IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT")), OR (2) PERSONS WHO ARE OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering memorandum (the "***Offering Memorandum***") following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities described therein, investors must be either (1) QIBs or (2) persons who are outside the United States in an offshore transaction outside the United States in reliance on Regulation S; *provided* that investors resident in a member state of the European Economic Area are qualified investors (within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended, and any relevant implementing measure in each member state of the European Economic Area). The Offering Memorandum is being sent at your request. By accepting the e-mail and accessing the Offering Memorandum, you shall be deemed to have represented to each of the Initial Purchasers (as defined in the attached Offering Memorandum), being the sender or senders of the Offering Memorandum, that:

(1) you consent to delivery of such Offering Memorandum by electronic transmission,

(2) either:

   (a) you and any customers you represent are QIBs, or

   (b) the e-mail address that you gave us and to which the Offering Memorandum has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia, and

(3) if you are resident in a member state of the European Economic Area, you are a qualified investor.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the issuer in such jurisdiction. Under no circumstances shall the Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Initial Purchasers nor any person who controls the Initial Purchasers, nor any of their directors, officers, employees or agents, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic form and the hard copy version available to you on request from the Initial Purchasers.

Subject to Completion, dated December 5, 2016

Preliminary Offering Memorandum

Strictly Confidential
Not for General Distribution
in The United States of America

PrestigeBidCo GmbH

*(incorporated as a company with limited liability (Gesellschaft mit beschränkter Haftung) in the Federal Republic of Germany ("**Germany**"), having its registered office at Mark-Twain-Straße 4, 81245 Munich, Germany and registered with the commercial register at the local court of Munich under number HRB 227078)*

€260,000,000 % Senior Secured Notes due 2023

PrestigeBidCo GmbH, a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany (the "***Issuer***"), is offering €260,000,000 aggregate principal amount of its % Senior Secured Notes due 2023 (the "***Notes***") as part of the financing for the proposed acquisition (the "***Acquisition***") of Schustermann & Borenstein Holding GmbH (the "***Target***"). The Issuer is an entity beneficially owned principally by funds advised by Permira Funds (as defined herein).

The Notes will mature on , 2023. The Issuer will pay interest on the Notes semi-annually on each and , commencing , 2017. Prior to , 2019, the Issuer will be entitled, at its option, to redeem all or a portion of the Notes by paying the relevant applicable premium. Some or all of the Notes may also be redeemed at any time on or after , 2019 at the redemption prices set forth in this Offering Memorandum. In addition, prior to , 2019, the Issuer may redeem at its option up to 40% of the aggregate principal amount of the Notes with the net proceeds from certain equity offerings at the redemption price set forth in the Offering Memorandum, provided that at least 60% of the aggregate principal amount of the Notes remains outstanding. Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. However, a change of control will not be deemed to have occurred if the Issuer's consolidated net leverage ratio is less than certain specified levels at the time of such event. See "*Description of the Notes.*" In addition, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law.

Pending the consummation of the Acquisition, the Initial Purchasers (as defined herein) will deposit the gross proceeds from the offering of the Notes into an escrow account (the "***Escrow Account***") in the name of the Issuer but controlled by, and pledged on a first ranking basis in favor of the Trustee (as defined herein) on behalf of the holders of the Notes. The release of the funds from the Escrow Account to the Issuer (the date of such release, the "***Completion Date***") will be subject to the satisfaction of certain conditions, including the closing of the Acquisition. The consummation of the Acquisition is subject to certain regulatory approvals and the satisfaction of certain other customary closing conditions. If the conditions precedent to the release of the funds from escrow have not been satisfied prior to April 30, 2017 (the "***Escrow Longstop Date***"), the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Transactions—The Acquisition may not be completed and you may not receive the return that you expect on the Notes.*"

The Notes will be senior obligations of the Issuer and, from the Issue Date (as defined herein), will be secured on a first-priority basis by a pledge over the Escrow Account. Within 60 days of the Completion Date (or on such other date as specified herein), the Notes will be guaranteed on a senior basis (the "***Note Guarantees***"), by Schustermann & Borenstein Holding GmbH (the "***Target***") and certain other material subsidiaries of the Target (collectively, the "***Guarantors***"). On the Completion Date, the Notes will be secured, subject to certain agreed security principles, by the Completion Date Collateral (as defined herein). Within 60 days of the Completion Date (or on such other date as specified herein), subject to certain agreed security principles, the Notes will also be secured by the Post-Completion Date Collateral (as defined herein). Under the terms of the Intercreditor Agreement (as defined herein), in the event of enforcement of the Collateral (as defined herein), holders of the Notes will receive proceeds from the Collateral only after the Super Senior Obligations (as defined herein) and certain amounts owed to the Security Agent, any receiver and certain creditor representatives have been repaid.

There is currently no public market for the Notes. The Issuer will apply to the Channel Islands Securities Exchange Authority Limited (the "***Exchange***") for the listing of and permission to deal the Notes on the Official List of the Exchange. There can be no assurance that the application will be accepted or that there will be a market for the Notes if the application is accepted. Consummation of the offering of the Notes is not contingent upon obtaining such listing.

Investing in the Notes involves a high degree of risk. See "*Risk Factors*" beginning on page 25.

Price for the Notes: % plus accrued interest, if any, from the Issue Date.

We expect that the Notes will be delivered in book-entry form through Euroclear System ("***Euroclear***") and Clearstream Banking, société anonyme ("***Clearstream***") on or about , 2016 (the "***Issue Date***").

The Notes and the Note Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "*U.S. Securities Act*"), or the laws of any other jurisdiction. Accordingly, the Notes and the Note Guarantees are being offered and sold in the United States only to qualified institutional buyers ("*QIBs*") in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act ("*Rule 144A*") and to persons outside the United States in reliance on Regulation S under the U.S. Securities Act ("*Regulation S*"). Prospective purchasers that are QIBs are hereby notified that the seller of the Notes and the Note Guarantees may be relying on the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A. See "*Notice to Prospective U.S. Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

Joint Bookrunners

Goldman Sachs International **Barclays** **UniCredit Bank**

The date of this Offering Memorandum is , 2016.

IMPORTANT INFORMATION

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase any Notes. Neither we nor any of Goldman Sachs International, Barclays Bank PLC and UniCredit Bank AG (together, the "***Initial Purchasers***") are responsible for your compliance with these legal requirements. See also "*Notice to Prospective U.S. Investors*," "*Notice to Certain European Investors*" and "*Plan of Distribution*."

You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with different information. In addition, neither we nor the Initial Purchasers nor any of our or their respective representatives are providing you with any legal, business, tax or other advice in this Offering Memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

This Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference should be made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us.

The Initial Purchasers, the trustee and any other agents acting with respect to the Notes accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Offering Memorandum and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers, the trustee, or any other agents acting with respect to the Notes as to the past or the future.

By receiving this Offering Memorandum, you acknowledge that you have not relied on the Initial Purchasers or their respective directors, affiliates, agents or advisors in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received all additional information that you need from us. No person is authorized in connection with any offering made by this Offering Memorandum to give any information or to make any representation not contained in this Offering Memorandum or any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

The information contained in this Offering Memorandum is as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set out in this Offering Memorandum or in our business since the date of this Offering Memorandum.

This Offering Memorandum is a confidential document that we are providing only to prospective purchasers of the Notes. The Issuer has prepared this Offering Memorandum solely for use in connection with the offer of the Notes and the Note Guarantees to persons who are QIBs under Rule 144A and to investors who are outside the United States. You should read this Offering Memorandum before making a decision whether to purchase any Notes. You agree that you will hold the information contained in this Offering Memorandum and the transactions contemplated hereby in confidence. You must not use this Offering Memorandum for any other purpose, make copies of any

part of this Offering Memorandum or give a copy of it to any other person; or disclose any information in this Offering Memorandum or distribute this Offering Memorandum to any other person, other than persons retained to advise you in connection with the purchase of the Notes.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions and agree not to use any information herein for any purpose other than considering an investment in the Notes. This Offering Memorandum may only be used for the purpose for which it was published. The information contained under "*Exchange Rate Information*" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rate information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream.

We will not, nor will any of our agents or the Initial Purchasers, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

Neither the U.S. Securities and Exchange Commission (the "***SEC***"), any state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense. The Issuer will apply to list the Notes on the Official List of the Channel Islands Securities Exchange Authority Limited (the "***Exchange***"), and will submit this Offering Memorandum to the competent authorities in connection with the listing application. Comments by the competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information. The Issuer may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects. We cannot guarantee that the application for the Notes to be listed on the Official List of the Exchange and to be admitted to trading on the Official List of the Exchange will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

The Issuer is offering the Notes and the Guarantors are issuing the Note Guarantees, in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that do not involve a public offering. The Notes are subject to restrictions on transferability and resale, which are described under "*Plan of Distribution*" and "*Transfer Restrictions*." By possessing this Offering Memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this Offering Memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Tax Considerations

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price. See "*Taxation*."

STABILIZATION

IN CONNECTION WITH THIS OFFERING, GOLDMAN SACHS INTERNATIONAL (THE "***STABILIZATION MANAGER***") (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER), MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCES THAT THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO PROSPECTIVE U.S. INVESTORS

The Notes will be sold outside the United States pursuant to Regulation S and within the United States to persons who are QIBs. The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the U.S. Securities Act. The Notes shall not be offered, sold or delivered as part of an Initial Purchaser's distribution at any time within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to Rule 144A. Terms used in this paragraph have the meanings given to them by Regulation S. See "*Transfer Restrictions*."

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

This Offering Memorandum has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the Prospectus Directive, as amended, as implemented in member states of the European Economic Area ("***EEA***"), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes which are subject of the offering contemplated in this Offering Memorandum must only do so in circumstances in which no obligation arises for the Issuer, the Guarantors or any of the Initial Purchasers to produce a prospectus for such offer. Neither the Issuer nor the Guarantors nor any Initial Purchaser has authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Memorandum. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC and amendments thereto (including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State (as defined below). The expression "***2010 PD Amending Directive***" means Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a "***Relevant Member State***"), including each Relevant Member State that has implemented the 2010 PD Amending Directive, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "***Relevant Implementation Date***"), no offer has been made and no offer will be made of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes that has been approved by the competent authority

in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of the Notes may be made to the public in that Relevant Member State at any time to:

(a) "qualified investors" as defined in the Prospectus Directive;

(b) fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of the Issuer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, *provided* that no such offer of Notes shall result in a requirement for the publication by the Issuer or any Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to the prospectus in accordance with Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each subscriber for or purchaser of the Notes in the offering located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuer, the Guarantors, our legal advisors and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the Offering.

Belgium

The Notes are not offered, directly or indirectly, to the public in Belgium. The Notes are being offered in Belgium to qualified investors only, within the meaning of Article 3, §2, a) and 10 of the Belgian law of June 16, 2006 on the public offering of securities and admission of securities to trading on a regulated market ("***Belgian Prospectus Law***") and/or on the basis of the other exemptions set out in Article 3, §2 of the Belgian Prospectus Law. Accordingly, these Listing Particulars have not been and will not be notified to, or approved by, the Belgian banking, finance and insurance commission (*Commissie voor het bank-, financie- en assurantiewezen*/*Commission bancaire, financière et des assurances*). This Offering cannot be advertised and these Listing Particulars and any other information, circular, brochure or similar documents may not be distributed, directly or indirectly, in Belgium other than to said qualified investors or, as the case may be, other than on the basis of the other exemptions set out in Article 3, §2 of the Belgian Prospectus Law.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province

or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* ("***NI 33-105***"), the Initial Purchaser is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

France

This Offering Memorandum has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the French financial markets authority, or "***AMF***"). Consequently, the Notes have not been or will not be, directly or indirectly, offered or sold to the public in France ("*offre au public de titres financiers*"), and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes have been distributed or caused to be distributed and must be distributed or caused to be distributed to the public in France.

The Notes have only and will only be offered, sold or distributed in France to qualified investors (*investisseurs qualifiés*) and/or to persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in and in accordance with Articles L.411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier.*

Germany

In the Federal Republic of Germany, the Notes may only be offered and sold in accordance with the provisions of the German Securities Prospectus Act (the "***Securities Prospectus Act***," *Wertpapierprospektgesetz* or *WpPG*) and any other applicable German legislation. No application has been made under German law to offer the Notes to the public in or out of the Federal Republic of Germany. The Notes are not registered or authorized for distribution under the German Securities Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. This Offering Memorandum is strictly for private use and the offer is only being made to recipients to whom this Offering Memorandum is personally addressed and does not constitute an offer or advertisement to the public. In Germany, the Notes will only be available to, and this Offering Memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act or who are subject of another exemption in accordance with Section 3 (2) of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

Grand Duchy of Luxembourg

The offering of the Notes should not be considered a public offering of securities in Luxembourg. This Offering Memorandum may not be reproduced or used for any other purpose than the offering of the Notes nor provided to any person other than the recipient thereof. The Notes are offered to a limited number of qualified investors as defined in the Prospectus Directive in all cases under circumstances designed to preclude a distribution, which would be other than a private placement. All public solicitations are banned and the sale may not be publicly advertised.

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless: (a) a prospectus has been duly approved by the *Commission de surveillance du secteur financier* of Luxembourg (the "***CSSF***") pursuant to Part II of the Luxembourg Prospectus Law, implementing the Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "***Prospectus Directive***"), as amended including through Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010, if Luxembourg is the home Member State as defined under the Luxembourg Prospectus Law; or (b) if Luxembourg is not the home Member State,

the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been drawn up in accordance with the Prospectus Directive and with a copy of the said prospectus; or (c) the offer of the Notes benefits from an exemption from or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg Prospectus Law.

Jersey

There shall be no invitation to the public in Jersey to apply for any Notes and there shall be no circulation in Jersey of any offer for subscription, sale or exchange of the Notes.

The Netherlands

The Notes that are the subject of the Offering contemplated by this Offering Memorandum are not and may not be offered in the Netherlands other than to persons or entities which are qualified investors as defined in article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* or the "***AFS***"). Each purchaser of Notes described in this Offering Memorandum located in the Netherlands will be deemed to have represented, acknowledged and agreed that it is a qualified investor (*gekwalificeerde beleggers*) as defined in section 1:1 of the AFS. For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in the Netherlands means to make a sufficiently specific offer addressed to more than one person as referred to in section 217(1) of Book 6 of the Dutch Civil Code to conclude a contract to purchase or otherwise acquire the Notes, or to issue an invitation to make an offer of the Notes.

Norway

This Offering Memorandum has not been and will not be registered with the Norwegian prospectus authority. Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed or offered for sale, in Norway other than in circumstances that are exempted from the prospectus requirements under the Norwegian Securities Trading Act (2007) chapter 7.

Spain

The Notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law 24/1988, of July 28 (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*), as amended and restated, and Royal Decree 1310/2005, of November 4, on the listing of securities, public offers and applicable prospectus, as amended (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) (the "***Spanish Securities Market Law***"). The Notes may not be sold, offered or distributed to persons in Spain, except in circumstances which do not constitute a public offer (*oferta pública*) of securities in Spain, within the meaning of the Spanish Securities Market Law. Neither the Notes, this offering nor this Offering Memorandum and its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*), and therefore it is not intended for the public offering or sale of the Notes in Spain.

Sweden

This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this Offering Memorandum may not be made available, nor may the Notes, otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Swedish Financial Instruments Trading Act.

United Kingdom

This Offering Memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "***Financial Promotion Order***"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as "***relevant persons***"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are being offered solely to "qualified investors" as defined in the Prospectus Directive and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offering Memorandum, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate, or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should," or "will" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- dependency of our business on the ability to continuously source a variety and quantity of attractive products from various popular brands at attractive prices;
- strong competition in our markets;
- potential impacts on our business by negative economic developments in Germany and other countries where our customers are from;
- seasonal fluctuations and unfavorable weather affecting sales of our products;
- lack of ability to manage our inventory or our store network and online presence in line with customer demand;

- dependency on reliable and efficient supply chain and the impact of capacity constraints, interruptions or other failures in our supply chain;
- operational disruptions at our centralized warehouse and logistics center;
- lack of formal supply agreements;
- risks in connection with the quality and timely delivery of our private label merchandise and our relationships with the manufacturers of such merchandise;
- risks in relation to our e-commerce business;
- our failure to adopt and apply technological advances in a timely manner and to successfully expand our multi-channel capabilities;
- failure with our strategy to continue to expand our business in Germany and internationally;
- failure to prevent or detect violations of law or other inadequate business practices through our risk management and internal controls;
- failures in our IT systems;
- unauthorized disclosure or breaches of information security or privacy;
- failure to adequately resolve customer relations issues;
- risks associated with the payment options we offer;
- exposure to potentially adverse tax consequences;
- additional tax liabilities by pending and future tax audits within our Group and changes in fiscal regulations;
- lack of ability to fully deduct interest expenses on our financial liabilities due to restrictions on the deduction of interest expenses under German tax laws or forfeiture of interest carry forwards under German tax laws;
- lack of ability to use loss carry-forwards to set off future gains;
- dependency on qualified personnel, including certain key personnel such as our senior management;
- rising labor costs as well as work stoppages, strikes or other collective actions;
- future acquisitions;
- impairment in relation to our intangible assets, such as goodwill, customer base and trademarks;
- lack of ability to protect our trademarks, domain names and other intellectual property rights and potential infringement of the intellectual property rights of third parties;
- potential incurrence of liabilities that are not covered by insurance;
- exposure to claims based on unfair commercial practices;
- risks related to conducting operations in several different countries;
- exposure to consumer protection laws and other regulatory requirements;
- exposure to risks from legal and arbitration proceedings;
- other risks associated with the Transactions, our financial profile, the Notes, our structure and the financing; and
- other factors discussed or referred to in this Offering Memorandum.

The risks described in the "*Risk Factors*" section of this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition and results of operations. New risks emerge from time to time and it is not possible for us to predict all such risks; nor can we assess the impact of all such risks on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We urge you to read carefully the sections of this Offering Memorandum entitled "*Risk Factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry*" and "*Our Business*" for a more detailed discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not be accurate or occur at all. Accordingly, you should not place undue reliance on these forward-looking statements, which speak only as of the date on which the statements were made. In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

We undertake no obligation, and do not intend, to update or revise any forward-looking statements or risk factors, whether as a result of new information, future events or developments or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum.

CURRENCY PRESENTATION AND DEFINITIONS

In this Offering Memorandum, all references to "***euro***," "***EUR***" or "***€***" are to the single currency of the participating member states of the European Monetary Union of the Treaty Establishing the European Community, as amended from time to time. All references to "***U.S. dollars***," "***U.S.$***" and "***$***" are to the lawful currency of the United States of America.

Definitions

Unless otherwise specified or the context requires otherwise in this Offering Memorandum the following terms have the meanings ascribed to them below:

- "Acquisition" means the acquisition by the Issuer of the entire share capital of the Target and the acquisition by the Issuer of claims under certain shareholder loans, in each case pursuant to the terms of the Acquisition Agreement;
- "Acquisition Agreement" means the agreement on the sale and purchase of the entire share capital in the Target dated October 24/25, 2016 between the Sellers and the Issuer;
- "BS GmbH" means Best Secret GmbH, an operating subsidiary of S&B Holding;
- "CAGR" means compound annual growth rate;
- "Co-Investors" has the meaning ascribed to "S&B Investors" under "*Description of the Notes—Certain Definitions*";
- "Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security, Enforcement of Security*";
- "Completion Date" means the date on which the Acquisition is consummated and which is referred to as "Closing Date" in the section "*Description of Certain Financing Arrangements*";
- "Escrow Account" means the segregated escrow account into which the gross proceeds of the offering of the Notes will be deposited on the Issue Date pending the completion of the Acquisition. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*";
- "Escrow Agent" means UniCredit Bank AG, London Branch;
- "Escrow Agreement" means the escrow agreement dated on or about the Issue Date, among the Issuer, the Trustee and the Escrow Agent;
- "Escrow Charge" means the escrow charge dated the Issue Date between the Issuer, the Trustee and the Escrow Agent pursuant to which the Escrow Account will be pledged on a first ranking basis in favor of the Trustee for the benefit of the holders of the Notes;
- "Escrow Longstop Date" means April 30, 2017;
- "Existing Credit Facility" means the German law governed secured facility, including term loans and a revolving facility, originally dated August 2, 2012, as amended on September 2, 2012, June 17, 2015 and as further amended from time to time, among, *inter alios*, S&B Beteiligungs, as borrower, and certain banks, as arrangers, and to be redeemed on or prior to the Completion Date;
- "German GAAP" means the generally accepted accounting principles (*Grundsätze ordnungsmäßiger Buchführung*) in the Federal Republic of Germany as in effect from time to time;
- "Group," "we," "us" or "our" refer to the S&B Group with respect to the historical information as of the dates and for the periods shown in the Offering Memorandum as well as to the Issuer and its consolidated subsidiaries from time to time, including the S&B Group;

- "Guarantors" means upon the execution of a supplemental indenture, the Target and other subsidiaries of the Issuer meeting, subject to the Agreed Security Principles at the time of grant, the Security Coverage Test (as defined under "*Description of the Notes—Certain Definitions*");
- "Holdco" means PrestigeBidCo Holding GmbH, a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany with its registered office at Mark-Twain-Straße 4, 81245 Munich, Germany, and registered with the commercial register at the local court (*Amtsgericht*) of Munich under number HRB 227203, which is expected to hold the entire share capital of the Issuer on or prior to the issuance of the Notes;
- "IFRS" means the International Financial Reporting Standards, as adopted by the European Union;
- "Indenture" means the indenture to be dated the Issue Date governing the Notes by and among, *inter alios*, the Issuer and the Trustee;
- "Initial Purchasers" means Goldman Sachs International, Barclays Bank PLC and UniCredit Bank AG;
- "Intercreditor Agreement" means the intercreditor agreement to be dated on or about the Issue Date, originally among, *inter alios*, Holdco, the Issuer, the lenders under the Revolving Credit Facility Agreement, the Trustee, each obligor in respect of the Revolving Credit Facility and the Security Agent, as amended from time to time. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*";
- "Issue Date" means the date on which the Notes offered hereby are issued;
- "Issue Date Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security, Enforcement of Security*";
- "Issuer" means PrestigeBidCo GmbH, a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany with its registered office at Mark-Twain-Straße 4, 81245 Munich, Germany, and registered with the commercial register at the local court (*Amtsgericht*) of Munich under number HRB 227078;
- "Note Guarantees" has the meaning ascribed to it under "*Summary—The Offering—Note Guarantees*";
- "Offering" means the offering of the Notes pursuant to the Offering Memorandum;
- "Permira Funds" has the meaning ascribed to "Permira VI Fund" under "*Description of the Notes—Certain Definitions*";
- "Person" means an individual, corporation (including a business trust), company, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof;
- "Revolving Credit Facility" means the €35.0 million revolving credit facility made available under the Revolving Credit Facility Agreement;
- "Revolving Credit Facility Agreement" means the revolving credit facility agreement to be dated on or prior to the Issue Date among, *inter alios*, the Issuer, as borrower, and Barclays Bank PLC, Goldman Sachs Bank USA and UniCredit Bank AG, London Branch, as lenders, as the same may be further amended from time to time;
- "S&B Beteiligungs" means Schustermann & Borenstein Beteiligungs GmbH, a holding company and subsidiary of S&B Holding;
- "S&B GmbH" means Schustermann & Borenstein GmbH, an operating subsidiary of S&B Holding;

- "S&B Holding" means Schustermann & Borenstein Holding GmbH, a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany with its registered office at Ingolstädter Straße 40, 80807 Munich, Germany, and registered with the commercial register at the local court (*Amtsgericht*) of Munich under number HRB 199965;
- "S&B Logistik" means Schustermann & Borenstein Logistik GmbH, an operating subsidiary of S&B Holding;
- "S&B Outlet" means S&B Outlet GmbH, an operating subsidiary of S&B Holding;
- "S&B Wien" means Schustermann & Borenstein Wien GmbH, an operating subsidiary of S&B Holding;
- "Security Agent" means UniCredit Bank AG, London Branch;
- "Sellers" means, *inter alios*, JAP Lux Holding S.A., a Luxembourg public limited liability company (*société anonyme*) registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number 170394 with its registered office at 24, avenue Emile Reuter, 2420 Luxembourg, Grand Duchy of Luxembourg, Schustermann & Borenstein MIP GmbH & Co. KG and certain selling family and management shareholders;
- "SOS" means Swiss Online Shopping AG, an operating subsidiary of S&B Holding;
- "Sponsor" means the Permira Funds;
- "Target" means S&B Holding;
- "Target Group" or "S&B Group" means S&B Holding and its subsidiaries from time to time;
- "Transactions" means the Acquisition, the repayment of existing debt of the Target, the Offering and the execution of the Revolving Credit Facility Agreement; and
- "Trustee" means Citibank, N.A., London Branch, in its capacity as trustee under the Indenture.

