential (with such exceptions and restrictions to distribution of the information as are more fully set forth in the information request certification) and (iv) is not a Competitor. Each time a Series 2012-1 Noteholder accesses the internet website, it will be deemed to have confirmed the representations and warranties made pursuant to the confirmation as of the date of such access. The Indenture Trustee will provide the Issuer with copies of such information request certification. Assistance in using the Indenture Trustee's website can be obtained by calling the Indenture Trustee's customer service desk at (866) 846-4526. The Indenture Trustee makes no representation or warranty as to the accuracy of such documents and assumes no responsibility.

Section 712. Patriot Act

. The parties hereto acknowledge that in accordance with the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, the Indenture Trustee in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Indenture Trustee. Each party hereby agrees that it shall provide the Indenture Trustee with such information as the Indenture Trustee may request that will help Indenture Trustee to identify and verify each party's identity, including without limitation each party's name, physical address, tax identification number, organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

Section 713. Definitive Notes

. Each Series 2012-1 Noteholder shall provide Noteholder Tax Identification Information (including, if requested, a transfer statement in accordance with Treasury Regulation section 1.6045A-1(a)(1)) requested by the Indenture Trustee to comply with its cost basis reporting obligations under the Code. Each Series 2012-1 Noteholder or holder of an interest in a Note, by acceptance of such Series 2012-1 Note or such interest in such Series 2012-1 Note, will be deemed to have agreed to provide the Issuer and the Indenture Trustee with such Noteholder Tax Identification Information referred to in the preceding sentence as requested from time to time by the Issuer or the Indenture Trustee.

Section 714. Noteholder Information

. Each Noteholder or holder of an interest in a Series 2012-1 Note, by acceptance of such Series 2012-1 Note or such interest in such Series 2012-1 Note, will be deemed to have agreed to provide the Issuer and the Indenture Trustee with such Noteholder Tax Identification Information as requested from time to time by the Issuer or the Indenture Trustee. Each Noteholder or holder of an interest in a Series 2012-1 Note will be deemed to understand that each of the Issuer and the Indenture Trustee has the right to (i) withhold tax (including, without limitation, FATCA Withholding Tax) on interest and other applicable amounts under the Code (without any corresponding gross-up) payable with respect to each holder of a Series 2012-1 Note, or to any beneficial owner of an interest in a Series 2012-1 Note, that fails to comply with the foregoing requirements, fails to establish an exemption of such withholding or as otherwise required under the Code or other Applicable Law (including, for the avoidance of doubt, FATCA) and (ii) provide such information and documentation and any other information concerning its interest in the applicable Series 2012-1 Note to the IRS and any other relevant U.S.

or foreign tax authority. Upon request from the Indenture Trustee, the Issuer will provide such additional information that it may have to assist the Indenture Trustee in making any withholdings or informational reports.

Section 715. Entire Agreement

. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Supplement to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS II LIMITED

By _____
Adam Hopkin
Secretary

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Indenture Trustee

By _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By _____
Name:
Title:

EXHIBIT A

Form of Series 2012-1 Note

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY NOT BE OFFERED FOR SALE, TRANSFER OR ASSIGNMENT UNLESS (1) SO REGISTERED OR THE TRANSACTION RELATING THERETO SHALL BE EXEMPT WITHIN THE MEANING OF SUCH ACT AND THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION ADOPTED THEREUNDER AND (2) SUCH TRANSACTION COMPLIES WITH THE PROVISIONS SET FORTH IN SECTION 205 OF THE INDENTURE. BECAUSE OF THE PROVISIONS FOR THE PAYMENT OF PRINCIPAL CONTAINED HEREIN, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE INDENTURE TRUSTEE.