Information contained on any website referenced in this Offering Memorandum is not incorporated by reference in this Offering Memorandum and is not part of this Offering Memorandum.

GLOSSARY OF SELECTED TERMS

Term	Definition
"Active customer"	A customer who has made a purchase within the last 12 months.
"DACH"	Germany, Austria and Switzerland.
"Eurozone"	The collective group of member states of the European Union which use the Euro as their common currency.
"Member"	An individual who has been accepted by us to purchase merchandise in our online and/or offline stores.
"Multi-channel"	Sales through a combination of sales channels, e.g. online and offline.
"RRP"	Recommended retail price.
"Special make-ups"	Special product lines (*Sonderkollektionen*).
"Sqm"	Square meter.
"WaWi"	Merchandise management system (*Warenwirtschaftssystem*). WaWi figures included in this Offering Memorandum are presented prior to the reconciliation with our financial accounting.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

The Issuer is a holding company formed for the purpose of facilitating the Acquisition and other future potential transactions and is not expected to engage in any activities other than those related to its formation, the Acquisition and the financing of the Acquisition. After giving effect to the Transactions, the Issuer's only material assets and liabilities are expected to include its interests in the issued and outstanding shares of the Target and its outstanding indebtedness under the Notes and the Revolving Credit Facility Agreement and any other future indebtedness and inter-company balances incurred in connection with the Acquisition and the other transactions described in the Offering Memorandum as well as other transactions permitted under the Indenture. We do not present in this Offering Memorandum any financial information or financial statements of the Issuer.

All historical financial information included in this Offering Memorandum is that of S&B Holding and its consolidated subsidiaries. In particular, this Offering Memorandum includes and presents:

- the unaudited condensed consolidated interim financial statements of S&B Holding as of and for the nine months ended September 30, 2016, including the notes thereto (the "***Unaudited Condensed Consolidated Interim Financial Statements***");
- the audited consolidated financial statements of S&B Holding as of and for the year ended December 31, 2015, including the notes thereto (the "***2015 Audited Consolidated Financial Statements***");
- the audited consolidated financial statements of S&B Holding as of and for the year ended December 31, 2014, including the notes thereto (the "***2014 Audited Consolidated Financial Statements***");
- the audited consolidated financial statements of S&B Holding as of and for the year ended December 31, 2013, including the notes thereto (the "***2013 Audited Consolidated Financial Statements***").

The Unaudited Condensed Consolidated Interim Financial Statements, the 2015 Audited Consolidated Financial Statements, the 2014 Audited Consolidated Financial Statements and the 2013 Audited Consolidated Financial Statements are together referred to as the "***Consolidated Financial Statements***;" the 2015 Audited Consolidated Financial Statements, the 2014 Audited Consolidated Financial Statements and the 2013 Audited Consolidated Financial Statements are together referred to as the "***Audited Consolidated Financial Statements***."

Each of the Audited Consolidated Financial Statements have been audited by Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH ("***EY***"), in accordance with Section 317 German Commercial Code (*Handelsgesetzbuch*) ("***HGB***"), and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (*Institut der Wirtschaftsprüfer*).

Our financial statements included in this Offering Memorandum have been prepared in accordance with German GAAP, which differs in certain significant respects from U.S. generally accepted accounting principles and IFRS. For a summary of certain significant differences between German GAAP and IFRS, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Significant Differences between German GAAP and IFRS*".

According to German GAAP, the Consolidated Financial Statements included in this Offering Memorandum do not reflect the impact of any changes to the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement or other data that may occur as a result of the purchase price allocation ("***PPA***") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying amounts for existing assets and liabilities and assets or liabilities that we may add to the Group's consolidated balance sheet, which may include intangible assets such as goodwill, and different amortization and depreciation

expenses. The Group's future consolidated financial statements could be materially different from the Consolidated Financial Statements included in this Offering Memorandum once the PPA adjustments have been made. The Issuer will account for the acquisition using the acquisition method of accounting and the PPA will be applied at the level of the Issuer.

The unaudited consolidated financial information for the twelve months ended September 30, 2016 included elsewhere in this Offering Memorandum is based on the Consolidated Financial Statements of S&B Holding and is calculated by taking the consolidated interim financial information for the nine months ended September 30, 2016 derived from the Unaudited Condensed Consolidated Interim Financial Statements and S&B Group's internal accounting system, and adding it to the consolidated financial information for the year ended December 31, 2015 derived from the 2015 Audited Consolidated Financial Statements and S&B Group's internal accounting system and subtracting the consolidated interim financial information for the nine months ended September 30, 2015 derived from the Unaudited Condensed Consolidated Interim Financial Statements and the S&B Group's internal accounting system. This unaudited consolidated financial information has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited.

Non-GAAP Financial Measures

This Offering Memorandum contains non-GAAP measures and ratios, including EBITDA, Adjusted EBITDA, Capital Expenditure and Net Working Capital, that are not required by, or presented in accordance with, German GAAP. Our non-GAAP measures are defined by us as set out below.

We define "***EBITDA***" as net loss for the year/period before income taxes, interest and similar expenses, other interest and similar income and amortization, depreciation and write-downs, each as shown in the Consolidated Financial Statements.

We define "***Adjusted EBITDA***" as EBITDA (i) excluding non-recurring or extraordinary items, (ii) excluding certain non-cash, non-operational items and (iii) adjusting for the *pro forma* effects of certain cost-savings initiatives undertaken during the year/period. Non-recurring or extraordinary items include a number of one-off or exceptional items that have been excluded from EBITDA.

This information does not represent the results we would have achieved had each of the cost savings measures and other transactions for which an adjustment is made occurred at the dates indicated. There is no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations for Adjusted EBITDA are based on various assumptions (including the successful implementation of certain initiatives), management estimates and the unaudited management accounts of the SOS business. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the transactions for the periods presented, may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum and should not be relied upon when making an investment decision.

We define "***Capital Expenditure***" as the sum of additions to intangible assets and property, plant and equipment.

We define "***Net Working Capital***" as the sum of inventories and receivables and other assets excluding tax receivables less other provisions, prepayments received on account of orders, trade payables and other liabilities excluding liabilities for taxes.

For a reconciliation of our net loss for the year/period to EBITDA and Adjusted EBITDA, see "*Summary Consolidated Financial and Other Information*." For a description of Capital Expenditure and Net Working Capital, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation*s."

We present non-GAAP measures because we believe that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP measures may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or be used as a substitute for an analysis of our operating result as reported under German GAAP. Non-GAAP measures and ratios are not measurements of our performance or liquidity under German GAAP and should not be considered as alternatives to net profit/loss for the period or any other performance measures derived in accordance with German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. The non-GAAP measures have limitations as analytical tools. Some of these limitations are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on our debts;
- although amortization, depreciation and write-downs are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and certain of these non-GAAP measures do not reflect any cash requirements that would be required for such replacements; and
- some of the exceptional items that we eliminate in calculating EBITDA and Adjusted EBITDA reflect cash payments that were made, or will in the future be made.

EBITDA and Adjusted EBITDA as used in this Offering Memorandum are not calculated in the same manner as "Consolidated EBITDA" is calculated pursuant to the Indenture governing the Notes as described under "*Description of the Notes*" or for purposes of any of our other indebtedness.

Non-Financial Operating Data

Certain key performance indicators and other non-financial operating data, such as indexed customer growth figures and cohort figures, included in this Offering Memorandum are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited by outside auditors, consultants or experts. Our use or computation of this data may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of this data should not be considered in isolation or as an alternative measure of performance under German GAAP or IFRS.

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial information presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the rounded numerical data included in this Offering Memorandum and not the numerical data in each of the Consolidated Financial Statements or S&B Group's internal accounting system. With respect to financial information set out in this Offering Memorandum, a dash ("—") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but is or has been rounded to zero.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this Offering Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete. Certain economic and industry data, market data and market forecasts set forth in this Offering Memorandum were extracted from market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants. These external sources include two market studies (the "***Third Party Study***" and the "***Third Party Report***") we or our Shareholders commissioned in 2016 from leading third-party consultancy firms. Both the Third Party Study and the Third Party Report are based on primary interviews and field visits conducted with industry experts and participants, secondary market research and internal financial and operational information supplied by, or on behalf of, us.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we believe that these industry publications, surveys and forecasts are reliable, we have not independently verified them and cannot guarantee their accuracy or completeness.

While we accept responsibility for accurately summarizing the information from these external sources, and as far as we are aware and able to ascertain no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information.

Certain information in this Offering Memorandum, including, without limitation, statements regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants are based on our internal estimates and analyses and based in part on third-party sources.

We cannot assure you that our estimates or any of the assumptions underlying our estimates are accurate or correctly reflect our position in the industry. None of our internal surveys or information has been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. All of the information set forth in this Offering Memorandum relating to the operations, financial results or market share of our competitors has been obtained from publicly available information or independent research. Neither we nor the Initial Purchasers have independently verified this information and cannot guarantee its accuracy.

Certain market share information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflects our best estimates. We have based these estimates upon information obtained from our clients, trade and business organizations and associations and other contacts in our industry.

In this Offering Memorandum, we refer to market positions based on our and our competitors' revenue. These claims are based on information we received from the aforementioned external sources or estimated internally based on the information available from the aforementioned external and other sources.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated below, the high, low, average and period end Bloomberg Composite Rate (London) expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the Consolidated Financial Statements and other financial information appearing in this Offering Memorandum. Neither we nor the Initial Purchasers represent that the U.S. dollar amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

	U.S. dollars per €1.00			
	Period End	Average	High	Low
Year				
2011	1.2960	1.3998	1.4874	1.2925
2012	1.3197	1.2911	1.3463	1.2053
2013	1.3789	1.3300	1.3804	1.2772
2014	1.2100	1.3209	1.3925	1.2100
2015	1.0866	1.1032	1.2010	1.0492
2016 (until November 30, 2016)	1.0593	1.1123	1.1527	1.0555
Month				
June 2016	1.1073	1.1238	1.1399	1.1038
July 2016	1.1157	1.1061	1.1157	1.0967
August 2016	1.1158	1.1206	1.1330	1.1077
September 2016	1.1228	1.1212	1.1254	1.1153
October 2016	1.0963	1.1023	1.1218	1.0874
November 2016	1.0593	1.0786	1.1115	1.0555
December 2016 (until December 2, 2016)	1.0675	1.0650	1.0675	1.0625

SUMMARY

Overview

We are a members-only, online and offline, off-price fashion retailer with a strong focus on selling premium and luxury brands. Founded in 1924 and headquartered in Munich, we offer a large variety of designer brands from over 2,300 suppliers at attractive prices for men, women and children through online and offline sales channels. Our online platform, "BestSecret", has a presence in Germany, Austria, Switzerland, France, the United Kingdom and Sweden. Our offline business includes three large-scale retail sites (two in Munich and one in Vienna) with a total net sales area of over 15,000 square meters. For the twelve months ended September 30, 2016, we had revenue of €342.4 million, an Adjusted EBITDA of €52.4 million and an Adjusted EBITDA margin of 15.3%. For the same period, 86.6% of our revenue was generated in Germany, 65.7% of our revenue was generated from our online operations and 34.3% generated from our offline operations.

Our Strengths

Distinctive business model creating value for customers and suppliers.

We have a distinctive multi-channel, invitation-only business model offering customers a permanent collection and wide assortment of off-price premium and luxury fashion merchandise at discounts typically ranging from 20% to 80% of RRP, through a shopping experience that is similar to high-street retailers. Our multi-channel proposition provides customers the convenience of multi-device online shopping and an exclusive and stylish shopping experience in our stores. Customers gain access to our products, which include in-season and off-season merchandise from premium and luxury fashion brands complemented by merchandise from our private labels, through invitation only membership model.

We provide suppliers with an efficient, preferred partner to manage their overstock in a discreet and controlled environment. Our exclusive, invitation-only membership model creates the opportunity for suppliers to ensure that their overstock is sold in a discreet manner, protecting their retail pricing strategies and the desirability of their brands and allowing them to maximize value for their overstock. We have the ability to purchase large quantities of merchandise, including mixed "lots," which are lots that do not contain a typical distribution of sizes and colors, increasing our value as counterparty to our suppliers, making us the "port of first call" for our suppliers and reinforcing our customer proposition by giving us access to desirable merchandise.

We believe that our business model differentiates us from other players in the industry both from the perspective of the customers and the suppliers. Our relationships with suppliers allow us to provide a more consistent and relevant assortment to our customers compared to other off-price retailers while our retail proposition gives our suppliers a channel to manage their overstock in a manner that is consistent with their brand strategy.

Leading player in a growing market with attractive characteristics and well-positioned to capture further growth in online sales.

We operate in the off-price fashion retail market, which is a segment of the broader fashion market, and focus primarily on the premium and luxury segments of that market. Based on the Third Party Report, we believe that we are the market leader in the online off-price fashion market in Germany with a 24% market share in 2015, a market leader in the offline off-price fashion market in Germany and that our relevant market is sizable and has substantial potential for growth.

We believe that the online market will grow due to a shift to purchasing merchandise through online channels as well as an increase in the relevant customer base due to under-penetration in the countries in which we currently operate. In the German market, online sales of off-price merchandise increased by a CAGR of 13.1% from 2013 to 2015, from €555 million in 2013 to €710 million in 2015. Our revenue from online operations experienced a 28.4% CAGR from the year ended December 31, 2013 to the year ended December 31, 2015 and accounted for 62.0% of our revenue in the year ended

December 31, 2015, compared to 50.3% of our revenue in the year ended December 31, 2013. Based on the Third Party Report, we believe that there will continue to be a shift to purchasing merchandise through online channels and, as the German market leader in the online off-price fashion market, we believe that we are particularly well-positioned to benefit from this shift. We believe that potential new entrants to the market would have to invest substantially to build comparable clearance channels that protect the integrity of the brands that they sell, whereas we already have mature, developed sales channels and established relationships with high-quality suppliers. Further, the off-price fashion market comprised only 4% of the total fashion market in Germany in 2015, compared to 7% in France, 10% in the United Kingdom and 10% in Italy during the same period. As such, we believe that the German off-price fashion market is underpenetrated in comparison to other Western European countries, and that this offers further room for growth. We believe that our addressable customer base will increase as penetration increases based on our referral system.

From a supplier's perspective, our addressable market is premium and luxury overstock, which excludes unbranded apparel in the mass/value segment and carry-over items that full price retailers can continue to sell for multiple seasons. According to the Third Party Report, this amounted to nearly €50 billion (at reselling price) in stock in 2015 in Europe and is expected to increase in size due to continued structural trends in the industry. The prevalence of a "buy-now" concept, where brands sell merchandise immediately after introducing it to the market at fashion shows, removes the chance to receive feedback from the market and results in production planning inefficiencies that contribute to the supply of overstock. Other structural trends driving the growth of supply in the off-price fashion segment include a shorter collection cycle, resulting in supply of overstock as suppliers have to change collections more frequently, and increasing customer affinity for off-price merchandise.

Large, growing and diversified portfolio with low supplier dependency and direct access to leading international brands creating an attractive assortment for our customers.

We currently purchase merchandise from a large and diversified supplier base of over 2,300 suppliers. Our diversification of suppliers has contributed to the breadth of our product portfolio and ensures that we are not reliant on any single supplier, brand or fashion trend. In 2015, no single supplier accounted for more than 5% of our revenue, and our top 10 suppliers accounted for approximately 21% of our revenue in 2015. The number of suppliers that we purchase merchandise from has increased at 7.4% CAGR from 2013 to 2015. We experience limited supplier attrition and we actively manage our supplier base in order to focus on the most profitable suppliers with the most popular merchandise.

We believe that our ability to differentiate ourselves from other fashion clearance channels such as online shopping clubs, factory outlet centers or other retail wholesalers has made us an attractive partner for suppliers and facilitates our direct access to high quality inventory. Our business model allows us to purchase large lots of unsold merchandise and place it with minimal publicity, which is appealing to suppliers seeking to efficiently manage their overstock and brand image. As a result of this, we often receive early, direct access to unsold merchandise at discounts of up to 90% compared to RRP from suppliers and have the opportunity to purchase an attractive assortment of merchandise at favorable prices.

We believe that we offer our customers an attractive assortment of merchandise because we are able to purchase in-season merchandise in addition to the off-price overstock that we purchase out of season. The ability to offer a selection of in-season merchandise at a discount to RRP, when combined with our private label offerings and our off-price off-season overstock, has the effect of creating a permanent, full assortment of merchandise for our customers. We believe that this differentiates us from our competitors and that our premium in-season merchandise attracts customers to our online and offline shops leading to add-on purchases and, thus, added revenue.

Loyal, engaged and affluent customer base resulting in frequent customer purchases and driving low marketing expenses.

We believe that we have a loyal, engaged and affluent customer base. We believe that the loyalty of our customer base is evidenced by significant revenues generated from repeat customers, a high

customer engagement rate relative to our peers and the level of customer referrals. Based on recent twelve-month data, slightly more than half of online and offline customers generated more than €150 and €500 of revenue, respectively, on sales of our merchandise. The average spend per active customer is substantially higher in both cases. Additionally, in 2015, online customers placed on average approximately seven orders each. Through 2015, 76% of our online customers were repeat customers. We believe these figures compare favorably to our competitors. Through 2015, 46% of online members that we approved had made a first purchase. We believe based on a third-party survey, that over 80% of our customers have referred potential customers and 50% of our customers have referred three or more potential customers. This contributes significantly to our ability to grow our customer base without incurring significant marketing expenses. For the year ended December 31, 2015, our advertising costs as percentage of revenue were 1.4%.

We believe that the way in which our customers utilize our online site demonstrates their high level of engagement. Compared to other online off-price players, we enjoy leading customer engagement metrics including the length of time spent on the site and the number of page views while on the site. We believe that the engagement of our customers in our offline stores is further enhanced by our policy that customers have to spend a minimum of €250 per annum to retain their membership. In addition, we also incentivize spending and customer engagement through our gold, silver and bronze memberships for online customers, attained on the basis of the amount that customers spend online and offline.

We believe we attract an affluent customer base that has monthly net household incomes well above average levels in Germany. Based on a third-party survey of our customers, 63% and 76% of online and offline customers, respectively, have a net household income of greater than €3,000 per month compared to 30% of the total German market.

Distinctive multi-channel distribution capabilities driving industry leading sell-through rates.

Whereas other off-price players typically depend on one channel only, we operate both online and offline channels through our website "BestSecret" and our three "Schustermann & Borenstein" sites. We sell in-season and off-season merchandise, in a full range of sizes and category assortments, through our first clearance level both online (typically offering discounts in a range of 20% to 80% of RRP) and in our fashion stores (typically offering discounts in a range of 20% to 55% of RRP). Merchandise that has not been sold through our online channel or our fashion stores is sold through the second clearance level in our "second season" stores, which are focused on a value-centric proposition with typically greater discount levels of 40% to 80% of RRP. Special events (including our semi-annual "family and friends" events) at our offline stores allow us to sell further stock and increase our sell-through rates by clearing off-season merchandise at larger discounts of typically 30% to 80% of RRP depending on the event. We believe that our combination of different sales channels allows us to optimize our gross margin by testing different pricing levels for each product at each clearance level. Our ability to achieve high sell-through rates of approximately 90 to 95% also enhances our purchasing abilities as it gives us more flexibility to acquire unsorted lots and negotiate more attractive pricing or assortments of merchandise.

Our multi-channel distribution capabilities also offer a range of benefits for customers. We are able to achieve synergies in the interplay between our online and offline channels, such as our service points through which we offer our multi-channel customers in-store pick-up for online orders and allow returns of merchandise ordered online by our multi-channel customers in our stores. Customers are offered a tailored user experience through the opportunity to choose delivery times and payment methods and also through receiving personalized suggestions for clothes and editorial content. Our online channel offers convenience by providing our customers with a multi-device platform to shop from and a 1-3 day delivery time whereas our offline channel provides a destination for our customers that offers a premium, exclusive shopping experience. The combination of our online and offline expertise has resulted in an increase at a CAGR of 12% in multi-channel customers from 2013 to 2015, which benefits our overall financial performance as multi-channel customers have an above average spend.

Proprietary and scalable IT and logistics infrastructure.

Our membership-based business model provides us with significant volumes of customer information and buying patterns that allow us to take an analytical approach at managing the business. We have invested to in-source our back-end and front-end IT capabilities and our IT platform is modern and scalable and consists of logistics, enterprise resource planning (ERP), webshop and product planning systems. In addition, through in-house developed software, we have ownership of all processes. We also have a dedicated team of 17 full-time equivalent employees in Granada, Spain to provide strengthened IT support and we have achieved a stable cost base despite our growing IT capacity. We believe that our IT capabilities will help build a strong foundation to support our expansion, both through acquisitions such as the acquisition and integration of SOS in Switzerland and through our own initiatives, as well as organic growth in markets that we already have a presence in.

From January 1, 2014 to September 30, 2016, we have invested €26.2 million in additions to property, plant and equipment related to our modern centralized warehouse and logistics center that we opened in January 2016. This new centralized warehouse and logistics center has resulted in the centralization and consolidation of our logistics operations. Through our Poing facility, we have approximately 107,000 square meters of warehouse space, the ability to process approximately 10,000 items per hour and approximately 50 packing stations. We have been able to reduce the time until merchandise is available for sale through the use of our Poing facility and we believe the centralized warehouse and logistics center provides a platform that is commensurate with our needs for our anticipated growth phase. Additionally, we have integrated our logistics processes with the purchasing department, which we believe will enable us to lower procurement related costs.

Profitable and resilient business model with a strong track record of growth.

Our business exhibits high growth and cash conversion. Our revenue exhibited growth greater than that of the wider fashion market of 50.4% from €227.6 million for the year ended December 31, 2013 to €342.4 million for the twelve months ended September 30, 2016. During the same period, our Adjusted EBITDA increased by 42.0% from €36.9 million to €52.4 million. We are able to convert our profitable growth into attractive cash flows due to our efficient working capital management and the limited maintenance capital expenditure requirements of our business model. For the nine months ended September 30, 2016, maintenance and other capital expenditures were 1.4% of revenue and for the previous three calendar years it averaged 1.0% of revenue. At the same time, we have continuously improved our inventory management, bringing down the number of days that gross inventories are outstanding, as of period end, from 262 days for the year ended December 31, 2013 to 220 days for the year ended December 31, 2015.

We believe that the segment of the market in which we operate exhibits attractive resilience from a supply and demand perspective through the economic cycle due to the value that it offers consumers and the attractive procurement opportunities in an economic downturn when suppliers are under greater pressure to sell overstock. From 2008 to 2010, in the context of an overall economic contraction, we exhibited stable gross margins and achieved organic growth in revenue with minimal capital expenditures. Over the last ten years, we believe that we also managed to achieve consistent revenue growth and stable gross margins.

Strong and committed management team.

We have an experienced management team led by Daniel Schustermann, Amir Borenstein, Sascha Krines and Marian Schikora. We believe that the management team enjoys especially strong proven and trusted relationships with suppliers and has significant experience in sourcing and purchasing merchandise. Management has already led the business under previous private equity ownership and during that time they have expanded the business internationally, transformed the business from a pure-play offline retailer into a multi-channel retailer and established a new IT and logistics infrastructure to enable the business to continue growing.

The management team has affirmed its long-term commitment to the business and will be reinvesting alongside Permira as part of the Transactions. Following consummation of the Acquisition, our management and members of the founding families (some of whom are members of management) will

hold voting rights (excluding the management equity participation plan) of approximately 9% in PTGMidco S.à r.l., an indirect parent company of the Issuer.

Our Strategy

Expand our strong online presence in existing markets and pursue selective acquisitions in new markets.

We plan to continue to expand our market leading online position using targeted membership growth in Germany through viral marketing and continued incentive programs for customer referrals from existing customers. We believe that we can utilize our online channel to establish a footprint in other regions in Germany where we are currently underrepresented and leverage that footprint to open additional offline site locations with an intention to convert online customers to multi-channel customers similar to our recent achievements in Vienna, Austria. Potential initiatives for continuing to build our online business include developing strategies to improve basket sizes by data-driven customer insights and continuing to personalize our online experience, further optimizing our loyalty program with special treatment of high-value customers in order to maximize revenue and to develop value-based customer segmentation with personalized communication strategies.

We intend to assess opportunities for international expansion on a case-by-case basis and to target opportunities in high growth markets that do not have a dominant incumbent player. We believe that our expertise in fashion procurement and sales can be successfully adapted to address the local market. We use a "quali-quantitative model" when targeting international markets to assess the attractiveness of the market based on the forecasted market growth, the market size and the current competition in the market. We also consider the potential partnership prospects with local management in the country, general market economics and conditions and whether we believe that our product mix will be attractive in the country. We have recently entered the Swedish and French online markets, and our acquisition of SOS has strengthened and accelerated our growth in Switzerland. We also intend to continue to strengthen our growth in Austria, both online and offline, and we will assess entry opportunities in other European markets in the future.

Strengthen our multi-channel proposition.

We plan to strengthen our multi-channel proposition through various initiatives. We plan to increase revenue generated by our offline stores by enhancing integration with our online channel, which includes introducing online terminals to our stores, creating in-store app features and virtual shelf extension, which is the ability to scan items in a store and check availability across our entire online and offline platform. Additionally, we are introducing a voluntary-paid premium membership program that will offer enhanced benefits, including discounts, concierge services, gift wrapping and personal shopping, to customers. We believe that we can increase revenue generated by our online channel through the introduction of targeted marketing campaigns to drive buyer activity among existing customers and to provide payment by invoice to our customers as a convenient payment method that we hope will enhance the overall shopping experience. We also intend to use enhanced data analytics, including analyzing customer data on purchases, products viewed and items on a wish list, to further customize and tailor displayed content in line with our customers' individual shopping behavior and brand preferences. In addition, through personalization of our online platform for customers, we intend to connect customers with the most relevant assortment categories and brands for them. Finally, we believe that we can use experience gained from our successful ramp-up of our store in Vienna to strengthen the performance of our other offline stores as well as to successfully open additional offline site locations.

Focusing on operational excellence and efficiency gains.

While we currently achieve strong gross margins, we intend to focus on operational excellence and efficiency gains through ongoing initiatives in order to maintain and increase our profitability. We believe that we will continue to experience an increase in productivity due to our new centralized warehouse and logistics center and that logistics costs will decline due to lower variable costs and the decrease of fixed costs for logistics. We have also invested significantly in finance, tax, IT and

procurement personnel, hiring an additional 93 full-time equivalent employees in these areas since 2012, in order to enable us to scale our business and we have implemented a system architecture that provides management with more transparent data to aid in steering the business. We believe that the personnel we have added and the system architecture we have put in place will allow for future growth with an underlying cost structure that will grow more slowly than the overall performance of the business.

Recent Developments

The following information relating to our current performance is derived from our internal management accounts for October 2016. This information has neither been audited, reviewed, verified or subject to any procedures by our auditors nor has it been approved by our Board of Directors and you should not place undue reliance on it. Because this information is preliminary, it is subject to change and those changes could be material. See "Forward-Looking Statements" and "Risk Factors" for a discussion of certain of the factors that could affect our future performance and results of operation.

We believe that our results of operations for October 2016 were broadly in line with the growth of our business. Based on preliminary management accounts, we estimate that our revenue and gross profit (in each case not taking into account revenue generated by SOS) increased by approximately 18% and 14%, respectively, in October 2016 compared to October 2015. In addition, not taking into account SOS EBITDA, we experienced stable EBITDA development in October 2016 compared to the same period in the prior year due, in large part, to the temporary ramp up costs related to the new centralized warehouse and logistics center.

SOS Acquisition

In April 2016, we acquired SOS in Switzerland in order to further expand our online presence in the DACH region. SOS is an online fashion retailer that operated three flash sale and full price web shops for medium-priced to luxury products. When we acquired SOS, it was a loss making entity. However, we have improved the performance of the business through a number of cost reduction measures and a change in the business model, including reducing personnel overlap, reducing real estate rental costs, merging IT and logistics with our existing platforms and discontinuing marketing costs, as well as the integration of SOS's customers onto our existing platforms. As a result, in the period from its initial consolidation from April 1, 2016 to September 30, 2016, SOS generated revenue of €8.7 million and negative EBITDA of €4.5 million. In September 2016, SOS began to positively contribute to our EBITDA and continued its positive development on a revenue and EBITDA basis in the month ended October 31, 2016.

The Transactions

The Issuer is in the process of acquiring the entire share capital of the Target. The Issuer is offering the Notes as part of the overall financing arrangements for the Acquisition and the refinancing of certain existing debt of the Target Group. The Issuer is beneficially owned by Permira Funds and, following consummation of the Acquisition, will be beneficially owned by Permira Funds and the Co-Investors. See "*The Transactions*."

The Acquisition

On October 24/25, 2016, the Issuer as purchaser and, *inter alios*, JAP Lux Holding S.A., Schustermann & Borenstein MIP GmbH & Co. KG, Schustermann & Borenstein MIP II GmbH & Co. KG and certain members of the Schustermann and Borenstein families as sellers (the "***Sellers***"), entered into the Acquisition Agreement regarding the sale and purchase of the entire share capital of the Target (the "***Acquisition***"). The Target is the holder of the entire issued share capital of S&B Beteiligungs, which in turn is the sole shareholder of S&B GmbH (except for certain treasury shares held by S&B GmbH).

Pursuant to the Acquisition Agreement, the Issuer has agreed to acquire the entire share capital of the Target and certain shareholder loans for approximately €574 million (the "***Purchase Price***") subject to certain purchase price adjustments.

On the Completion Date, the Issuer will use funds received from an equity contribution from the Permira Funds and the gross proceeds from the issuance of the Notes released from the Escrow Account to (i) pay the purchase price for the Acquisition under the Acquisition Agreement, (ii) repay any existing debt of the Target Group and (iii) pay related fees and expenses.

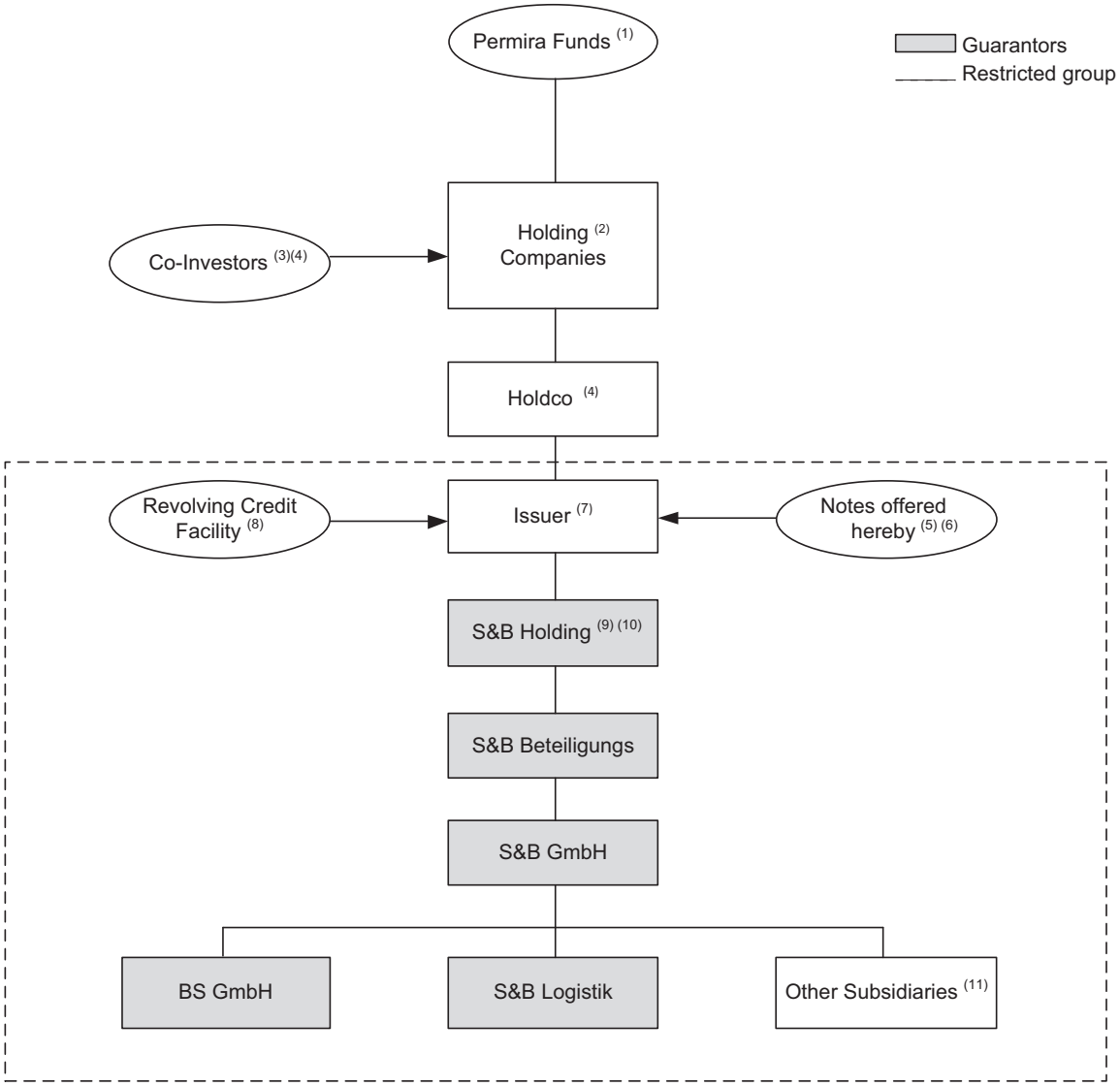
Principal Shareholder

Permira Funds is a European private equity firm with a global reach. Permira, as advisor to the Permira Funds, employs over 200 people in 14 offices worldwide, including Dubai, Frankfurt, Guernsey, Hong Kong, London, Luxembourg, Madrid, Menlo Park, Milan, New York, Paris, Seoul, Stockholm and Tokyo. Since 1985, it has secured €31 billion of committed capital. Over the last three decades, Permira Funds has completed over 200 transactions, investing in companies across the five key sectors on which they are focused (Consumer, Technology, Industrials, Financial Services and Healthcare).

The Permira Funds have invested in various retail, online and other businesses in the DACH region and have expertise in the premium and luxury fashion space and in-depth knowledge of dealing with global brands, including Hugo Boss, Valentino and Dr. Martens.

CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following chart shows a simplified summary of our corporate and financing structure as of the date of this Offering Memorandum adjusted to give effect to the Transactions. All entities shown below are 100% wholly owned unless otherwise indicated. The chart does not include all of our parent companies or subsidiaries, or all the debt obligations thereof. For a summary of the debt obligations identified in this diagram, please refer to the sections entitled "Description of the Notes," "Description of Certain Financing Arrangements" and "Capitalization."



(1) Following the consummation of the Acquisition, the Permira Funds will have beneficial ownership, indirectly through intermediate holding companies, of the share capital of the Target (excluding any shares held indirectly by the Co-Investors). Certain of the Permira Funds have committed to provide any required funds to PTGTopco S.à r.l. in the event of a Special Mandatory Redemption.

(2) PTGTopco S.à r.l., a holding company of the Issuer, will guarantee the Issuer's obligation to cover any accrued and unpaid interest on the Notes from the Issue Date up to the date of redemption if the Issuer is required to redeem the Notes through a Special Mandatory Redemption.

(3) According to the Acquisition Agreement, certain Sellers are expected to reinvest (indirectly) into the S&B Group on a *pari passu* basis in the context of the Acquisition, subject to, and in accordance with, the applicable terms of the Acquisition Agreement (the "***Co-Investment***"). Such Co-Investment shall ultimately be held directly by the Co-Investors in a direct or indirect holding company of the Issuer in the form of a Luxembourg limited liability company. Following consummation of the Acquisition, our management and members of the founding families (some of whom are also members of management) will hold voting rights (excluding the management equity participation plan) of approximately 9% in PTGMidco S.à r.l.

(4) Holdco is a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany. On or prior to the issuance of the Notes, we expect that Holdco will hold the entire share capital of the Issuer. As part of the roll-up of the equity interests of the Co-Investors into one of the indirect parent companies of the Issuer, we expect the Co-Investors to hold approximately 9% of the entire share capital of the Issuer for a period of up to three weeks following the consummation of the Acquisition.

(5) The Notes will be general senior obligations of the Issuer and rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to any existing or future indebtedness or obligation of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness. As of the Issue Date, the Notes will be secured, subject to the Agreed Security Principles, by first-priority security interests in the Issue Date Collateral. As of the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, by first-priority security interests in (i) the entire share capital of the Issuer which will be granted by Holdco (see "*Risk Factors—Risks related to the Notes—Certain collateral will not initially secure the Notes.*"), (ii) the entire share capital of the Target which will be granted by the Issuer, (iii) the Issuer's rights under the Acquisition Agreement, (iv) certain bank accounts of the Issuer and (v) the Issuer's present and future receivables owed by any member of the Target Group.

Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), the Notes will be secured, subject to the Agreed Security Principles, by first-priority security interests in (i) the entire share capital of the Guarantors (other than S&B Holding) held by members of the Target Group; (ii) all present and future intragroup receivables and insurance receivables of the Guarantors; (iii) certain of the Guarantors' bank accounts and (iv) certain moveable assets and inventory owned by the Guarantors.

(6) As of the Issue Date, the Notes will not be guaranteed by any company of the Target Group. Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), the Notes will be guaranteed on a senior basis by S&B Holding, S&B Beteiligungs, S&B GmbH, BS GmbH and S&B Logistik. The Note Guarantees will be subject to certain limitations under applicable law, as described under "*Risk Factors—Risks Related to Our Structure and the Financing—Each Note Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*" and "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*."

(7) On the Completion Date, the Issuer will use the proceeds from the issuance of the Notes released from the Escrow Account to (i) pay a portion of the purchase price for the Acquisition under the Acquisition Agreement; (ii) repay any existing debt of the Target Group; and (iii) pay related fees and expenses. As part of the roll-up of the equity interests of the Co-Investors into one of the indirect parent companies of the Issuer, we expect the Co-Investors to hold approximately 9% of the entire share capital of the Issuer for a period of up to three weeks following the consummation of the Acquisition. During this period, the first priority security interests in the share capital of the Issuer will not include the entire issued share capital of the Issuer.

(8) We expect to enter into the Revolving Credit Facility Agreement on or prior to the Issue Date, which provides for up to €35.0 million of senior secured credit borrowings. The Revolving Credit Facility is secured by first ranking security interests over the Collateral, which will also secure the Notes and the Note Guarantees. Pursuant to the terms of the Revolving Credit Facility Agreement, the Issuer may request to incur additional facilities up to €15 million. Pursuant to the terms of the Intercreditor Agreement, the Revolving Credit Facility and certain hedging obligations are entitled to be repaid from the proceeds from enforcement in respect of the Collateral before any proceeds will be applied to repay obligations under the Notes. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement"* and "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

(9) As of the Completion Date, we expect to hold the entire issued share capital of S&B Holding.

(10) As of the Issue Date, neither S&B Holding nor any of its subsidiaries will grant security interests in the Collateral or issue Note Guarantees. On the Completion Date, the Notes will be secured by the Completion Date Collateral. Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016) the Notes will be secured, subject to the Agreed Security Principles, by the Post-Completion Date Collateral. The Collateral will be subject to certain limitations under applicable law, as described under "*Risk Factors—Risks Related to Our Structure and the Financing—Each Note Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*" and "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*."

(11) For the twelve months ended September 30, 2016, the aggregated unconsolidated EBITDA of the Guarantors represented 98% of the aggregated unconsolidated EBITDA of S&B Holding and its subsidiaries (excluding the unconsolidated EBITDA of Swiss Online Shopping AG).

As of September 30, 2016, the aggregated unconsolidated assets (excluding financial assets and receivables from affiliated companies) of the Guarantors represented 97% of the aggregated unconsolidated assets (excluding financial assets and receivables from affiliated companies) of S&B Holding and its subsidiaries.

THE OFFERING

The following summary contains basic information about the Notes. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, including certain definitions of terms used in this summary, see "Description of Certain Financing Arrangements" and "Description of the Notes."

Issuer	PrestigeBidCo GmbH, a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany.
Notes Offered	€260 million aggregate principal amount of % Senior Secured Notes due 2023.
Issue Date	, 2016.
Issue Price	% (plus accrued and unpaid interest from the Issue Date).
Maturity Date	, 2023.
Interest Rate	% per annum. Interest on the Notes will accrue from the Issue Date.
Interest Payment Dates	Interest is payable on the Notes semi-annually in arrears on and of each year, beginning on , 2017.
Form and Denomination	The Issuer will issue the Notes on the Issue Date in global registered form. Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof maintained. No Notes in denominations of less than €100,000 will be available. The Notes will be maintained in book-entry form.
Ranking of the Notes	The Notes will: • be general senior obligations of the Issuer; • rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including indebtedness incurred under the Revolving Credit Facility Agreement and certain hedging obligations; • rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes; • be guaranteed by the Guarantors as described below under "*Description of the Notes—Note Guarantees*;" • be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness; and • be structurally subordinated to any existing or future indebtedness of the Issuer's subsidiaries that do not guarantee the Notes including obligations to trade creditors.