TEXTAINER MARINE CONTAINERS II LIMITED
SECURED NOTE,
SERIES 2012-1

Up to $[___],000,000.00 No. [__]

November 15, 2021

KNOW ALL PERSONS BY THESE PRESENTS that TEXTAINER MARINE CONTAINERS II LIMITED, a company incorporated and existing under the laws of Bermuda (the "**Issuer**"), for value received, hereby promises to pay to [_____] or its registered assigns, at the principal corporate trust office of the Indenture Trustee named below, (i) the principal sum of up to [_____] Million Dollars ($[___],000,000), which sum shall be payable on the dates and in the amounts set forth in the Third Amended and Restated Indenture, dated as of November 15, 2021 (as amended, restated, supplemented or modified from time to time, the "**Indenture**"), and the Third Amended and Restated Series 2012-1 Supplement, dated as of November 15, 2021 (as amended, restated, supplemented or modified from time to time, the "**Supplement**"), each between the Issuer and WILMINGTON TRUST, NATIONAL ASSOCIATION and (ii) interest on the outstanding principal amount of this Series 2012-1 Note on the dates and in the amounts set forth in the Indenture and the Supplement. A record of each Series 2012-1 Advance, Prepayment and repayment shall be made by the related Series 2012-1 Noteholder and absent manifest error such record shall be conclusive. Capitalized terms not otherwise defined herein will have the meaning set forth in the Indenture and the Supplement.

Payment of the principal of and interest on this Series 2012-1 Note shall be made in lawful money of the United States of America which at the time of payment is legal tender for payment of public and private debts. The principal balance of, and interest on, this Series 2012-1 Note is payable at the times and in the amounts set forth in the Indenture and the Supplement by wire

transfer of immediately available funds to the account designated by the Holder of record on the immediately preceding Record Date.

This Series 2012-1 Note is one of the authorized notes identified in the title hereto and issued in the aggregate principal amount of up to One Billion Five Hundred Million Dollars ($1,500,000,000) pursuant to the Indenture and the Supplement.

The Series 2012-1 Notes shall be an obligation of the Issuer and shall be secured by the Collateral, all as defined in, and subject to limitations set forth in, the Indenture and the Supplement.

This Series 2012-1 Note is transferable as provided in the Indenture and the Supplement, subject to certain limitations therein contained, only upon the books for registration and transfer kept by the Indenture Trustee, and only upon surrender of this Series 2012-1 Note for transfer to the Indenture Trustee duly endorsed by, or accompanied by a written instrument of transfer in form reasonably satisfactory to the Indenture Trustee duly executed by, the registered Holder hereof or his attorney duly authorized in writing. The Indenture Trustee or the Issuer may require payment by the Holder of a sum sufficient to cover any tax, expense, or other governmental charge payable in connection with any transfer or exchange of this Series 2012-1 Note.

The Issuer, the Indenture Trustee and any agent of the Issuer may treat the person in whose name this Series 2012-1 Note is registered as the absolute owner hereof for all purposes, and neither the Issuer, the Indenture Trustee, nor any other such agent shall be affected by notice to the contrary.

This Series 2012-1 Note is subject to Prepayment, at the times and subject to the conditions set forth in the Indenture and the Supplement.

If an Event of Default shall occur and be continuing, the principal of and accrued interest on this Series 2012-1 Note may be declared to be due and payable in the manner and with the effect provided in the Indenture and the Supplement.

The Indenture permits, with certain exceptions as therein provided, the issuance of supplemental indentures with the consent of the Requisite Global Majority, in certain specifically described instances. Any consent given by the Requisite Global Majority shall be conclusive and binding upon the Holder of this Series 2012-1 Note and on all future holders of this Series 2012-1 Note and of any Series 2012-1 Note issued in lieu hereof whether or not notation of such consent is made upon this Series 2012-1 Note. Supplements and amendments to the Indenture and the Supplement may be made only to the extent and in circumstances permitted by the Indenture and the Supplement.

The Holder of this Series 2012-1 Note shall have no right to enforce the provisions of the Indenture or the Supplement or to institute action to enforce the covenants, or to take any action with respect to a default under the Indenture or the Supplement, or to institute, appear in or defend any suit or other Proceedings with respect thereto, except as provided under certain circumstances described in the Indenture and the Supplement; provided, however, that nothing contained in the Indenture or the Supplement shall affect or impair any right of enforcement conferred on the Holder hereof to enforce any payment of the principal of and interest on this Series 2012-1 Note

on or after the due date thereof; provided further, however, that by acceptance hereof the Holder is deemed to have covenanted and agreed that it will not institute against the Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation Proceedings, or other Proceedings under any applicable bankruptcy or similar law, at any time other than at such time as: permitted by Section 1311 of the Indenture.