	The Notes will be subject to the terms of the Intercreditor Agreement, including certain exceptions and turnover provisions. In addition, the Issuer's obligations in respect of the Notes may be released in certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement"* and "*Risk Factors—Risks Related to the Notes*".
Note Guarantees	The Notes will be guaranteed (the "***Note Guarantees***") on a senior basis within 60 days following the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), by S&B Holding, S&B Beteiligungs, S&B GmbH, BS GmbH and S&B Logistik (collectively, the "***Guarantors***"). The Note Guarantees will be subject to the terms of the Intercreditor Agreement and may be subject to release under certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement," "Risk Factors—Risks Related to the Notes," "Description of the Notes—Note Guarantees*" and "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*." For the twelve months ended September 30, 2016, the aggregated unconsolidated EBITDA of the Guarantors represented 98% of the aggregated unconsolidated EBITDA of S&B Holding and its subsidiaries (excluding the unconsolidated EBITDA of Swiss Online Shopping AG). As of September 30, 2016, the aggregated unconsolidated assets (excluding financial assets and receivables from affiliated companies) of the Guarantors represented 97% of the aggregated unconsolidated assets (excluding financial assets and receivables from affiliated companies) of S&B Holding and its subsidiaries.
Ranking of the Note Guarantees . .	The Note Guarantee of each Guarantor will: • be a general senior obligation of that Guarantor; • rank *pari passu* in right of payment with any existing and future indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Note Guarantee, including that Guarantor's obligations under the Revolving Credit Facility Agreement and certain hedging obligations; • rank senior in right of payment to all existing and future indebtedness of that Guarantor that is expressly subordinated in right of payment to such Note Guarantee; • be effectively subordinated to any existing and future indebtedness or obligation of that Guarantor that is secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such other indebtedness; and

	• be structurally subordinated to any existing or future indebtedness, including obligations to trade creditors, of the subsidiaries of such Guarantor that are not Guarantors.
Security, Enforcement of Security	On the Issue Date, the gross proceeds from the issuance of the Notes will be deposited into the Escrow Account and first-priority security interest will be granted over the Escrow Account in favor of the Trustee for the benefit of the holders of the Notes (the "***Issue Date Collateral***"). See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." On the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, by first-priority security interests in: • the entire share capital of the Issuer (see "*Risk Factors—Risks related to the Notes—Certain collateral will not initially secure the Notes.*"); • the entire share capital of the Target; • the Issuer's rights under the Acquisition Agreement; • certain bank accounts of the Issuer; and • the Issuer's present and future receivables owed by any member of the Target Group (collectively, the "***Completion Date Collateral***"). Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), the Notes will be secured, subject to the Agreed Security Principles, by first-priority security interests in (i) the entire share capital of the Guarantors (other than S&B Holding) held by members of the Target Group; (ii) all present and future intragroup receivables and insurance receivables of the Guarantors; (iii) certain of the Guarantors' bank accounts and (iv) certain moveable assets and inventory owned by the Guarantors (collectively, the "***Post-Completion Date Collateral***" and, together with the Issue Date Collateral and the Completion Date Collateral, the "***Collateral***"). As of the Issue Date, S&B Holding and its subsidiaries will not grant security interests in the Collateral or issue Note Guarantees. See "*Risk Factors—Risks Related to the Notes—Certain Collateral will not initially secure the Notes.*" The Collateral also secures (or will also secure) on a first-priority basis the Revolving Credit Facility Agreement and certain hedging obligations (collectively, the "***Super Senior Obligations***") and may also secure certain future indebtedness. The Collateral has been (or will be) granted subject to the terms of the Intercreditor Agreement, certain agreed security principles and the terms of the security documents. Under the terms of the Intercreditor Agreement, the holders of Notes will receive proceeds from the enforcement of the Collateral only after creditors of the Super Senior Creditor

	Liabilities (as defined therein, including the Super Senior Obligations), the Security Agent, the Trustee, any receiver or delegate and certain other creditor representatives have been repaid in full. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"
	The security interests in the Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. See "*Description of the Notes—Security"* and *"Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Related to the Notes*."
	The security interests in the Collateral may be released under certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security.*"
Use of Proceeds	Upon satisfaction of the conditions to the release of the amounts deposited in the Escrow Account, the gross proceeds from the Offering will be used, together with the equity contribution from the Permira Funds and the Co-Investors, to (i) pay the Purchase Price under the Acquisition Agreement, (ii) repay the Existing Credit Facility and (iii) pay the related fees and expenses.
Optional Redemption	The Issuer may redeem all or part of the Notes at any time on or after , 2019 at the redemption prices as described under "*Description of the Notes—Optional Redemption*."
	At any time prior to , 2019, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption plus a "make-whole" premium, as described under "*Description of the Notes—Optional Redemption*."
	At any time prior to , 2019, the Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the Notes, using the net proceeds from certain equity offerings at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption; *provided* that at least 60% of the aggregate principal amount of the Notes remains outstanding after the redemption.
	In connection with any tender offer or other offer to purchase all of the Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer, the Issuer will have the right to redeem all Notes that remain outstanding. See "*Description of the Notes—Optional Redemption upon Certain Tender Offers*."
Special Mandatory Redemption . .	Pending the completion of the Acquisition, the Initial Purchasers will deposit an amount equal to the gross proceeds from the sale of the Notes into the Escrow Account in the name of the Issuer but controlled by, and pledged on a first ranking basis in

favor of, the Trustee on behalf of the holders of the Notes. Upon delivery to the Trustee and Escrow Agent of an officer's certificate stating that the conditions to the release of the funds from escrow are satisfied, the escrowed funds will be released to the Issuer and utilized as described in "*Summary—The Transactions*" and "*Use of Proceeds*".

In the event that (i) the conditions precedent to the release of the funds from escrow have not been satisfied prior to the Escrow Longstop Date or (ii) the Issuer certifies that the agreement for the Acquisition has been terminated or that the Acquisition will not be completed, the Issuer will be required to redeem the Notes at a special mandatory redemption price equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of the special mandatory redemption. The escrowed funds would be applied to pay for any such special mandatory redemption. PTG Topco S.à r.l., an indirect holding company of the Issuer, has agreed to cover any shortfall in the Escrow Account and certain of the Permira Funds have committed to provide the required funds to PTG Topco S.à r.l. in the event of a Special Mandatory Redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*".

The issue of Guarantees by the Guarantors of the Notes and the grant of liens in favor of the Notes are not conditions to the release of funds from the Escrow Account.

Additional Amounts; Tax Redemption . . . . . .

Any payments made by or on behalf of the Issuer or any Guarantor in respect of the Notes or with respect to any Note Guarantee will be made without withholding or deduction for taxes in any Relevant Taxing Jurisdiction (as defined in "*Description of the Notes—Withholding Taxes/Additional Amounts*") unless required by law. Subject to certain exceptions and limitations, if the Issuer, any Guarantor or the Paying Agent is required by law to withhold or deduct such taxes with respect to a payment on any Note, the Issuer or that Guarantor will pay the Additional Amounts (as defined in "*Description of the Notes—Withholding Taxes/Additional Amounts*") necessary so that the net amount received by each holder after such withholding is not less than the amount that would have been received in the absence of the withholding.

If certain changes in the law of any Relevant Taxing Jurisdiction become effective after the issuance of the Notes that would impose withholding taxes or other deductions on the payments on the Notes, and would require the Issuer or any Guarantor to pay Additional Amounts, the Issuer may redeem the Notes, in whole, but not in part, at any time, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Change of Control	Upon certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the outstanding Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. However, a change of control will not be deemed to have occured if certain consolidated net leverage ratios are not exceeded in connection with such event. See "*Description of the Notes—Change of Control.*"
Certain Covenants	The Indenture, among other things, will restrict the ability of the Issuer and its Restricted Subsidiaries (as defined therein), to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends, redeem capital stock and make certain investments; • make certain other restricted payments; • create or permit to exist certain liens; • impose restrictions on the ability of the Issuer's subsidiaries to pay dividends; • transfer or sell certain assets; • merge or consolidate with other entities; • enter into certain transactions with affiliates; and • impair the security interests created for the benefit of the holders of the Notes. Certain of the covenants will be suspended if the Notes obtain and maintain an investment-grade rating. Each of the covenants in the Indenture will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants.*"
Transfer Restrictions	The Notes and the Note Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transferability and resale. See "*Transfer Restrictions*". We have not agreed to, or otherwise undertaken to, register the Notes under the securities laws in any jurisdiction (including by way of an exchange offer).
OID	The Notes may be issued with original issue discount ("***OID***") for U.S. federal income tax purposes. In such event, U.S. holders (as defined under "*Taxation—Certain U.S. Federal Income Tax Considerations*") generally will be required to include such OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. holders will generally include any OID in income in advance of the receipt of cash attributable to

	such income. See "*Taxation—Certain U.S. Federal Income Tax Considerations—Original Issue Discount.*"
No Established Market for the Notes	The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market making at any time without notice. Accordingly, there is no assurance that an active trading market will develop for the Notes.
Listing	Application will be made to the Channel Islands Securities Exchange Authority Limited (the "***Exchange***") for the listing of and permission to deal in the Notes on the Official List of the Exchange. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained. Consummation of the offering of the Notes is not contingent upon obtaining such listing.
Governing Law	The Indenture, the Notes and the Note Guarantees will be governed by the laws of the State of New York. The Intercreditor Agreement, the Escrow Agreement, the Escrow Account Charge and the Revolving Credit Facility Agreement are governed by English law. The security documents will be governed by German law (except for the security document governing the Issue Date Collateral which will be governed by English law).
Trustee	Citibank, N.A., London Branch.
Security Agent	UniCredit Bank AG, London Branch.
Transfer Agent and Paying Agent	Citibank, N.A., London Branch.
Escrow Agent	UniCredit Bank AG, London Branch.
Registrar	Citibank, N.A., London Branch.
Listing Sponsor	Mourant Ozannes Securities Limited, Jersey Branch.

RISK FACTORS

Investing in the Notes involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section of this Offering Memorandum before making a decision whether to invest in the Notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables present the S&B Group's summary financial information and should be read in conjunction with the Audited Consolidated Financial Statements, and the Unaudited Condensed Consolidated Interim Financial Statements, which are reproduced elsewhere in this Offering Memorandum, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Audited Consolidated Financial Statements were prepared in accordance with German GAAP and were audited in accordance with Section 317 HGB, and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer) by EY, which issued an unqualified audit opinion thereon in each case. The Unaudited Condensed Consolidated Interim Financial Statements, which were prepared in accordance with German GAAP, have not been audited. The information below is not necessarily indicative of the results of future operations.

According to German GAAP, the Consolidated Financial Statements included in this Offering Memorandum do not reflect the impact of any changes to the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement or other data that may occur as a result of the purchase price allocation ("PPA") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying amounts for existing assets and liabilities and assets or liabilities that we may add to the Group's consolidated balance sheet, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. The Group's future consolidated financial statements could be materially different from the Consolidated Financial Statements included in this Offering Memorandum once the PPA adjustments have been made. The Issuer will account for the Acquisition using the acquisition method of accounting and the PPA will be applied at the level of the Issuer.

The Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements included in this Offering Memorandum have been prepared on the basis of German GAAP, which differs in certain significant respects from IFRS. For a summary of certain significant differences between German GAAP and IFRS, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Significant Differences between German GAAP and IFRS".

The unaudited consolidated financial information for the twelve months ended September 30, 2016 included in this Offering Memorandum is based on the Consolidated Financial Statements and is calculated by taking the consolidated interim financial information for the nine months ended September 30, 2016 derived from the Unaudited Condensed Consolidated Interim Financial Statements and the S&B Group's internal accounting system, and adding it to the consolidated financial information for the year ended December 31, 2015 derived from the 2015 Audited Consolidated Financial Statements and the S&B Group's internal accounting system and subtracting the consolidated interim financial information for the nine months ended September 30, 2015 derived from the Unaudited Condensed Consolidated Interim Financial Statements and the S&B Group's internal accounting system. This unaudited consolidated financial information has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited.

We present below certain non-GAAP measures and ratios that are not required by or presented in accordance with German GAAP, including EBITDA, Adjusted EBITDA, Capital Expenditure and Net Working Capital, and certain leverage and coverage ratios, among others. There can be no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The non-GAAP measures are not measurements of financial performance under German GAAP and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with German GAAP. The non-GAAP measures as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies, and EBITDA and Adjusted EBITDA differ from "Consolidated EBITDA" contained in the section "Description of the Notes" of this Offering Memorandum and the Indenture. The calculations for the non-GAAP measures are

based on various assumptions. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of our financial condition or results of operations for the periods presented and should not be relied upon when making an investment decision. See "Presentation of Financial and Other Information."

The historical data below is not necessarily indicative of results of future operations and should be read in conjunction with "Use of Proceeds," "Capitalization," "Selected Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Unaudited Condensed Consolidated Interim Financial Statements, our Audited Consolidated Financial Statements including the notes thereto, which are included elsewhere in this Offering Memorandum.

Summary Consolidated Income Statement Information

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2013	2014	2015	2015	2016	2016
	(in € million)					
				(unaudited)		(unaudited)
Revenue	227.6	256.7	304.3	203.9	242.0	342.4
Other operating income	1.4	0.8	1.0	0.9	0.9	1.0
Cost of materials	(110.7)	(134.6)	(154.2)	(110.2)	(134.4)	(178.4)
Gross profit	**118.3**	**122.9**	**151.1**	**94.5**	**108.5**	**165.1**
Personnel expenses	(39.1)	(40.5)	(46.8)	(34.7)	(42.7)	(54.8)
Amortization, depreciation and write-downs	(36.1)	(36.8)	(38.0)	(28.3)	(30.4)	(40.1)
Other operating expenses	(41.7)	(47.7)	(63.9)	(44.8)	(53.7)	(72.8)
Other interest and similar income	0.2	0.0	0.0	0.0	0.0	0.0
Interest and similar expenses	(17.8)	(18.0)	(16.3)	(12.8)	(10.1)	(13.6)
Financial result	**(17.7)**	**(18.0)**	**(16.3)**	**(12.8)**	**(10.1)**	**(13.6)**
Result from ordinary activities[1]	**(16.4)**	**(20.1)**	**(13.9)**	**—**	**—**	**—**
Income taxes	1.9	0.8	(0.2)	4.5	2.4	(2.3)
Earnings after taxes[2]	**—**	**—**	**—**	**(21.6)**	**(26.0)**	**—**
Other taxes	0.0	0.0	0.0	0.0	0.0	0.0
Net loss for the year/ period	**(14.5)**	**(19.3)**	**(14.1)**	**(21.6)**	**(26.0)**	**(18.5)**

(1) Due to changes in the presentation principles according to German GAAP, from January 1, 2016, result from ordinary activities is no longer presented in the income statement. Therefore, it is presented in the consolidated income statements of the Audited Consolidated Financial Statements, but not in the consolidated income statement of the Unaudited Condensed Consolidated Interim Financial Statements.

(2) Due to changes in the presentation principles according to German GAAP, from January 1, 2016, earnings after taxes are presented as an additional line item in the income statement. Therefore, such line item is not presented in the consolidated income statements of the Audited Consolidated Financial Statements, but in the consolidated income statement of the Unaudited Condensed Consolidated Interim Financial Statements.

Summary Consolidated Balance Sheet Information

	As of December 31,			As of September 30,
	2013	2014	2015	2016
	(in € million)			(unaudited)
Assets				
Fixed assets				
Intangible assets				
Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	199.0	179.1	159.5	148.3
Goodwill	43.9	31.9	20.0	11.0
Prepayments	0.1	0.1	0.2	0.0
Property, plant and equipment				
Land, land rights and buildings, including buildings on third-party land	6.7	8.6	21.1	20.5
Plant and machinery	3.2	2.9	2.7	12.9
Other equipment, furniture and fixtures	4.3	4.9	5.8	5.4
Prepayments and assets under construction	0.2	7.3	8.8	1.4
Financial assets				
Loans to affiliates	—	0.0	0.0	0.0
Fixed assets	**257.4**	**235.0**	**218.1**	**199.5**
Current assets				
Inventories				
Merchandise	57.7	65.7	66.9	87.9
Prepayments	3.2	3.0	4.2	5.1
Receivables and other assets				
Trade receivables	0.5	0.8	1.1	1.3
Other assets	3.8	3.1	5.6	7.7
Cash on hand, bank balances and checks	26.9	35.3	36.9	12.1
Current assets	**92.1**	**107.9**	**114.7**	**114.1**
Prepaid expenses	**4.2**	**3.2**	**3.6**	**2.6**
Capital deficit	**—**	**—**	**—**	**15.3**
Assets	**353.7**	**346.2**	**336.4**	**331.6**
Equity and Liabilities				
Equity				
Subscribed capital	0.1	0.1	0.1	0.1
Capital reserves	60.4	60.4	60.4	60.4
Equity difference from currency translation	—	—	—	0.0
Loss carryforward	(2.1)	(16.6)	(35.8)	(49.9)
Net loss for the year/period	(14.5)	(19.3)	(14.1)	(26.0)
Capital deficit	—	—	—	15.3
Equity	**43.9**	**24.6**	**10.6**	**0.0**
Provisions				
Tax provisions	2.0	1.5	2.6	4.0
Other provisions	5.1	5.7	9.2	11.9
Provisions	**7.1**	**7.2**	**11.8**	**15.8**

	As of December 31,			As of September 30,
	2013	2014	2015	2016
	(in € million)			(unaudited)
Liabilities				
Liabilities to banks	91.4	93.7	181.8	168.1
Prepayments received on account of orders	1.2	1.9	1.4	1.4
Trade payables	8.8	8.8	9.3	21.0
Liabilities to shareholders	137.3	151.1	70.2	75.4
Other liabilities	3.5	4.9	3.8	6.0
Liabilities	**242.3**	**260.4**	**266.5**	**271.8**
Deferred income	**0.0**	**0.0**	**0.0**	**0.0**
Deferred tax liabilities	**60.5**	**54.0**	**47.5**	**43.6**
Equity and liabilities	**353.7**	**346.2**	**336.4**	**331.6**

Summary Cash Flow Statement Information

	As of and for the year ended December 31,			As of and for the nine months ended September 30,		As of and for the twelve months ended September 30,
	2013	2014[1]	2015	2015	2016	2016
	(in € million)			(unaudited)		(unaudited)
Cash flow from operating activities	4.4	24.9	31.7	4.9	7.0	33.8
Cash flow from investing activities	(7.1)	(14.4)	(21.1)	(18.1)	(12.6)	(15.6)
Cash flow from financing activities	7.9	(2.1)	(9.0)	(7.2)	(19.3)	(21.1)
Change in cash and cash equivalents	5.2	8.4	1.6	(20.3)	(24.8)	(2.9)
Cash and cash equivalents at the end of the period	26.9	35.3	36.9	15.0	12.1	12.1

(1) Due to the first-time application of the German Accounting Standards ("***GAS***") 21 (*Deutsche Rechnungslegungs Standards*) "Cash Flow Statements", in the 2015 Audited Consolidated Financial Statements, interest result, which was previously included in cash flow from financing activities, is presented in cash flow from operating activities. Pursuant to GAS 21, income tax expense/income and income tax payments are also presented as a separate line item under cash flow from operating activities. In the 2014 Audited Consolidated Financial Statements, these amounts were presented as an increase in provisions, other non-cash expenses and income and increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities. Financial data shown in this table for the year ended December 31, 2014 are taken from the comparative financial information included in the consolidated cash flow statement from the 2015 Audited Consolidated Financial Statements and, therefore, deviate from the respective financial information presented in the 2014 Audited Consolidated Financial Statements.

Other Financial and Operating Data

	For the year ended December 31,			For nine months ended September 30,		For the twelve months ended September 30,
	2013	2014	2015	2015	2016	2016
	(unaudited, unless otherwise indicated)			(in € million, unless otherwise indicated) (unaudited)		(unaudited)
Revenue	227.6[4]	256.7[4]	304.3[4]	203.9	242.0	342.4
thereof from online operations	114.4	148.2	188.7	122.6	158.8	224.9
thereof from offline operations	113.2	108.5	115.6	81.3	83.2	117.5
Gross profit	118.3[4]	122.9[4]	151.1[4]	94.5	108.5	165.1
Gross margin (in %)[1]	52.0	47.9	49.7	46.3	44.8	48.2
Adjusted EBITDA[2]	36.9	41.2	48.4	26.3	30.3	52.4
Adjusted EBITDA margin (in %)[3]	16.2	16.0	15.9	12.9	12.5	15.3

(1) Gross margin is calculated as gross profit divided by revenue.

(2) EBITDA is calculated as net loss for the year/period before income taxes, other interest and similar income, interest and similar expenses and amortization, depreciation and write-downs. Adjusted EBITDA is defined as EBITDA (i) excluding non-recurring or extraordinary items, (ii) excluding certain non-cash, non-operational items and (iii) adjusting for the *pro forma* effects of certain SOS cost-savings initiatives undertaken during the year/period. Non-recurring or extraordinary items include a number of one-off, exceptional items that have been excluded from EBITDA. We use Adjusted EBITDA as a

measure of our operating cash flow generation and the liquidity of our business. Neither EBITDA nor Adjusted EBITDA is a measure of financial performance calculated in accordance with German GAAP and should each be viewed as a supplement to, not a substitute for, our results of operations presented in accordance with German GAAP. EBITDA and Adjusted EBITDA should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with German GAAP. EBITDA and Adjusted EBITDA as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies and differ from "Consolidated EBITDA" contained in the section "*Description of the Notes*" of this Offering Memorandum and in the Indentures. We present EBITDA and Adjusted EBITDA for informational purposes only. This information does not represent the results we would have achieved had each of the cost savings measures and other transactions for which an adjustment is made occurred at the dates indicated. There is no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations for Adjusted EBITDA are based on various assumptions (including the successful implementation of certain initiatives), management estimates and the unaudited management accounts of the SOS business. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the transactions for the periods presented, may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum and should not be relied upon when making an investment decision. We present EBITDA and Adjusted EBITDA because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under German GAAP. See "*Presentation of Financial and Other Information*." The reconciliation of net loss for the period to EBITDA and Adjusted EBITDA is as follows:

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2013	2014	2015	2015	2016	2016
	(unaudited, unless otherwise indicated)		(in € million)	(unaudited)		(unaudited)
Net loss for the year/period	**(14.5)[a]**	**(19.3)[a]**	**(14.1)[a]**	**(21.6)**	**(26.0)**	**(18.5)**
Income taxes	(1.9)[a]	(0.8)[a]	0.2[a]	(4.5)	(2.4)	2.3
Other interest and similar income	(0.2)[a]	0.0[a]	0.0[a]	0.0	0.0	0.0
Interest and similar expenses	17.8[a]	18.0[a]	16.3[a]	12.8	10.1	13.6
Amortization, depreciation and write-downs	36.1[a]	36.8[a]	38.0[a]	28.3	30.4	40.1
EBITDA	**37.3**	**34.7**	**40.4**	**15.0**	**12.1**	**37.5**
Change in inventory allowance[b]	(2.1)	3.0	1.3	7.3	9.7	3.7
New store opening Vienna/ central warehouse[c]	—	1.5	1.6	0.0	1.8	3.4
Financial reporting improvements[d]	0.5	0.3	1.4	1.0	1.0	1.4
Logistics/warehouse improvements[e]	0.4	0.8	1.0	0.8	0.3	0.5
Financing fees[f]	—	—	2.2	2.0	0.0	0.2
Amortization of Ardian acquisition costs[g]	1.1	1.0	0.9	0.7	0.6	0.8
Transaction costs (SOS)[h]	—	—	—	—	0.6	0.6
Severance payments[i]	—	—	—	—	0.5	0.5
SOS adjustments[j]	—	—	—	—	3.9	3.9
Reversal of provisions[k]	(0.3)[a]	(0.1)[a]	(0.4)[a]	(0.5)	(0.2)	(0.1)
Adjusted EBITDA	**36.9**	**41.2**	**48.4**	**26.3**	**30.3**	**52.4**

(a) Audited.

(b) Represents a non-cash adjustment which reflects the change in inventory allowance compared to the prior period. The inventory allowance is a non-operational charge recognized on our consolidated income statement under "Cost of materials". The allowance relates to inventory valuation and is calculated automatically at the end of each period based on the purchase price and purchase date of inventory outstanding on the last day of the period. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Accounting Policies—Valuation of Inventories*." Consequently, at the end of a period, the inventory allowance depends on the mix of inventory as of the last day of such period. The change in 2013 is due to a higher inventory turnover compared to the prior year. The change in 2014 was primarily driven by the overall growth of the business and the mild winter causing inventory build-up. The change in 2015 was primarily driven by a mix of a disproportionately lower increase in gross inventory and further writedowns of existing inventory. The change in inventory allowance for the nine months ended September 30, 2015 and 2016 is higher due to the seasonal build-up of inventory. The increase in change in inventory allowance from

the nine months ended September 30, 2016 mainly related to the growth of our business and, to a lesser extent, the mix of inventory at the end of September 30, 2016.

(c) Represents (i) expenses incurred in connection with the new store opening in Vienna, Austria, and comprised marketing costs, agency fees and recruiting, legal and consultancy expenses, (ii) additional personnel expenses and external employees and consulting fees in connection with the relocation into the new centralized warehouse in Poing, Germany, (iii) warehouse rental and ancillary costs during the transition to the centralized warehouse (rent expenses of the existing warehouses prior to their closure at the same time as rent expense of the Poing facility) and (iv) ancillary non-recurring consulting and legal expenses related to the relocation planning and centralization of the S&B Group's warehouse activities.

(d) Represents external consulting costs related to (i) the Company's preparation of limited special purpose financial information for the year ended December 31, 2015 in connection with the Acquisition, (ii) enhancements of our reporting structure and data modeling and (iii) the integration of the merchandise management and financial accounting systems as well as some small, non-recurring IT improvement projects. For the years ended December 31, 2013, 2014 and 2015, the gross amounts of the adjustments were €0.7 million, €0.5 million and €1.6 million, respectively. For the nine months ended September 30, 2015 and 2016, the gross amounts were €1.1 million and €1.1 million, respectively. The figures included in the table are presented net of expected ongoing expenses for future financial reporting improvements in the amount of €0.2 million for each of the years ended December 31, 2013, 2014 and 2015, and €0.1 million for each of the nine months ended September 30, 2015 and 2016.

(e) Represents IT-related costs incurred in connection with the transfer to the new warehouse and the implementation of a joint space in the new centralized warehouse to allow merchandise to be delivered for both the online and offline businesses. A small portion of the costs related to the development of a reporting tool for shipment logistics and to monitor and enhance efficiency and utilization.

(f) Represents fees and expenses, including legal and consulting fees, incurred in connection with the S&B Group's refinancing in July 2015.

(g) Represents non-cash amortization of financing and agency fees incurred in connection with the change of the majority shareholder of the S&B Group in 2012. The costs were capitalized in 2012 and are expensed over the term of the financing agreement.

(h) Represents expenses in connection with the acquisition of Swiss Online Shopping AG in April 2016 and primarily includes consulting costs as well as expenses incurred for IT projects, legal and tax advice and the integration of the business.

(i) Represents severance claims by a former, long-time employee in the procurement department.

(j) Represents one-off losses from an extraordinary write-down of the existing SOS inventory to allow the S&B Group to reposition the SOS business (which had revenue of €8.7 million and an EBITDA contribution of negative €4.5 million in the period from its initial consolidation from April 1, 2016 to September 30, 2016) in line with the BestSecret model, as well as the *pro forma* effect of certain cost-savings initiatives implemented at SOS following our acquisition of the business. We calculated SOS EBITDA for such period as net loss for the period (negative €4.8 million) before income taxes (€0.0 million), other interest and similar income (€0.0 million), interest and similar expenses (€0.0 million) and amortization, depreciation and write-downs (€0.3 million). The following table shows the individual adjustments.

	For the year ended December 31,	For the nine months ended September 30,		For the twelve months ended September 30,
	2015	2015	2016	2016
		(in € million) (unaudited)		(unaudited)
Inventory write-down[(i)]	—	—	1.8	1.8
Personnel costs[(ii)]	—	—	1.9	1.9
Logistics costs[(iii)]	—	—	(0.4)	(0.4)
Other[(iv)]	—	—	0.7	0.7
SOS adjustments	—	—	**3.9**	**3.9**

(i) Represents a write-down of legacy SOS inventory following the acquisition of SOS. The legacy inventory was not consistent with the new business model and was partially written-down and transferred to our Munich stores for sale through our offline clearance channels.

(ii) Represents *pro forma* cost savings from the reduction in headcount at SOS since our acquisition of the business from 83 FTEs in April 2016 to 12 FTEs in November 2016.

(iii) Represents *pro forma* logistics costs related to shipping expenses for units delivered to Switzerland and returned from customers as well as customs expenses for such shipments, which would have been incurred had the logistics center in respect of SOS been moved to Poing, which was in place prior to and from the date of our acquisition of the business.

(iv) Represents other *pro forma* cost savings in connection with the acquisition of SOS, including rental savings of €0.3 million as a result of relocating certain functions to our German facilities, marketing cost savings of €0.3 million as a result of discontinuing the SOS marketing program and administrative expenses, including IT costs, of €0.1 million as a result of migrating the SOS platform to our BestSecret platform.

(k) Represents elimination of the non-cash income from the reversals of provisions.

(3) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue.

(4) Audited.

Pro Forma and Other Information

	As of and for the twelve months ended September 30, 2016
	(unaudited) (in € million, unless otherwise indicated)
Pro forma net debt[1]	255.0
Pro forma net interest expense[2]	
Ratio of *pro forma* net debt to Adjusted EBITDA	4.9x
Ratio of Adjusted EBITDA to *pro forma* net interest expense	

(1) *Pro forma* net debt consists of the Notes less cash and cash equivalents. For purposes of this item, cash and cash equivalents are measured as of September 30, 2016, as adjusted for the Transactions, as set forth under "*Use of Proceeds*".

(2) *Pro forma* net interest expense represents the estimated interest expense in respect of the Notes for the twelve months ended September 30, 2016 as if the Transactions had occurred on October 1, 2015. *Pro forma* net interest expense includes any commitment fee on the undrawn Revolving Credit Facility and excludes any charges related to debt issuance costs in connection with the Transactions. *Pro forma* net interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period or our financial condition at any future date.

RISK FACTORS

An investment in the Notes involves a high degree of risk. In addition to the other information contained in this offering memorandum, you should carefully consider the following risk factors before purchasing the Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations. If any of the possible events described below were to occur, our business, results of operations and financial condition could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, the Issuer may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment. The order in which these risks are presented is not intended to provide an indication of the likelihood of their occurrence or their severity or significance.

This offering memorandum also contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements." Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, the risks described below and elsewhere in this offering memorandum.

Risks Related to Our Business and Industry

Our business depends on our ability to continuously source a variety and quantity of attractive products from various popular brands at attractive prices that will satisfy our customers' preferences and demands.

The success of our business depends on our ability to continuously source attractive merchandise from a broad selection of high-quality brands at attractive prices and sell the merchandise in a timely manner. If we are unable to maintain our existing relationships or build new relationships with brands on acceptable commercial terms, we may be unable to offer an appropriate selection or quantity of merchandise at discounted prices, which would reduce the appeal of our offering. Only a few of the brand suppliers we work with have a continuing obligation to provide us with merchandise at historical levels or at all.

Additionally, our suppliers may not be willing or able to fulfill our product requests due to lack of stock, a change in their supply chain model or aggressive competition from other industry participants, including other off-price retailers bidding against us for the same merchandise. Also, brand suppliers may start managing their product relationships with sellers on a global, rather than local level, which could adversely affect us. Finally, brand suppliers may decide to prevent us from offering particular merchandise for sale through a particular sales channel.

If we are unable to secure an appropriate selection and quantity of merchandise on terms and conditions acceptable to us, we may be unable to attract new customers and retain existing customers and consequently increase or maintain sales, which could also diminish the attractiveness of our proposition for suppliers, limiting access to merchandise, any one of which could have a material adverse effect on our business, results of operations and financial condition.

We face strong competition in our markets and such competition may intensify further.

The markets in which we operate are highly competitive. Our primary competitors are online retailers, including those devoted solely to fashion as well as other types of online retailers, and offline retailers, such as traditional retail stores, brand outlet stores and off-price fashion stores. New competitors who enter our markets, including off-price divisions of international department stores which have indicated an intention to do so, including in Germany, may be successful in attracting customers, including our customers, and thereby capturing market share from us, paricularly in Germany, our core market. Some of our competitors may have greater financial, distribution, marketing and other resources than we do. Our competitors may secure more favorable terms from brand suppliers, out-bid us for merchandise we would like to access, acquire more attractive merchandise in greater quantities, adopt more aggressive pricing policies, deliver merchandise more rapidly, or devote more resources to technology, order fulfillment and marketing than we can. The Internet facilitates competitive entry and

comparison-shopping and renders e-commerce inherently more competitive than other retail platforms. In addition, new and enhanced technologies, including search services, may favor our competition. Also, alternative business models may emerge that would compete with us or diminish the attractiveness or utility of our business model.

If we are unable to compete effectively by attracting our target customers to purchase our merchandise, we could lose market share to our competitors. Furthermore, our plans to expand our business operations into new markets and markets in which we have a relatively small presence, such as Austria, Switzerland, the United Kingdom, Sweden and France, may be adversely affected by strong competition. For example, some of our competitors may already have long established brand relationships and operations in these markets, which may put them at a competitive advantage. We cannot assure you that we will be able to compete successfully, and competitive pressures we face may have a material adverse effect on our business, results of operations and financial condition. If competition continues to intensify, we may not have the resources available to respond effectively and in a timely manner, which could adversely affect our business, results of operations and financial condition.

Our business may be impacted by negative economic developments in Germany and other countries where our customers are from.

Our business may be impacted by reductions in discretionary consumer spending, which is affected by, among other factors, negative economic conditions and monetary policy in the Eurozone in connection with the European debt and economic crisis. For example, economic contraction, economic uncertainty and the perception by our customers of weak or weakening economic conditions could cause a decline in the demand for the merchandise we sell. In addition, changes in discretionary consumer spending may be influenced by factors such as unemployment levels, inflation, interest rates, increases in taxes or perceived or actual declines in disposable consumer income and wealth. We currently operate our store sites in Germany and Austria and distribute via our e-commerce channels in Germany, Austria, Switzerland, the United Kingdom, Sweden and France. Therefore, we may be more affected by economic weakness or uncertainty in such countries and, to a lesser extent, by neighboring countries than some of our competitors with more diversified international operations. A negative development, contraction or lack of growth in the economies of Germany, Austria, Switzerland, the United Kingdom, Sweden, France, or any other country, where we may operate in the future, and overall macroeconomic conditions could materially adversely affect our business, results of operations and financial condition.

In addition, our offline stores sell a considerable amount of merchandise to international tourists (*e.g.*, from Russia, China and the Middle East) visiting the Munich and Vienna sites to whom we offer day passes. Economic weakness or uncertainty in the home countries of these tourist customers may lead to fewer tourists arriving or a lower willingness to purchase our merchandise among those that do visit our stores. In particular, as a result of the economic sanctions imposed on Russia following the Crimean crisis and the resulting decline in the value of the ruble, we saw an approximately €3 million decline in revenue from Russian tourists in our offline stores from 2013 to 2015.

Sales of our products are subject to seasonal fluctuations and unfavorable weather.

The industry in which we operate is seasonal by nature, and our revenue, profits, liquidity and inventory levels are therefore subject to seasonal fluctuations. For example, we typically experience an increase in sales in the fourth quarter of the year due to the Christmas shopping season. In the year ended December 31, 2015, revenue in the fourth quarter accounted for 33.0% of our total revenue for the year. These seasonal influences have a direct impact on our results of operations and overall profitability. Any factors that harm our operating results during these periods, including unfavorable economic conditions affecting consumer spending levels or inclement weather that deters customers from visiting our stores, could have a disproportionate effect on our results of operations for the entire fiscal year. In addition, when the weather is warmer than expected in the autumn and winter months, our customers tend to purchase fewer winter collection items. Similarly, when the weather is cooler than expected in the summer months, our customers tend to purchase fewer summer collection items.

During times of such unfavorable weather we may be required to lower our prices, negatively impacting our margins and our profit. If we cannot offset the lower-sales seasons with those having stronger sales, our business, financial condition and results of operations may be adversely affected.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including unfavorable weather, the timing of new store openings and the revenue contributed by new stores and the age and quantity of inventory at period end. As a result, historical period-to-period comparisons of our results of operations are not necessarily indicative of future period-to-period results.

Increasing weather anomalies could complicate forecasting seasonal demand. Natural disasters, such as storms, tornadoes, floods, earthquakes or other major weather disasters may also have a negative impact on our business. Our inability to compensate for seasonal fluctuations and adapt to weather conditions may have a material adverse effect on our business, financial condition and results of operations.

If we are unable to manage our inventory or our store network and online presence in line with customer demand, our sales levels and profitability may decline.

The merchandise we sell is subject to changing consumer demands and preferences. Our success depends in large part on our ability to gauge, react and adapt to changing consumer demands in a timely manner. Our merchandise must appeal to a broad range of customers whose preferences cannot always be predicted with certainty. There can be no assurances that we will be able to continue to market merchandise that is attractive to customers or that we will successfully meet consumer demands in the future.

To be responsive to shifting customer tastes, we must manage our inventory levels closely. If we misjudge, fail to identify or fail to react swiftly to changes in consumer preferences, our sales could decrease and we could see a significant increase in our inventory levels. If we are left with high levels of unsold stock, or if our inventory provisions are inadequate, we could be required to mark down some of our merchandise, which could lower our operating profits and have a significant negative impact on our business, financial condition, results of operations and prospects. Conversely, if we underestimate consumer interest in our merchandise, we may experience inventory shortages, unfulfilled orders, increased distribution costs and lower revenue and profitability than we could otherwise have achieved. Inventory shortages could lead to customer dissatisfaction and adversely impact our reputation and brand image. In addition, certain of our online customers, including online customers in Germany, have statutory rights with respect to the return of merchandise. We offer our online customers free return shipping, depending on their location and membership status. In addition, we may have to bear the risk for damage or loss of the merchandise. As a result, any increase in customer returns of merchandise, particularly from our online business, could result in increasing costs and higher levels of unsold stock.

Furthermore, we may not be able to manage our store network and make strategic decisions relating to store openings, closings, refurbishments and our online presence quickly enough or in line with changing customer shopping habits and preferences. Additionally, our store concepts and layouts as well as our online presence may not correspond to customers' needs and tastes. Failures and delays in optimizing our store network, designs and marketing channels may prevent us from meeting consumer demand and have an adverse effect on our business, results of operations, financial condition and prospects.

We depend on a reliable and efficient supply chain, which includes third-party carriers to deliver merchandise to our warehouse and online customers. Capacity constraints, interruptions or other failures in our supply chain could materially and adversely affect our business, results of operations and financial condition.

The profitability of our business depends on our ability to successfully process and deliver our customers' orders. Our ability to process and fill orders accurately and timely depends on the efficient, uninterrupted operation of our leased warehouse and logistics center in Poing, Germany, and our

automated warehouse management systems. Our ability to deliver orders to our customers within a time frame that meets their expectations depends on efficient internal processes as well as on third-party delivery companies in each of the countries in which we operate.

A number of factors, many of which are beyond our control, could disrupt the operation of our supply chain and jeopardize our ability to receive, process and deliver our customers' orders. System interruptions in any of our technology platforms could delay or prevent our receipt of customer orders. Fire, flood, earthquake, power loss, telecommunications failure, break-in, human error, strikes, work stoppages and other events could interrupt the operation of our warehouse and warehouse management system in Poing, Germany, jeopardizing our ability to fulfill orders. We also rely on third-party carriers for the delivery of merchandise to our warehouse and logistics center in Poing as well as for delivery to online customers. We are therefore exposed to any failures or shortcomings by these carriers, including delivery delays or the loss or theft of goods. Any breakdown or disruption of the activities of these carriers resulting from, among other things, inclement weather, natural disasters, transportation interruptions, labor shortages, oil price increases or unrest could impair our ability to supply our warehouse and logistics center at current cost levels or at all, make timely deliveries to customers or maintain an appropriate logistics chain and level of inventory, all of which could adversely affect our reputation, business, results of operations and financial condition. The merger, acquisition, insolvency or government regulation or shut-down of any third-party contractors we use in our supply chain could also interrupt order processing, storage and delivery. Additionally, we may be unable to maintain relationships with our current carriers, and we may at any point be required to contract with other carriers at a greater cost.

As our operations expand in size and scope, we will need to continually improve and upgrade the systems and infrastructure that support our supply chain. If the traffic volume on our websites or the number of purchases made by customers substantially increases, our current transaction processing systems, network infrastructure, storage facilities and delivery systems may be unable to accommodate the increased volume. Additionally, we may be unable to accurately forecast these increases or to upgrade our supply chain systems in time to accommodate them.

If the manufacturing, delivery or supply chain management processes relating to our merchandise are disrupted for any reason, we may be delayed in restoring our inventory of the affected products and we may experience a significant increase in our cost of sales. Any failure to adequately manage and improve our supply chain could reduce our transaction volume, undermine customer satisfaction, damage our business reputation, limit our competitiveness or otherwise materially and adversely affect our business, results of operations and financial condition.

Operational disruptions at our centralized warehouse and logistics center could have a material adverse effect on our business, results of operations and financial condition.

We currently operate one warehouse in Germany, where we store all of our inventory. Our warehouse is, therefore, critical to our business. If operations at our warehouse were interrupted due to, but not limited to, natural disasters (such as flooding or fire), man-made disruptions (such as labor strikes), technical defects, accidents or for any other reason, it would have a material adverse effect on our business, results of operations and financial position. In addition, due to the high level of integration between our warehouse and points of sale, any interruption of logistics at our warehouse would also have a significant adverse effect on our ability to supply our customers and could result in customer dissatisfaction and harm to our reputation. Any disruptions at our sites, either because of problems with our supply of merchandise or for any of the other reasons listed above, could also have a material adverse effect on our business, results of operations and financial condition.

We source the majority of our merchandise on the basis of purchase orders with our suppliers, and the lack of formal supply agreements could impact our ability to maintain these relationships.

Consistent with customary practice in our industry, our relationships with many of our suppliers are not based on formalized supply agreements but, rather, the regular submission of purchase orders or price

agreements renegotiated periodically between the parties on order forms. Also, we only enter into long-term agreements with suppliers in exceptional cases. Accordingly, we source most of our merchandise on the basis of individual purchase orders with our suppliers. This informal way of working may result in a less precise definition of the parties' respective rights and may, in the event of a disagreement between them regarding the terms of the purchase and supply of merchandise, result in disputes or conflicts which may adversely impact our ability to continue sourcing a particular brand or from a particular supplier and, in turn, may have an adverse effect on our business, financial condition and results of operations.

We are subject to risks in connection with the quality and timely delivery of our private label merchandise and our relationships with the manufacturers of such merchandise.