All terms and provisions of the Indenture and the Supplement are herein incorporated by reference as if set forth herein in their entirety.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the Supplement and the issuance of this Series 2012-1 Note and the issue of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee by manual signature of one of its authorized officers, this Series 2012-1 Note shall not be entitled to any benefit under the Indenture or the Supplement, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, Textainer Marine Containers II Limited has caused this Series 2012-1 Note to be duly executed by its duly authorized representative, on this November 15, 2021.

TEXTAINER MARINE CONTAINERS II LIMITED

By _____
Adam Hopkin
Secretary

This Note is one of the Series 2012-1 Notes described in the within-mentioned Indenture and the Supplement.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Indenture Trustee

By _____
Name:
Title:

SCHEDULE 1

MINIMUM TARGETED PRINCIPAL BALANCE PERCENTAGE

Period (Months Elapsed From Conversion Date)	Minimum Targeted Principal Balance Percentage
0	100.00%
1	99.44%
2	98.89%
3	98.33%
4	97.78%
5	97.22%
6	96.67%
7	96.11%
8	95.56%
9	95.00%
10	94.44%
11	93.89%
12	93.33%
13	92.78%
14	92.22%
15	91.67%
16	91.11%
17	90.56%
18	90.00%
19	89.44%
20	88.89%
21	88.33%
22	87.78%
23	87.22%
24	86.67%
25	86.11%
26	85.56%
27	85.00%
28	84.44%
29	83.89%
30	83.33%
31	82.78%
32	82.22%
33	81.67%
34	81.11%
35	80.56%
36	80.00%
37	79.44%
38	78.89%
39	78.33%
40	77.78%
41	77.22%
42	76.67%
43	76.11%
44	75.56%
45	75.00%
46	74.44%
47	73.89%
48	0.00%

SCHEDULE 2

SCHEDULED TARGETED PRINCIPAL BALANCE PERCENTAGE

Period (Months Elapsed From Conversion Date)	Scheduled Targeted Principal Balance Percentage
0	100.00%
1	99.17%
2	98.33%
3	97.50%
4	96.67%
5	95.83%
6	95.00%
7	94.17%
8	93.33%
9	92.50%
10	91.67%
11	90.83%
12	90.00%
13	89.17%
14	88.33%
15	87.50%
16	86.67%
17	85.83%
18	85.00%
19	84.17%
20	83.33%
21	82.50%
22	81.67%
23	80.83%
24	80.00%
25	79.17%
26	78.33%
27	77.50%
28	76.67%
29	75.83%
30	75.00%
31	74.17%
32	73.33%
33	72.50%
34	71.67%
35	70.83%
36	70.00%
37	69.17%
38	68.33%
39	67.50%
40	66.67%
41	65.83%
42	65.00%
43	64.17%
44	63.33%
45	62.50%
46	61.67%
47	60.83%
48	0.00%

EXHIBIT C TO AMENDMENT AND CONSENT

PROPOSED NPA
[see attached]

EXHIBIT D TO AMENDMENT AND CONSENT

INSTRUMENT OF ASSIGNMENT AND ACCEPTANCE
(INDENTURE TRUSTEE)
[see attached]

EXHIBIT E TO AMENDMENT AND CONSENT

INSTRUMENT OF ASSIGNMENT AND ACCEPTANCE
(MANAGER TRANSFER FACILITATOR)
[see attached]

Exhibit 8.1

LIST OF SUBSIDIARIES

Name of Subsidiary	**Jurisdiction of Organization**	**Name under which Subsidiary does Business**
Textainer Limited	Bermuda	Textainer Limited
Textainer Equipment Management Limited	Bermuda	Textainer Equipment Management Limited
Textainer Equipment Management (S) Pte Ltd.	Singapore	Textainer Equipment Management (S) Pte Ltd
Textainer Equipment Management (U.S.) Limited	Delaware	Textainer Equipment Management (U.S.) Limited
Textainer Equipment Management (U.K.) Limited	United Kingdom	Textainer Equipment Management (U.K.) Limited
Textainer Equipment Management (U.S.) II LLC	Delaware	Textainer Equipment Management (U.S.) II LLC
Textainer Marine Containers II Limited	Bermuda	Textainer Marine Containers II Limited
Textainer Marine Containers VII Limited	Bermuda	Textainer Marine Containers VII Limited