A portion of our sales relate to our private label merchandise, which we source, for example, from suppliers in Turkey and Hong Kong. These suppliers may also manufacture merchandise for our competitors and their suppliers. Our agreements with the manufacturers of our private label merchandise, which set forth the production and delivery of private label merchandise, are typically based on an order-by-order concept for each private label brand rather than long-term supply agreements. In case an agreement with a private label supplier is terminated, there can be no assurance that we will find other suppliers that will be able to produce comparable replacement merchandise for us at competitive prices or at all.

Since we only have limited control over manufacturers of our private label merchandise, there is no guarantee that this merchandise will continue to meet our specifications. Furthermore, any breach or perceived breach of relevant laws, regulations, permits or licenses relating to the private label merchandise sold by us, or failure to achieve or maintain particular ethical business practices and standards could also lead to adverse publicity, which could materially adversely affect the reputation of our private label brands, damage our customer relationships and lead to a decline in our sales.

As we are the "responsible person" for our private label merchandise within the context of the applicable regulations on product safety applicable to our merchandise, any quality defect could lead (on the basis of EU law or similar applicable national laws) to customer claims, administrative or criminal proceedings and penalties. We could also face damage to our own private label brands' reputation.

In addition, if the manufacturing, delivery or supply chain management processes relating to our private label or other merchandise are disrupted for any reason, we may be delayed in restoring our inventory of the affected private label or other products and we may experience a significant increase in our cost of sales.

We face certain risks in relation to our e-commerce business.

We face certain risks in relation to our e-commerce business including the functioning of hardware and software, customer acceptance and the integration with our offline business and logistics infrastructure. We generate a majority of our revenue from sales of merchandise over the internet via our e-commerce platform, *BestSecret*. From 2013 to 2015, revenue from our online operations as a percentage of our total revenue increased from 50.3% for the year ended December 31, 2013 to 62.0% for the year ended December 31, 2015. Our e-commerce operations are subject to numerous risks, including:

- reliance on third parties for computer hardware and software, the need to keep up with rapid technological change and the implementation of new systems and platforms;
- the risk that our e-commerce platform may become unstable or unavailable due to necessary upgrades or the failure of our computer systems or the related IT support systems or that customer data may be misappropriated as a result of computer viruses, telecommunication failures, electronic break-ins and similar disruptions, or disruption of internet service, whether for technical reasons or for other causes;

- customers finding our e-commerce websites difficult to use or online applications are not compatible with certain electronic devices, being less willing to use our websites than we expect, being unwilling to share personal information online or via our mobile applications, or not being confident that they are secure;
- the incurrence of unexpected costs in connection with the maintenance and future development of our e-commerce platform;
- liability for online content, security breaches and consumer privacy concerns;
- lack of ability to honor our usual delivery terms in case of an unexpected or a higher than expected spike in customer orders or for other reasons that may cause negative reputational consequences;
- negative online reviews (including social media posts) from dissatisfied customers which may deter other potential customers from using our e-commerce platform and that may also affect our brands' reputation and sales in our offline stores;
- lack of ability to communicate with our customers using e-mail or other means due to failed or delayed delivery of such e-mails for technical reasons, lack of interest by customers or marking as "spam" or "junk";
- actions by third parties to block, impose restrictions on or charge for the delivery of e-mails or other messages, as well as legal or regulatory changes limiting our right to send such messages or imposing additional requirements on us in connection with them, could impair our ability to communicate with customers (in addition, certain customers may be dissatisfied when exposed to too many advertising campaigns or newsletters and to what they may consider to be e-mail or text message "flooding");
- liability for online credit card fraud and problems adequately securing our payment systems; and
- increased competition from other e-commerce providers.

Our failure to respond appropriately to these risks and uncertainties could reduce our revenue (in particular, our revenue from our e-commerce operations) as well as damage our reputation and brands, especially since e-commerce is a significant part of our growth strategy. The realization of any of these risks could have a material adverse effect on our business, results of operations and financial condition.

A failure to adopt and apply technological advances in a timely manner and to successfully expand our multi-channel capabilities could limit our growth and prevent us from maintaining profitability.

We face risks in connection with continuous technological development and the shift from traditional sales channels, such as offline stores, to online and mobile-based channels and multi-channel models, both of which can increase competitive pressure. For example, our online and mobile offerings must keep pace with the technological development of the devices used by our customers, the technological progress of our competitors and any consequential new shopping behaviors and trends.

Furthermore, our success, in particular with respect to our online sales, depends on our ability to continuously improve our technological platform and to develop new applications in line with the technological development and trends in order to remain competitive. For example, the introduction of new payment solutions may entail substantial costs and effort, and there is no guarantee that such new solutions will be accepted by customers, which may result in fewer purchases from customers and, in turn, lower sales. We may fail to adopt and apply new technological advances in a timely manner, or experience difficulties or compatibility issues.

Any such failure to adopt and apply technological advances in a timely and effective manner and to further invest into multi-channel strategies and their implementation could have a material adverse effect on our business, financial position and results of operations.

Our strategy to continue to expand our business in Germany and internationally may fail or advance at a slower pace than planned.

The success of our expansion in and into new countries may also be affected if we fail to correctly estimate customer demand in local markets or are unable to successfully establish our brands. This risk may be higher in new markets in which we operate, such as Austria, Switzerland, the United Kingdom, Sweden and France, where our less established position makes it more difficult to assess customer demand and the appeal of our product offering. Our capital and other expenditures may also be higher than expected due to cost overruns, unexpected delay or other unforeseen factors. In addition, if we fail to execute our expansion strategy in a discreet manner, our supplier relationships may deteriorate and we may lose certain of our suppliers. If our expansion strategy is not successful or advances at a slower pace than planned, our competitive position and our profitability and growth may be negatively affected. In addition, any failure by us to anticipate or respond to market demand, control our operating costs or otherwise effectively address any challenges that arise as we attempt to implement our strategy, could have a material adverse effect on our business, financial condition and results of operations.

Our risk management and internal controls may not prevent or detect violations of law or other inadequate business practices.

Our compliance function is carried out by our legal department and our managing directors and is complemented by external law firms in our markets outside of Germany. We do not have formal compliance training for all of our employees in place and our compliance monitoring and internal controls are performed on a case-by-case basis. In addition, our existing compliance processes and internal controls may not be sufficient to prevent or detect inadequate practices, mistakes in our financial reporting and controlling systems (including, *e.g*., the restatement of our consolidated financial statements as of and for the year ended December 31, 2015), fraud, merchandise theft, misappropriation of funds and other violations of law. Due to our business operations, we are subject to a number of laws and regulations in various European countries. These include, among others, regulations concerning consumer protection, data protection, unsolicited commercial communications, general terms and conditions of contract, tax, child protection and telecommunications. In the event that we or any intermediaries, consultants, sales agents or employees with whom we cooperate either receive or grant inappropriate benefits or generally use corrupt, fraudulent or other unfair business practices, we could be confronted with legal sanctions, penalties and loss of orders and harm to our reputation. We may fail to put in place the requisite level of monitoring and systems of internal control to enable us to detect any such practices or violations of law and any inability to adequately identify or prevent such practices or violations could have a material adverse effect on our results of operations and financial condition.

Our operations may be interrupted or otherwise adversely affected as a result of failures in our IT systems.

Our success depends on the continuous and uninterrupted availability of our IT systems, particularly to process customer transactions and to manage inventory levels, purchases and deliveries of our merchandise. Over the past few years, we have developed a sophisticated IT system which supports our websites and apps, customer service, supplier connectivity, communications, fraud detection and the monitoring of customer sales and improved management of inventories. As our operations grow in size, scope and complexity, we need to continuously improve and upgrade our systems and infrastructure to offer an increasing number of user-enhanced services, features and functionalities, while maintaining or improving the reliability and integrity of our systems and infrastructure.

A range of factors beyond our control, such as telecommunication problems, software errors, inadequate capacity at IT centers, fire, power outages or damage, attacks by third parties, computer

viruses and the delayed or failed implementation of new computer systems, could interfere with the availability of our IT systems. Any material disruption or slowdown of our systems could cause information, including data related to purchases of merchandise, to be lost or delayed which could result in delays in the delivery of products to customers or lost sales or impair our ability to manage our inventories. Our existing safety systems, data backup, access protection, user management and IT emergency planning may not be sufficient to prevent information loss or disruptions to our IT systems. In addition, if changes in technology cause our IT systems to become obsolete, or if our IT systems are inadequate to handle our growth, our reputation among our customers may be damaged. Any failure to properly guard against the interruption or malfunctioning of our IT systems could have a material adverse effect on our business, financial condition and results of operations.

Unauthorized disclosure of data, whether through security breaches, computer viruses or otherwise, or a breach of information security or privacy could adversely affect our business.

We process sensitive personal customer data as part of our members-only business model. A fundamental requirement for online commerce and communications is the secure handling and transmission of confidential information, including credit card information, over public networks. We cannot assure you that advances in computer capabilities, new discoveries in the field of cryptography or other developments will not compromise or breach the systems we use to protect transactional and personal data.

Data protection and privacy laws and similar regulations in the jurisdictions where we operate require that we take steps to safeguard this information, and the regulatory environment governing our use of individually identifiable data of customers, employees and others is complex. These laws and rules impose certain standards of protection and safeguarding on our ability to collect, process, store and use personal information relating to existing and potential customers, partners and personal affiliates and could expose us to liability in the event of loss of control of such data or as a result of unauthorized third-party access. Even if we are compliant with such laws and requirements, we may not be able to prevent unauthorized data disclosure involving customer transaction data. Unauthorized data disclosure could occur through cyber security breaches as a result of human error, external hacking, malware infection, malicious or accidental user activity, internal security breaches or physical security breaches due to unauthorized personnel gaining physical access. Any such disclosure could cause consumers to lose confidence in the security of our websites and deter future purchases. We also face the risk that the customer data we collect as part of our CRM programs or otherwise may be stolen or misappropriated. For example, in the event of a violation of German data protection law, fines of up to €300,000 may be imposed against the data controller by the competent authorities which can also issue a respective order to not undertake any non-compliant data processing. Further, the data subjects may claim damages for any infringement of their privacy rights. We cannot assure you that our security measures are sufficient to protect us against such risks. If our data security is compromised it could have a material adverse effect on our reputation and impair our ability to attract and retain customers. In addition, we may be required to spend significant amounts of money and other resources to protect against such security breaches, to resolve problems caused by breaches or to defend against or settle consumer or regulatory actions brought as a result of breaches or unauthorized disclosures. Our failure to properly guard against the interruption or malfunctioning of our websites or security breaches of our systems and databases could materially and adversely affect our business, results of operations or financial condition.

Failure to sufficiently resolve customer relations issues could negatively impact our ability to continue our expansion.

A satisfied, loyal customer base is crucial for our ongoing expansion. Based on our members-only business model, attracting new customers depends on word-of-mouth and the recommendations of existing customers to expand our customer base. We therefore must ensure that existing customers are satisfied with our merchandise services so that those customers continue to recommend us. Should our efforts to satisfy existing customers be unsuccessful, we may fail to continue expanding our business or may be obliged to incur significant marketing and development expenditure to attract new customers.

In addition, reliable customer support is vital to ensure that customer complaints are processed within appropriate timeframes and under satisfactory conditions. Any absence of a response or an unsatisfactory response to customer queries or complaints, whether founded or perceived as such, may have a detrimental impact on customer loyalty and satisfaction as well as our reputation, particularly if customers make negative comments on blogs, social media, or through online ratings and reviews. We may not be able to verify or adequately respond to such negative comments, ratings or reviews. An inability to retain customers and earn their loyalty, or to identify, follow up and respond to customer complaints and online comments due to customer service failings, may have a material adverse impact on our business, financial condition and results of operations.

We are exposed to risks associated to the payment options we offer.

We are exposed to a variety of risks associated with credit and debit cards since this is a preferred payment option by many of our customers and, as a result, payment by credit and debit cards account for a significant portion of our sales. For credit and debit card payments, we pay interchange and other fees. These fees may increase over time and, thus, increase our operating expenses and adversely affect our results of operations. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. Any failure to comply with applicable requirements or regulations may subject us to fines and higher transaction fees, the loss of our ability to accept credit and debit card payments from our customers or the cessation of payments from credit and debit card providers to us for purchases already made. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

In addition, we recently introduced the option to a number of our customers to purchase by invoice, payable within 14 days of invoice date. We manage these receivables through a third party service provider, who will be responsible for the collections. We do not have any experience with such payment method and we may not be able to accurately assess the impact that this option may have on our business or results of operations. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

Application of international tax laws on our international operations may expose us to potentially adverse tax consequences.

As a result of our international operations and business, we are subject to tax laws in several jurisdictions, in particular, Germany, Austria, Switzerland and Spain. We are also subject to transfer pricing laws, including those relating to the flow of funds among our companies pursuant to, for example, purchase, logistics, distribution or commission agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position by the relevant authority regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could adversely affect our business, financial condition and results of operations.

Pending and future tax audits within our Group and changes in fiscal regulations could lead to additional tax liabilities.

We are subject to routine tax audits by local tax authorities. Tax audits in Germany for corporate income tax (*Körperschaftsteuer*), trade tax (*Gewerbesteuer*) and VAT (*Umsatzsteuer*) are currently ongoing for financial years beginning January 1, 2009 and ending December 2013. The preliminary findings and the respective possible tax exposures as well as tax exposures resulting from this ongoing tax audit for years following 2013 have been considered in our Audited Consolidated Financial Statements for the financial years ended December 31, 2015 and in our Unaudited Condensed Consolidated Interim Financial Statements for the nine months ended September 30, 2016. As the tax audit has not yet been finalized, the actual tax payment obligation arising from the tax audit may exceed the amount reflected in our financial statements. In particular, this applies with respect to interest rates of shareholder loans which have been challenged by the tax auditor and to the valuation allowance of goods in stock and, with respect to the year 2009, to the sale of real estate by S&B GmbH to the family shareholders. Although we have specifically accounted for a potential tax exposure for the respective financial years,

our business, financial condition and results of operations may be adversely affected if the accruals and provisions made in our financial statements are lower than an actual tax burden.

Tax audits for periods or jurisdictions not yet subject to a tax audit may lead to higher taxation in the future. Any additional tax payments could have a material adverse effect on our business, financial condition and results of operations.

Due to restrictions on the deduction of interest expenses under German tax laws or forfeiture of interest carry-forwards under German tax laws, we may be unable to fully deduct interest expenses on our financial liabilities.

Interest payments on our debt may not be fully deductible for tax purposes, which could adversely affect our financial results. Subject to certain prerequisites, the German interest barrier rules (*Zinsschranke*) impose certain restrictions on the deductibility of interest for tax purposes. Since 2008, the German interest barrier rules in general have disallowed the deduction of net interest expenses exceeding 30% of the tax-adjusted EBITDA. For purposes of the interest barrier rules, all businesses belonging to the same tax group (*Organschaft*) for corporate income and trade tax purposes are treated as one single business. Such consolidation is, *inter alia*, relevant for the calculation of tax-adjusted EBITDA. Currently, the Issuer is not part of the same tax group as the Target and, although we expect to reorganize our tax groups after the closing of the Acquisition, there can be no assurance that profit and loss pooling agreements between the Issuer and the relevant members of the Group will be concluded in a timely manner or at all, which might adversely effect the deductibility of interest for tax purposes, unless any exemptions from the restrictions of the German interest barrier rules apply.

There are certain exemptions from the restrictions of the German interest barrier rules allowing for a tax deduction of the entire annual interest expenses. Any non-deductible amount of interest expenses is carried forward and may, subject to the interest barrier rules, be deductible in future fiscal years. The interest carry forward will be forfeited in full in connection with a change of the ownership structure. To date there is no interest carry forward for the German tax group. S&B Holding fully deducted its interest expenses in the previous fiscal years, due to applying for the escape clause exception; *i.e.,* we use an exception from the restrictions of the German interest barrier rule, the so-called "equity escape" (*Eigenkapitalvergleichsmethode*). So far, the tax authorities have agreed with the application of the equity escape until the fiscal year 2013. However, if the exemption is not accepted by the tax authorities or if the equity escape does not apply due to changes in the structure or for other reasons, the application of the German interest barrier rules may have a material adverse effect on our business, financial condition and results of operations.

Moreover, there is a risk that expenses from bank charges may be requalified as interest expenses for the purpose of the German interest barrier rule and respectively added-back for trade tax purposes, resulting in a material adverse effect on our business, financial condition and results of operations.

Use of loss carry-forwards to set off future gains

In Switzerland, tax losses can be carried forward for seven fiscal years (not calendar years). Accordingly, as a consequence of SOS's short fiscal year from January until March 2016, any tax loss carry-forwards for the fiscal year 2009 are already forfeited in 2016; in future years, such tax loss carry forwards might also be forfeited without having reduced the gains in the respective fiscal years or may be otherwise unavailable to offset gains. As a result, tax payments which could not be avoided by offsetting the gains with tax loss carry-forwards of SOS would become due irrespective of the tax losses in the past.

We depend on qualified personnel, including certain key personnel such as our senior management, and may not be able to retain or replace such personnel.

Our success and future growth depend significantly on the performance of our senior management, purchasing managers and qualified personnel in certain functions, including IT and logistics. In the event of departure of one or more of these key and qualified personnel, we may not be able to replace them quickly, which could affect our operational performance. More generally, we may be unable to

recruit new personnel whose skills and industry experience are equivalent to those of our key and qualified personnel, or could fail to attract and retain experienced personnel in the future. In addition, should our executives or key employees join a competitor or create a competing business, it could have a negative impact on our operations. Furthermore, many of our procurement employees have good relationships with suppliers, many of which have developed over decades. If we are not able to retain these employees, we may fail to maintain or further develop these relationships with suppliers. These circumstances could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to the risk of rising labor costs as well as work stoppages, strikes or other collective actions.

Personnel expenses represent a significant part of our cost base. We may face considerable wage increases in the future, for example in connection with statutory minimum wages or otherwise as a result of generally rising wages. If we are not successful in limiting such increases in personnel costs, or if cost increases cannot be passed on to our customers, this may have a material adverse effect on our business, financial position and results of operations.

In addition, since the business is labor intensive, maintaining good relationships with our employees is crucial to our operations. While currently none of the Group's employees are represented by works councils (*Betriebsrat*) and no supervisory board (*Aufsichtsrat*) has been established to date, this may change in the future and our employees may establish works councils and we may be required to implement a supervisory board at S&B GmbH and S&B Logistik according to the German One-Third Participation Act (*Drittelbeteiligungsgesetz*). As a consequence, we would be required, *inter alia*, to involve such bodies in certain decision-making processes, which may limit our operational flexibility and our ability to react to corporate developments in a timely manner. Any deterioration of such relationships in the future or any material work stoppages, strikes or other types of conflicts with our employees, could have a material adverse effect on our business, results of operations and financial position.

We face certain risks in relation to future acquisitions.

We may, from time to time, consider selected acquisition opportunities, including acquiring new online fashion retailers. For example, in 2016 we acquired SOS as part of our expansion into Switzerland, which, at the time of acquisition and during the following months, was generating losses. Upon making acquisitions, our performance will depend, in part, on our ability to successfully integrate the acquired businesses in an efficient manner. Such integration may be a complex, time-consuming and expensive process and will likely involve a number of risks, including the costs and expenses associated with unexpected difficulties, initial or ongoing losses in periods following the acquisition, the diversion of management's attention from our daily operations, additional demands on management related to the increase in the size and scope of our operations following an acquisition and any undisclosed liabilities of an acquired company. Even if we are able to successfully integrate newly-acquired businesses, this integration may not result in the realization of the synergies, cost savings, revenue and cash flow enhancements, operational efficiencies and other benefits that we expect. We may also incur unexpected liabilities in connection with such acquisitions. If these liabilities are significant or if we fail to integrate a new acquisition effectively, this could have a material adverse impact on our business, financial condition and results of operations.

Our intangible assets, such as goodwill and trademarks, are subject to the risk of impairment.

Our intangible assets, primarily consisting of goodwill, trademarks, licenses and software, are regularly reviewed on the basis of certain assumptions, including cash-flow and growth rate estimates and will be reviewed in connection with the Transactions. As of December 31, 2015, our goodwill amounted to €20.0 million and our other intangible assets (shown as purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets in the respective consolidated financial statements) amounted to €159.5 million. As a result of the Transactions, we expect the goodwill and other intangible assets of the Group to increase. If our estimates were to change or if market conditions

deteriorated, the recoverable value of those intangible assets could diminish significantly and lead to a loss of value, which would require us to record an impairment charge on our consolidated income statement, which could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to protect our trademarks, domain names and other intellectual property rights and may infringe the intellectual property rights of third parties.

We own a number of intellectual property rights, including trademarks and trade names, which, along with related Internet domain names, are important to our business. See "*Business—Intellectual Property*." We regularly register our trademarks and trade names in Europe and other markets. However, registration can be a lengthy process. Registration of intellectual property rights, especially trademarks, which we have applied for or intend to apply for in the future may be denied in countries where we consider registration necessary or desirable. As a result, we may be unable to prevent third parties from using the same or similar intellectual property rights. Same or similar third party trademarks and internet domain names may already exist in jurisdictions where we operate or intend to operate and we may be restricted from using the relevant trademark or internet domain name in the respective jurisdiction. Our registered intellectual property rights, especially trademarks, may be subject to cancellation and as a result third parties would be free to use such intellectual property rights.

We may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon, or diminish the value of our trademarks, domain names and other proprietary rights. We may be required to spend significant amounts of economic and human resources in order to acquire desirable domain names or protect our intellectual property in the future. Third parties may infringe our intellectual property and enforcement of our intellectual property may require significant financial investment. We may not, for factual or legal reasons, be able to prevent such infringements. This may, *inter alia*, lead to a weakening of the goodwill that is associated with our brands and may undermine our reputation.

If we are unable to obtain sufficient protection for our intellectual property and defend it against third parties, we may not be able to advance our business. This could affect our competitive position and any resulting decrease in revenues could have a material adverse effect on our business, financial condition and results of operations.

We have, in the past, been subject to claims of infringement of third parties' intellectual property rights. Infringement of third parties' intellectual property rights could subject us to significant liability for damages. In addition, even if we prevail, any litigation could be expensive and could result in the diversion of our management's time and attention. Moreover, infringement of third parties' intellectual property rights may result in limitations on our ability to use the intellectual property or in the prohibition of using the intellectual property at all, subject to the respective claims, unless we are able to enter into agreements with the intellectual property owners.

We use third party software on the basis of software license agreements. We may not have sufficient licenses to cover the actual scope of use of such software in our business operations, which may require us to pay compensation to, and to acquire further licenses from, the owners of the rights in the relevant software. In addition, we may be required to obtain further licenses to enhance our business operations, and we may also be required to change the current software providers and enter into agreements with new software providers with less favorable terms. This may have a material adverse effect on our business, financial condition and results of operations.

We may incur liabilities that are not covered by insurance.

We carry insurance of various types, including general business interruption and third-party liability, property damage, electronic damage, transportation damage and directors' and officers' liability insurance. We do not carry insurance covering cyber risks. We may not always be able to accurately foresee all situations in order to ensure that they are fully covered by the terms of our insurance policies and, as a result, we may not be covered by insurance in specific instances. While we believe we maintain appropriate levels of insurance consistent with industry practice, we may experience

incidents of a nature that are not covered by insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages within a given year may have an adverse effect on our insurance premiums. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. We may not be able to maintain our current insurance coverage or do so at a reasonable cost, which may have an adverse effect on our business, results of operations, financial condition and prospects.

We may be subject to claims based on unfair commercial practices which could have a material adverse effect on our business, financial condition and results of operations.

Marketing activities are significant for the success of our business and our expansion. We cannot exclude that we may breach laws governing marketing conduct, in particular the German Act on Unfair Commercial Practices (*Gesetz gegen den unlauteren Wettbewerb*). Any perceived or actual breach of such laws could subject us to litigation and may prevent us from certain marketing conduct or may require us to change existing advertising campaigns, for example with respect to e-mail advertising or the use of certain advertising claims. We may have to expend significant financial and human resources to defend such claims and adjust our internal processes. Restrictions on our current or planned marketing activities could affect our competitive position and any resulting decrease in revenues could have a material adverse effect on our business, financial condition and results of operations.

Our competitors may use certain marketing activities to attract customers who may be in breach of laws governing marketing conduct. We may, for factual or legal reasons, not be able to prevent such breaches which may lead to a loss of customers and a decrease in revenue. This could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks related to conducting operations in several different countries.

We are an international business and have incurred, and expect to continue to incur, significant expenses in developing operations in the markets in which we operate. We face a variety of risks generally associated with doing business in multiple markets. Such risks relate to the following matters, among others:

- multiple, conflicting and changing consumer, tax and other laws and regulations, including potential complications due to unexpected changes in legal and regulatory requirements;
- challenges caused by distance, linguistic and cultural differences;
- the need to adapt our websites and the merchandise we sell to local tastes;
- difficulties enforcing our existing intellectual property rights and obtaining necessary third-party intellectual property rights;
- difficulties in maintaining a system of effective internal controls and managing the accounting and tax complexities of an international business;
- foreign tax consequences;
- foreign exchange issues that may make repatriating income costly or impossible;
- fluctuations in currency exchange rates;
- economic, legal and political instability;
- increased transportation and shipping costs;
- staffing difficulties, regional or national labor strikes or other labor disputes;
- tariffs, quotas, taxes, price controls and other market barriers; and
- longer payment cycles in some markets.

Our failure to successfully manage any of such risks could materially and adversely affect our business, financial condition and results of operations.

We are subject to consumer protection laws and other regulatory requirements which may change, resulting in additional costs.

We are subject to different time, manner, place and content restrictions in the various regulatory environments in which we operate, compliance with which can be difficult and costly. Even within a single jurisdiction, we are often subject to various laws and regulations relating to consumer protection, data protection, unsolicited commercial communications, general terms and conditions of contract, tax, child protection and telecommunications, as well as other restrictions on the transmission of certain content, which may impede our efforts to improve, license or distribute our products. Because we operate in different countries, we could face difficulties and increased costs relating to compliance with numerous different regulatory regimes and monitoring ongoing regulatory action.

Regulatory changes may put us at a competitive disadvantage, causing us to lose customers and income. Our failure to comply with applicable regulations could result in fines and exposure to potential liability claims from customers or third parties. Additionally, the global nature of the Internet and telecommunications technology can make it difficult to ensure that our websites, advertisements and content remain within the scope of their intended audience. Moreover, despite our efforts to comply with local regulatory requirements, our websites and advertisements could be made available by third parties in areas where their dissemination violates local requirements, and we could face penalties and damage to our reputation. Finally, certain jurisdictions may attempt to levy novel sales, income or other taxes on our Internet-based activities. New taxes could increase our cost of doing business and expose us to penalties. Any such increased costs, penalties, reputational damage or increased costs associated with maintaining compliance in different regulatory environments could have a material adverse effect on our business, results of operations or financial condition.

We are subject to risks from legal and arbitration proceedings, which may adversely affect our financial results and position.

In the ordinary course of our business, we may, from time to time, become involved in various claims, lawsuits, investigations, arbitration and administrative proceedings, such as, for instance, labor, intellectual property or tax proceedings, which may involve substantial claims for damages or other payments. Adverse judgments or determinations in one or more of these proceedings may require us to change the way we do business or use substantial resources in adhering to settlements or pay fines or other penalties. The costs related to such proceedings may be significant, and, even if there is a positive outcome, we may still have to bear part or all of our advisory and other costs to the extent they are not reimbursable by other litigants, insurance or otherwise. This may undermine our reputation and have an adverse effect on our business, results of operations, financial condition and prospects. See "*Our Business—Litigation.*"

Risks Related to Our Financial Profile

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees.

We are highly leveraged and the issuance of the Notes will increase our leverage significantly. As of September 30, 2016, on a *pro forma* basis after giving effect to the Transactions, including the Offering and the application of the proceeds therefrom, we would have had total financial indebtedness of €260.0 million including indebtedness under the Notes. See "*Capitalization.*"

The degree to which we will be leveraged following the issuance of the Notes could have important consequences to holders of the Notes offered hereby, including, but not limited to:

- making it difficult for us to satisfy our obligations with respect to the Notes;

- making us vulnerable to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund new debt portfolio purchases, working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Despite our substantial leverage, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our business.

The terms of the Indenture will permit the Issuer and its restricted subsidiaries to incur substantial additional indebtedness, including in respect of committed borrowings of up to €35 million under the Revolving Credit Facility Agreement (which may be further increased by an additional €15 million) and additional Notes by the Issuer. The new debt that we incur in the future, including, for example, in connection with acquisitions, may rank *pari passu* with, be structurally senior to, or be secured by assets that do not form part of the Collateral for, the Notes and the Note Guarantees. Any such additional indebtedness could mature prior to the Notes. We may also enter into qualified receivables financing programs, pursuant to which we would pledge receivables that either do not form part of the Collateral or would be released from the Collateral in connection with any such program. Although the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, the Revolving Credit Facility Agreement and the Indenture will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Furthermore, if we are able to designate some of our restricted subsidiaries under the Indenture as unrestricted subsidiaries, those unrestricted subsidiaries would be permitted to borrow beyond the limitations specified in the Indenture and engage in other activities in which Restricted Subsidiaries may not engage. See "*Description of the Notes,*" "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement.*" If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase.

We are subject to restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities.

The Indenture will restrict, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of such entity;
- prepay or redeem subordinated debt or equity;
- make certain investments;

- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to such entity;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities; and
- impair the security interests for the benefit of the holders of the Notes.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants.*" Despite these exceptions and qualifications, the covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, we are subject to the affirmative and negative covenants in the Revolving Credit Facility Agreement, which negative covenants are substantially similar to the covenants that will be included in the Indenture.

A breach of any of those covenants or the occurrence of certain specified events will, subject to applicable cure periods and other limitations, result in an event of default under the Revolving Credit Facility Agreement. Upon the occurrence of any event of default under the Revolving Credit Facility Agreement, the Majority Lenders (being, subject to certain limitations, lenders under the Revolving Credit Facility Agreement whose commitments thereunder aggregate at least 66⅔% of the total commitments thereunder) could, while such event of default remains unremedied or unwaived, cancel the availability of the Revolving Credit Facility Agreement and elect to declare all amounts outstanding under the Revolving Credit Facility Agreement, together with accrued interest, immediately due and payable. In addition, a default or event of default under the Revolving Credit Facility Agreement could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture. If our creditors, including the creditors under the Revolving Credit Facility Agreement, accelerate the payment of amounts owing to them under such other debt instruments, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any security interests granted to them to secure repayment of those amounts.

We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to meet our obligations under our indebtedness, which may not be successful.

We have, and after the issuance of the Notes, we will have significant debt service obligations. Our ability to make principal or interest payments when due on our indebtedness, including our drawings under the Revolving Credit Facility Agreement and our obligations under the Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. See "*Risk Factors—Risks Related to Our Business and Industry.*"

Our Revolving Credit Facility and the Notes will mature in 2023. See "*Description of Certain Financing Arrangements" and "Description of the Notes.*" At the maturity of loans outstanding under the Revolving Credit Facility and of the obligations under the Notes and any other debt which we incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, or we are otherwise restricted from doing so due to corporate, tax or contractual limitations, we may be required to refinance our indebtedness. If we are unable to refinance all or a portion of our indebtedness or obtain such refinancing on terms acceptable to us, we may be forced to reduce or delay our business obligations, activities or capital expenditures, sell assets, raise

additional debt or equity financing in amounts that could be substantial, or restructure or refinance all or a portion of our debt, including the Notes, on or before maturity. We cannot guarantee that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all, or that those actions would secure sufficient funds to meet our obligations under our indebtedness.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time as well as on many factors outside of our control, including then prevailing conditions in the international credit and capital markets. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants. The terms of existing or future debt instruments and the Indenture and the Revolving Credit Facility Agreement may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

In the absence of operating results and resources sufficient to service our indebtedness we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our indebtedness, including the terms of the Indenture and the Revolving Credit Facility Agreement, will restrict our ability to transfer or sell assets and the use of proceeds from any such disposal. We may not be able to carry out certain disposals or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our debt service obligations.

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Eurozone, or the potential dissolution of the euro entirely, could have adverse consequences for us with respect to our outstanding euro-denominated debt obligations.

Developments in the Eurozone have exacerbated the ongoing global economic crisis. Financial markets and the supply of credit may continue to be negatively impacted by ongoing fears surrounding the sovereign debts and/or fiscal deficits of several countries in Europe (primarily Greece, Ireland, Italy, Portugal and Spain), the possibility of further downgrading of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the overall stability of the euro and the sustainability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. Governments and regulators have implemented austerity programs and other remedial measures to respond to the Eurozone debt crisis and stabilize the financial system, but the actual impact of such programs and measures are difficult to predict.

If the Eurozone debt crisis is not resolved, it is possible that one or more countries may default on their debt obligations and/or cease using the euro and re-establish their own national currency or that the Eurozone may collapse. If such an event were to occur, it is possible that there would be significant, extended and generalized market dislocation, which may have a material adverse effect on our business, results of operations and financial condition, especially as our operations are primarily in Europe. In addition, the departure of one or more countries from the Eurozone may lead to the imposition of, *inter alia*, exchange rate control laws.

Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations and for parties subject to other contractual provisions referencing the euro, such as supply contracts, would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect our trading environment and the value of the Notes, and could have adverse consequences for us with respect to our outstanding euro-denominated debt obligations, which could adversely affect our financial condition.

Furthermore, the Revolving Credit Facility Agreement and the Indenture will contain covenants restricting our and our subsidiaries' corporate activities. See "*—Risks Related to Our Financial Profile—*

We are subject to restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities." Certain such covenants impose limitations based on euro amounts (*e.g.*, the amount of additional indebtedness we or our subsidiaries may incur). As such, if the euro were to significantly decrease in value, the restrictions imposed by these covenants would become tighter, further restricting our ability to finance our operations and conduct our day-to-day business.

Drawings under the Revolving Credit Facility will bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.

The drawings under the Revolving Credit Facility will, and future indebtedness that we may incur could, bear interest at floating rates of interest *per annum* equal to EURIBOR as adjusted periodically, plus a spread. These interest rates could rise significantly in the future. Although we may enter into certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. To the extent that interest rates or any drawings were to increase significantly, our interest expense would correspondingly increase, reducing our cash flow.

Risks Related to the Transactions

The Acquisition may not be completed and you may not receive the return that you expect on the Notes.

On October 24/25, 2016, the Issuer entered into the Acquisition Agreement with the Sellers to acquire all of the shares in the Target. The consummation of the Acquisition pursuant to the Acquisition Agreement is subject to certain conditions being satisfied or waived. In particular, the Acquisition is subject to clearance by certain regulatory authorities, which have the authority to prevent the Acquisition from taking place or to demand that we implement certain remedies. Accordingly, we may not be permitted to undertake the Acquisition in a timely fashion, without remedies, or at all. Any such remedies may make the Acquisition less attractive. Completion of the Acquisition is one of the conditions required to release the proceeds of the Offering of the Notes from escrow. If such regulatory clearance and certain other conditions are not satisfied or waived by April 30, 2017, or if the Acquisition is not consummated for any reason, the Issuer will be required to redeem the Notes pursuant to the terms of the Special Mandatory Redemption provided under the Indenture, and you may not obtain the investment return you expect to receive on the Notes. Under the Escrow Agreement, PTGTopco S.à r.l., an indirect holding company of the Issuer, will provide a guarantee to cover any interest that has accrued on the Notes from the Issue Date up to the date of redemption if the Issuer is required to redeem the Notes through a Special Mandatory Redemption. Certain of the Permira Funds will commit to provide the required funds to PTGTopco S.à r.l. in the event of a Special Mandatory Redemption. In the event PTGTopco S.à r.l. or the Permira Funds cannot or will not meet their respective obligations under this guarantee and the related commitment, the Issuer may not have sufficient funds to make these payments. Furthermore, under the Escrow Agreement, the Escrow Agent will not be required to release the escrowed property unless the Issuer has deposited sufficient funds to pay the special mandatory redemption price. The Issuer may also undertake a Special Mandatory Redemption at any time if, in its reasonable judgment, the Acquisition will not be consummated by April 30, 2017. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

Furthermore, under German law, it is generally not possible to confirm title to shares in a company with limited liability (*Gesellschaft mit beschränkter Haftung*) such as the Target with absolute certainty. Except in limited circumstances, there is no bona fide transfer of title to shares in a company with limited liability. Therefore, if the Sellers did not hold valid title in the issued shares of the Target, the Issuer did not acquire title. While the Acquisition Agreement contains customary representations of the Sellers as to its title to the issued shares of the Target and title to the shares of the Target's subsidiaries, we cannot assure you that the Sellers held unrestricted title to the issued shares sold under the Acquisition Agreement and that the Target (directly or indirectly) holds unrestricted title to the shares that it owns in all of its subsidiaries. Given that the Acquisition Agreement does not provide for any material security for claims of the Issuer against the Sellers, we may not be able to recover damages

from the Seller in case of a defect of title. There can be no assurances regarding the financial condition of the Sellers in the future.

We do not currently control the Target Group and will not control the Target Group until completion of the Acquisition.

The Target Group is currently controlled by the Sellers. We will not obtain control of the Target Group until completion of the Acquisition. We cannot assure you that the Sellers will operate the business during the interim period in the same way that we would and we cannot assure you that, following the Completion Date, we will operate the business in the same way that the Sellers have operated the business in the past. The historical and forward-looking information relating to the Target Group in this Offering Memorandum has been provided to us by the Target Group's management, and we have relied on such information in its preparation. Further, the Transactions themselves have required, and will likely continue to require, substantial amounts of management's time and focus, which could adversely affect the ability of management to operate the business. Likewise, other employees may be uncomfortable with the Transactions or feel otherwise affected by them, which could have an impact on work quality and retention.

The Target Group may have liabilities that are not known to us.

The Target Group will be acquired with certain liabilities, including certain tax liabilities. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the Target Group. Any such undiscovered liabilities of the Target Group, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. In addition, such liabilities may not be recoverable under the Acquisition Agreement. As we take control over the Target Group, we may learn additional information about the Target Group that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws.

We may not be able to enforce claims with respect to the representations and warranties that the Sellers have provided to us under the Acquisition Agreement.

In connection with the Acquisition, the Sellers have given certain limited representations and warranties related to the shares of the Target and the Target Group under the Acquisition Agreement. We may not be able to enforce any claims against the Sellers relating to breaches of such representations and warranties. The Sellers' liability with respect to breaches of their representations and warranties under the Acquisition Agreement is very limited.

Risks Related to the Notes

Under certain circumstances, following a tender offer or offer to purchase the Notes, the Issuer may, at its option, redeem the Notes of non-tendering holders.

If, pursuant to any tender offer or other offer to purchase all of the Notes, holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes, the Indenture will permit the Issuer, at its option, to redeem the remaining outstanding Notes at a price equivalent to that paid pursuant to such purchase or tender offer (excluding any early tender premium). As a consequence, you may be required to surrender the Notes against your will at a price equivalent to the lowest price paid to tendering holders, including if such price is below par, and may not receive the return you expect to receive on the Notes. See "*Description of the Notes—Optional Redemption upon Certain Tender Offers*."

Holders of the Notes will not control certain decisions regarding the Collateral and other distressed disposals.

On the Completion Date, the Notes and the Note Guarantees will be secured a first-priority basis by the same Collateral securing the obligations under the Revolving Credit Facility Agreement and any outstanding hedging liabilities that are permitted to be secured by the same Collateral. In addition,

under the terms of the Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral on a *pari passu* or on a super priority basis.

Pursuant to the Intercreditor Agreement, lenders under the Revolving Credit Facility Agreement, providers of certain additional super senior indebtedness and certain hedging obligations, the Security Agent, any receiver and certain creditor representatives are entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale and all amounts received by the Security Agent pursuant to the turnover provisions of the Intercreditor Agreement in priority to the Notes. As such, in the event of a foreclosure of the Collateral or any other distressed disposal, you may not be able to recover on the Collateral if the aggregate of the then outstanding claims under super senior indebtedness are greater than or equal to the proceeds realized. Any proceeds from an enforcement sale of the Collateral by any creditor and all amounts received by the Security Agent pursuant to the turnover provisions of the Intercreditor Agreement will, after all obligations under super senior indebtedness have been discharged from such recoveries, be applied *pro rata* in repayment of the Notes, any other obligations secured by the Collateral which are permitted to rank *pari passu* with the Notes and certain non-priority hedging obligations.

The Intercreditor Agreement provides that a common Security Agent, who also serves as the security agent for the lenders under the Revolving Credit Facility Agreement, the hedging obligations which are permitted by the Indenture to be secured on the Collateral, and any additional debt secured by the Collateral permitted to be incurred by the Indenture, will act only as provided for in the Intercreditor Agreement and the Security Documents. The Intercreditor Agreement regulates the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. The Security Agent is not required to take enforcement action unless instructed to do so by an Instructing Group (as defined below under "*Description of Certain Financing Arrangements—Intercreditor Agreement*") that comprises (i) creditors holding in aggregate more than 66⅔% of the aggregate commitments under the Revolving Credit Facility Agreement, the aggregate commitments under any super senior Credit Facility and the aggregate of hedging exposures under certain priority hedging obligations (the "***Majority Super Senior Creditors***") and (ii) creditors holding in aggregate more than 50% of the outstanding principal amount of the Notes and the outstanding principal amount of any indebtedness ranking *pari passu* with the Notes (the "***Majority Senior Secured Creditors***") (in each case, except for any hedge counterparties, acting through their respective creditor representative). If, however, before the discharge of all super senior obligations, the Security Agent has received conflicting enforcement instructions from the creditor representatives (and for these purposes, silence is deemed to be a conflicting instruction) then, to the extent the instructions from the Majority Senior Secured Creditors (to the extent given) comply with the initial consultation requirements and the security enforcement principles set forth in the Intercreditor Agreement (one of which states that the primary and overriding objective of an enforcement of security over the Collateral is the maximization, so far as is consistent with prompt and expeditious realization of value, of recoveries by the Super Senior Creditors and the Senior Secured Creditors (each as defined below under "*—Description of Certain Financing Arrangements—Intercreditor Agreement*")), the Security Agent will comply with the instructions from the Majority Senior Secured Creditors, *provided* that if the super senior liabilities have not been fully discharged within six months, or no enforcement action has occurred within three months of the date on which the first such enforcement instructions were issued, then the instructions of the Majority Super Senior Creditors will prevail. To the extent we incur additional indebtedness that is secured on a *pari passu* basis with the Notes, your voting interest in an instructing group will be diluted commensurately with the amount of indebtedness we incur.

The lenders under our super senior indebtedness may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies in respect of the Collateral at a time when it would be disadvantageous for the holders of the Notes to do so.

In addition, if the Security Agent sells Collateral comprising the shares of the Issuer or any of its holding companies (in the case of any future grant of share security at such levels) or subsidiaries as a result of an enforcement action or other distressed disposal in accordance with the Intercreditor Agreement, claims under the Note Guarantees against, and the liens over any other assets of, such entities and any subsidiaries of such entity securing the Notes and Note Guarantees may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security—Release of Liens.*"

Certain collateral will not initially secure the Notes.

On the Issue Date, the Notes will only be secured by a charge over the Escrow Account and none of the Target or any of its subsidiaries will grant security interests in the Collateral or provide a Note Guarantee. In connection with the release of the proceeds of the Notes from escrow on the Completion Date and pursuant to the terms of the Indenture, we will be required to grant security over the shares in the Issuer, the shares in the Target, certain receivables under the Acquisition Agreement, certain bank accounts of the Issuer, and the Issuer's intercompany receivables owned by any member of the S&B Group on the Completion Date (the "***Completion Date Collateral***"). As part of the roll-up of the equity interests of the Co-Investors into one of the indirect parent companies of the Issuer, we expect the Co-Investors to hold approximately 9% of the entire share capital of the Issuer for a period of up to three weeks following the consummation of the Acquisition. During this period, the first priority security interests in the share capital of the Issuer granted by Holdco will not include the entire issued share capital of the Issuer. Within 60 days following the Completion (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016) we are required to cause the Target Group to provide security interests over the same Collateral that also secures the obligations under the Revolving Credit Facility Agreement (the "***Post-Completion Date Collateral***").