Exhibit 12.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
REQUIRED BY RULE 13A-14(A) OR RULE 15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Olivier Ghesquiere, certify that:

1. I have reviewed this annual report on Form 20-F of Textainer Group Holdings Limited;

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 company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: March 17, 2022

/s/ OLIVIER GHESQUIERE
Olivier Ghesquiere
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(A) OR RULE 15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael K. Chan, certify that:

1. I have reviewed this annual report on Form 20-F of Textainer Group Holdings Limited;

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 company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: March 17, 2022

/s/ MICHAEL K. CHAN
Michael K. Chan
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 13.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
REQUIRED BY RULE 13A-14(B) AND SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Textainer Group Holdings Limited (the "**Company**"), hereby certifies, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2021 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 17, 2022

/s/ OLIVIER GHESQUIERE
Olivier Ghesquiere
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 13.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(B) AND SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Textainer Group Holdings Limited (the "**Company**"), hereby certifies, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2021 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 17, 2022

/s/ MICHAEL K. CHAN
Michael K. Chan
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-146304) on Form F-1, registration statements (Nos. 333- 147961, 333-171409, 333-211290 and 333-233323) on Form S-8, and registration statements (Nos. 333-171410, 333-223657,333-234444 and 333-255054) on Form F-3 of our reports dated March 17, 2022, with respect to the consolidated financial statements of Textainer Group Holdings and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP
San Francisco, California
March 17, 2022

Exhibit 99.1

March 17, 2022

Securities and Exchange Commission
Washington, D.C. 20549

Ladies and Gentlemen:

We were previously principal accountants for Textainer Group Holdings Limited and subsidiaries (the Company) and, under the date of March 17, 2022, we reported on the consolidated financial statements of the Company as of and for the years ended December 31, 2021 and 2020 and the effectiveness of internal control over financial reporting as of December 31, 2021. On March 17, 2022, we were replaced. We have read the Company's statements included under Item 16F of this Form 20-F dated March 17, 2022, and we agree with such statements except that we are not in a position to agree or disagree with the Company's statement that:

> During the years ended December 31, 2021 and 2020 and the subsequent interim period through March 17, 2022, neither the Company nor anyone on the Company's behalf has consulted with Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, auditing, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

/s/ KPMG LLP
San Francisco, California
March 17, 2022

Attachment:

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

We conducted a comprehensive, competitive process to determine our independent registered public accounting firm for the year ending December 31, 2022. Pursuant the results of this process, on February 17, 2022, our Board of Directors approved the decision to change auditors and replace KPMG upon completion of its remaining engagement responsibilities. This change became effective upon issuance by KPMG of its reports on our consolidated financial statements as of and for the year ended December 31, 2021 and the effectiveness of internal control over financial reporting as of December 31, 2021 included in the filing of this annual report on Form 20-F. The Board of Directors also approved the engagement of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the year ending December 31, 2022 which will occur after the replacement of KPMG is effective.

KPMG's audit reports on our consolidated financial statements as of and for the years ended December 31, 2021 and 2020 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles except as follows:

KPMG's report on the consolidated financial statements of Textainer Group Holdings Limited and subsidiaries for the year ended December 31, 2020, contained a separate paragraph stating, "As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Update No. 2016-02, Leases (Topic 842)".

During the years ended December 31, 2021 and 2020 and the subsequent interim period through March 17, 2022, there were (i) no disagreements between us and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, any of which, if not resolved to KPMG's satisfaction, would have caused KPMG to make reference thereto in their reports, and (ii) no reportable events pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

During the years ended December 31, 2021 and 2020 and the subsequent interim period through March 17, 2022, neither we nor anyone on our behalf has consulted with Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, auditing, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

The Company provided KPMG with a copy of this disclosure and requested that KPMG furnish a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the statements made herein. A copy of KPMG's letter, dated March 17, 2022, is furnished as Exhibit 99.1 to this Form 20F dated March 17, 2022.