There can be no assurance that we will be successful in procuring such liens within the time periods specified and the execution of the Completion Date Collateral and the Post-Completion Date Collateral will be subject to certain agreed security principles that could relieve certain Guarantors or other subsidiaries of the obligation to grant security interests in intercompany receivables or share capital otherwise expected to form part of the Post-Completion Date Collateral, which could have a material adverse impact on the credit support available to you in connection with your investment in the Notes.

The Collateral may not be sufficient to secure the obligations under the Notes.

The Notes and the Note Guarantees will be secured by security interests in the Collateral described in this Offering Memorandum, which Collateral will also secure the obligations under the Revolving Credit Facility Agreement and certain hedging obligations. Upon a refinancing of the Revolving Credit Facility Agreement, or if the lenders under the Revolving Credit Facility Agreement consent to an increase of the commitments under the Revolving Credit Facility Agreement, or if we exercise our right to incur additional priority hedging arrangements, the amount that will benefit from super-senior interests in the Collateral may be increased, subject to the limits imposed under the Indenture. The Collateral may also secure additional debt ranking *pari passu* with the Notes (including non-priority hedging arrangements) to the extent permitted by the terms of the Indenture and the Intercreditor Agreement. The rights of the holders of the Notes to the Collateral may therefore be diluted by any increase in the super-priority debt secured by the Collateral or a reduction of the Collateral securing the Notes.

The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which our operations are located and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation. In addition, the share pledges over the shares of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The Collateral will be located in Germany or the United Kingdom and the multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable value of the

Collateral. For example, the bankruptcy, insolvency, administrative and other laws of the various jurisdictions may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of the proceedings.

The granting of shared security interests in connection with the incurrence of permitted debt in the future, may create or restart hardening periods, i.e., the periods of time following the granting of security interests during which such security interests may be challenged in accordance with the laws applicable in certain jurisdictions.

The granting of shared security interests to secure future indebtedness permitted to be secured on the Collateral may restart or reopen hardening periods for such security interests in certain jurisdictions, in particular as the Indenture permits the release and retaking of security granted in favor of the Notes in certain circumstances, including in connection with the incurrence of future indebtedness, the transfer of Collateral within the Group and the implementation of certain corporate reorganizations. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted or perfected. If the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. Please see "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations.*"

The same rights also apply following the issuance of the Notes in connection with the accession of further subsidiaries as additional Guarantors and the granting of security interest over their relevant assets and equity interests for the benefit of noteholders. Please see "*Description of the Notes—Security.*"

It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and the Intercreditor Agreement and accepted by other creditors that have the benefit of first-priority security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or characterization under the laws of certain jurisdictions.

To the extent that liens, rights or easements granted to third parties encumber assets located on property leased by us, such parties may have or may exercise prior ranking rights and remedies with respect to the assets subject to such liens, rights or easements that could adversely affect the value of the Collateral or the ability of the Security Agent to realize or foreclose on the Collateral. For example, under mandatory German law landlords have a statutory lien over all of the tenant's assets located on the leased premises that will rank prior to any Lien created to secure the Notes.

The security interests granted in favor of the Security Agent will be subject to practical problems generally associated with the realization of security interests in Collateral in certain jurisdictions. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a sale of, or foreclosure on, such assets. Accordingly, the Security Agent may not have the ability to sell or foreclose upon those assets, and the value of the Collateral may significantly decrease.

In addition, the Issuer and the Guarantors will have control over certain of the Collateral, and the operation of the business or the sale of particular assets could reduce the pool of assets securing the Notes.

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes and certain Collateral will be granted subsequent to the issuance of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The security interests in the Collateral that will secure our obligations under the Notes and the obligations of the Guarantors under the Note Guarantees will not be granted directly to the holders of the Notes but will be granted in favor, among others, of the Security Agent. The Indenture will provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral.

Under German law, it is uncertain whether security interests can be granted to a party other than the creditor of the claim which is purported to be secured by such security interests. In this respect, the Intercreditor Agreement will provide for the creation of a so-called parallel debt obligation (the "***Parallel Debt***") in favor of the Security Agent mirroring the obligations of the Issuer and the Guarantors toward the holders of the Notes under or in connection with the Indenture. Certain of the Security Documents governed by German law will directly secure the Parallel Debt, and may not directly secure the obligations under the Indenture and the Notes. In Germany, there is no statutory or case law available on the validity or enforceability of the parallel debt construct or the security provided for such parallel debt. To the extent the Parallel Debt construct would be successfully challenged by other parties, holders of the Notes will not be entitled to receive any proceeds from the enforcement of the security interests in the relevant Collateral. In addition, holders of the Notes will bear the risk associated with the possible insolvency or bankruptcy of the Security Agent. See "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations.*"

The interests of our principal shareholder may conflict with the interests of the holders of Notes.

The interests of our principal shareholder may, in certain circumstances, conflict with your interests as a holder of Notes. Permira Funds and its affiliates indirectly control the Issuer. As a result, it has, and will continue to have, indirectly the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve other changes to our operations. Our principal shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, will enhance its equity investments, although such transactions might involve risks to you as a holder of Notes. For example, our principal shareholder could vote to cause us to incur additional indebtedness, to sell certain material assets or pay dividends, in each case so long as the Indenture so permits. The incurrence of additional indebtedness would increase our debt service obligations and the sale of certain assets could reduce our ability to generate sales, each of which could adversely affect you as a holder of Notes. In addition, our principal shareholder may, in the future, own businesses that directly compete with ours or do business with us.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes and the Note Guarantees have not been registered under, and we are not obliged to register the Notes or the Note Guarantees under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See "*Transfer Restrictions.*" We have not agreed to or otherwise undertaken to register the Notes or the Note Guarantees, and do not have any intention to do so.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until the Notes are in definitive registered form, or definitive registered notes are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will not be considered owners or holders of Notes. The common depository (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the global notes. Payments of principal, interest and other amounts owing on or in respect of the relevant global notes representing the Notes will be made to Citibank N.A., London Branch, as Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream and if you are not a participant in Euroclear and/or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until the definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. We cannot assure you that the procedures to be implemented through Euroclear and Clearstream will be adequate to ensure the timely exercise of rights under the Notes.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application will be made for the Notes to be listed on the Official List of the Channel Islands Securities Exchange Authority (the "***Exchange***"), we cannot assure you that the Notes will become or remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on a stock exchange, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes, as applicable,

from the Exchange may have a material effect on a holder's ability to resell the Notes, as applicable, in the secondary market.

In addition, the Indenture will allow us to issue additional notes in the future which could adversely impact the liquidity of the Notes.

Risks Related to Our Structure and the Financing

The Issuer is a holding company dependent upon cash flow from subsidiaries to meet its obligations on the Notes.

The Issuer is a holding company with no independent business operations or significant assets other than, following the Completion Date and after giving effect to the Transactions, investments in its subsidiaries, its rights under certain shareholder loans and other intercompany receivables (if any). As a result, the Issuer will depend upon the receipt of sufficient funds from its subsidiaries to meet its obligations. Following the Completion Date, we intend to cause the Target and its subsidiaries to provide funds to the Issuer in order to meet the obligations on the Notes through a combination of dividends, interest payments on intercompany loans and, following the conclusion and effectiveness of the relevant profit and loss pooling agreement, payments under profit and loss pooling agreements between the Issuer and the relevant members of the Group. The obligations under intercompany loans will be junior obligations and will be subordinated in right of payment to all existing and future senior and senior subordinated indebtedness of the Issuer, including obligations under, or guarantees of obligations under, the Revolving Credit Facility Agreement and the Notes. There can be no assurance that profit and loss pooling agreements between the Issuer and the relevant members of the Group will be concluded in a timely manner or at all.

The amounts of dividends and distributions available to the Issuer will depend on the profitability and cash flow of its subsidiaries and the ability of those subsidiaries to issue dividends under applicable law. The subsidiaries of the Issuer, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the Issuer to make payments in respect of their indebtedness, including the Notes and the Note Guarantees. In particular, the ability of the Issuer's subsidiaries to pay dividends to the Issuer will generally be limited to the amount of distributable reserves available to it. Under German law, all dividends may only be distributed out of current profits and distributable reserves, and, in principle, interim dividend distributions are not allowed under German law. The subsidiaries of the Issuer that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

Additionally, various agreements governing our debt may restrict, and in some cases, may actually prevent the ability of the subsidiaries to move cash within their restricted group. Such restrictions include those created by the Revolving Credit Facility Agreement and the Intercreditor Agreement, which limits payments of principal on the Notes prior to their stated maturity. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*" and "*—Intercreditor Agreement.*" Applicable tax laws may also subject such payments to further taxation. Applicable law may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments.

The inability to transfer cash among entities within their respective consolidated groups may mean that, even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted to make the necessary transfers from one entity in their restricted group to another entity in their restricted group in order to make payments to the entity owing the obligations.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Note Guarantees will be released automatically and under which the Note Guarantees will be released automatically, without your consent or the consent of the Trustee.

Under various circumstances, the Collateral securing the Notes and the Note Guarantees will be released automatically. See "*Description of the Notes—Security—Release of Liens.*"

Even though the holders of the Notes share in the Collateral securing the Notes with the lenders under the Revolving Credit Facility Agreement, the creditors under the Revolving Credit Facility Agreement will receive the proceeds of the enforcement of the Collateral in priority to the holders of the Notes and under certain circumstances, the creditors under the Revolving Credit Facility Agreement and certain of our hedging arrangements will control enforcement actions with respect to the Collateral through the Security Agent, whether or not the holders of the Notes agree or disagree with those actions. See "*Risk Factors—Risks Related to the Notes—Holders of the Notes will not control certain decisions regarding the Collateral*" and "*Description of the Notes—Security—Enforcement of Security Interests and Other Distressed Disposals.*"

Under various circumstances, the Note Guarantees will be released automatically, including sales to third parties and in connection with certain corporate reorganizations. In addition, the Note Guarantees and security interests will be subject to release upon a distressed disposal as contemplated under the Intercreditor Agreement. See "*Description of the Notes—The Note Guarantees—Note Guarantee Release.*"

The Notes and each of the Note Guarantees will each be structurally subordinated to the liabilities and preference shares (if any) of our non-guarantor subsidiaries.

None of the Target or its subsidiaries will initially guarantee the Notes, which means that holders of the Notes will have no direct claims against the assets or earnings of the Target or its subsidiaries to satisfy obligations due under the Notes. Within 60 days of the Completion Date (or 75 of the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), the Target and some, but not all of the Target's subsidiaries will guarantee the Notes. Generally, claims of creditors of a non-guarantor subsidiary, including trade creditors, and claims of preference shareholders (if any) of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims by holders of the Notes under the Note Guarantees. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. As such, the Notes and each Note Guarantee will each be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of our non-guarantor subsidiaries.

Within 60 days of the Completion Date (or 75 of the Completion Date, if the Completion Date occurs on or prior to December 31, 2016) the Guarantors will represent, subject to the Agreed Security Principles, at least 80% of (i) Consolidated EBITDA (as defined under "*Description of the Notes*") disregarding the EBITDA (as defined under "*Description of the Notes*") of any member of the Group that generates negative EBITDA) and (ii) the gross assets of the Group (excluding all intra-Group items).

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under certain applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The security interests in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these security interests. In addition, certain applicable law requires that certain assets acquired after the grant of a general security interest, such as real property and equipment , can only be perfected at or promptly following the time such assets are acquired and identified. Absent perfection, the Security Agent, on behalf of the holders of the Notes, may have difficulty enforcing or be entirely unable to enforce rights in the Collateral in competition with third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral.

See "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations—Germany.*"

Each Note Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.

Each Note Guarantee will provide the holders of the Notes with a direct claim against the relevant Guarantor. In addition, the Issuer and the Guarantors will secure the payment of the Notes by granting security under the relevant Security Documents. However, each security interest granted under a Security Document will be limited in scope to the value of the relevant assets expressed to be subject to that security interest and the Indenture will provide that each Note Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor, without rendering the relevant Note Guarantee/security interest voidable or otherwise ineffective under German or other applicable law or without resulting in a breach of any applicable law, and enforcement of each Note Guarantee/Security Document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, guarantees and security interests can be challenged (by the bankruptcy receiver or trustee, in case of bankruptcy of the relevant Guarantor, or by any of the creditors of such Guarantor outside bankruptcy), and a court could declare unenforceable against third parties (including the beneficiaries thereof) and/or void, any legal act performed by a Guarantor (including, without limitation, the granting by it of the Note Guarantees or the security interests granted under the Security Documents, see "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*") and, if payment had already been made under a Note Guarantee or enforcement proceeds applied under a Security Document, require that the recipient (and possibly, subsequent transferees thereof) return the payment to the relevant Guarantor, if the court found, *inter alia*, that:

- the amount paid or payable under the relevant Note Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;
- the relevant Note Guarantee or security interest under a Security Document was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor was insolvent when it granted the relevant Note Guarantee or security interest;
- the Guarantor did not receive fair consideration or reasonably equivalent value for granting the relevant Note Guarantee/security interests and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant Note Guarantee/security interest; (ii) undercapitalized or became undercapitalized because of the relevant Note Guarantee/Security Document; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; and/or
- the relevant Note Guarantees/Security Documents were held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor or security provider.

Under the German Insolvency Code (*Insolvenzordnung*), an insolvency administrator (*Insolvenzverwalter*) or custodian (*Sachwalter*) may challenge (*anfechten*) transactions (*Rechtsgeschäft*) or acts (*Rechtshandlungen*) that are deemed detrimental to insolvency creditors and which were effected prior to the opening of formal insolvency proceedings during applicable avoidance periods.

In addition, in Germany, there are significant restrictions on subsidiary guarantees and the granting of security interests for shareholder liabilities to the extent the proceeds under such liabilities are not on-lent by the shareholder to such subsidiary guarantors or such guarantees and security interests do otherwise benefit from exemptions from German capital maintenance rules, such exemptions being recognized for obligations rendered within a domination or profit and loss pooling agreement (*Beherrschungs- oder Gewinnabführungsvertrag*) or if a valuable claim for compensation or repayment exists (*Bestehen eines vollwertigen Gegenleistungs- oder Rückgewähranspruches*).

Furthermore, the payment of dividends to the Issuer will reduce the distributable profits and reserves available to satisfy the obligations under the Note Guarantees and Security Documents. There can be no assurances that we will have distributable profits and reserves available to satisfy the obligations under the Note Guarantees and Security Documents, whether or not we pay dividends. In addition, the payment under the Note Guarantees and the enforcement of security interests under the relevant Security Documents may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions. See "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations.*"

Enforcement of the Collateral across multiple jurisdictions may be difficult.

The Collateral will be governed by the laws of Germany and any jurisdiction applicable to any future Collateral. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions. The rights under the Collateral will thus be subject to the laws of the applicable jurisdiction, and it may be difficult to effectively enforce such rights in multiple bankruptcies, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to enforce the security and to realize any recovery under the Notes and the Note Guarantees. A summary description of certain aspects of the insolvency laws of Germany is set out in "*Certain Limitations on Validity and Enforceability of the Note Guarantees and Collateral and Insolvency Law Considerations.*"

The insolvency laws of Germany and other jurisdictions may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.

The Issuer is incorporated under the laws of Germany and the Guarantors are incorporated under the laws of Germany. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Germany or another relevant jurisdiction. The bankruptcy, insolvency, administrative and other laws of the Issuer's and the Guarantors' jurisdictions of organization or incorporation may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes and the Note Guarantees in those jurisdictions or limit any amounts that you may receive. See "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations.*" with respect to the jurisdictions mentioned above.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture.

Upon the occurrence of certain events constituting a "change of control," the Issuer would be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available

at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in the Revolving Credit Facility Agreement, the Indenture, the Intercreditor Agreement or our other existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, acceleration of, or an obligation to mandatorily prepay the Revolving Credit Facility and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of the Issuer to receive cash from its subsidiaries to allow it to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our then existing financial resources (see "*—The Issuer is a holding company dependent upon cash flow from subsidiaries to meet its obligations on the Notes.*"). If an event constituting a change of control occurs at a time when we are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture which would, in turn, constitute a default under the Revolving Credit Facility Agreement and certain other indebtedness. See "*Description of the Notes—Change of Control.*"

In certain circumstances, a Change of Control Offer will not be required to be made.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. Except as described under "*Description of the Notes—Change of Control,*" the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction. Furthermore, the occurence of certain events that might otherwise constitute a change of control under the Indenture will not be deemed to be a change of control if at the time our consolidated net leverage ratio is less than certain specified levels. See "*Description of the Notes—Certain Definitions—Specified Change of Control Events.*"

The definition of "Change of Control" in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euro. If investors measure their investment returns by reference to a currency other than euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the values of the euro relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments. Investments in the Notes denominated in a currency other than U.S. dollars by U.S. investors may also have important tax consequences as a result of

foreign exchange gains or losses, if any. See "*Taxation—Certain U.S. Federal Income Tax Considerations.*"

You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and each of the Guarantors and their respective subsidiaries are organized outside the United States, and our business is conducted entirely outside the United States. We expect the directors, managers and/or executive officers of the Issuer and the Guarantors to be non-residents of the United States, and substantially all of their assets will be located outside the United States. Although we and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on these directors, managers and executive officers. In addition, as substantially all of the assets of the Issuer and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, in light of decisions of the U.S. Supreme Court, actions of the Issuer and the Guarantors may not be subject to the provisions of the federal securities laws of the United States. The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Germany. There is, therefore, doubt as to the enforceability in Germany of U.S. securities laws in an action to enforce a U.S. judgment in such jurisdictions. In addition, the enforcement in Germany of any judgment obtained in a U.S. court, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a court in Germany would have the requisite power or authority to grant remedies sought in an original action brought in such jurisdictions on the basis of U.S. securities laws violations. See "*Service of Process and Enforcement of Civil Liabilities.*"

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

The Notes may be issued with original issue discount ("***OID***") for U.S. federal income tax purposes. If the Notes are issued with OID for U.S. federal income tax purposes, U.S. investors will generally be required to include amounts representing OID in their gross income as it accrues in advance of the receipt of cash payments attributable to such income using the constant yield method. See "*Taxation—Certain U.S. Federal Income Tax Considerations.*"

THE TRANSACTIONS

The Acquisition of the Target

On October 24/25, 2016, the Issuer as purchaser and, *inter alia*, JAP Lux Holding S.A., Schustermann & Borenstein MIP GmbH & Co. KG, Schustermann & Borenstein MIP II GmbH & Co. KG and certain members of the Schustermann and Borenstein families as sellers (the "***Sellers***"), entered into the Acquisition Agreement regarding the sale and purchase of the entire share capital of the Target (the "***Acquisition***"). The Target is the holder of the entire issued share capital of S&B Beteiligungs, which in turn is the sole shareholder of S&B GmbH (except for certain treasury shares held by S&B GmbH).

Pursuant to the Acquisition Agreement, the Issuer has agreed to acquire the entire share capital of the Target and certain shareholder loans for approximately €574 million (the "***Purchase Price***") subject to certain purchase price adjustments.

The Acquisition Agreement includes customary restrictions on the activities of S&B Holding prior to the Completion Date, including restrictions on the incurrence of additional indebtedness, as well as limited representations, warranties and covenants that are subject to limitations and exclusions.

The Financing of the Acquisition

The Issuer is a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under the laws of Germany. The Issuer was formed to facilitate the Acquisition.

We plan to finance the Acquisition, refinance the Existing Credit Facility and pay related fees and expenses by using the proceeds from the Offering, together with an equity contribution from the Permira Funds and the Co-Investors. See "*Use of Proceeds*." S&B Group had €168.1 million of liabilities to banks as of September 30, 2016 under the Existing Credit Facility. We expect to repay all of the indebtedness outstanding under the Existing Credit Facility on the Completion Date.

The Notes

The gross proceeds from this Offering will be deposited into the Escrow Account pending the consummation of the Acquisition and the satisfaction of certain other conditions and will be controlled by, and pledged on a first-priority basis in favor of, the Trustee for the benefit of the holders of the Notes. If the Acquisition is not consummated and such other conditions are not satisfied on or prior to April 30, 2017, we will be required to redeem the Notes at a special mandatory redemption price equal to the issue price of the Notes, together with any accrued and unpaid interest and additional amounts, if any, from the Issue Date to the special mandatory redemption date. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

The Revolving Credit Facility

On or prior to the Issue Date, the Issuer expects to enter into the new Revolving Credit Facility Agreement in the amount of €35.0 million which will not be utilized on the Completion Date. In addition, pursuant to the terms of the Revolving Credit Facility Agreement, the Issuer may elect to request additional facilities either as a new facility or as additional tranches of an existing facility up to €15.0 million (following the amendment of certain provisions of the Revolving Credit Facility Agreement to reflect the terms of the Indenture as further described below under "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement—Covenants*") (the "***Additional Facility Commitments***"). The Issuer and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin, the termination date and the availability period (each subject to parameters as set out in the Revolving Credit Facility Agreement). There are certain limitations (including as to maximum amount) on the ability to incur Additional Facility Commitments. See "*Description of Certain Financing Arrangements.*"

We refer to the Acquisition, the financing of the Acquisition, the repayment of existing debt of the Target, the execution of the Revolving Credit Facility and the Offering together as the "***Transactions***." Please see "*Use of Proceeds," "Description of Certain Financing Arrangements"* and *"Description of the Notes.*"

USE OF PROCEEDS

We estimate that the gross proceeds of the Offering will be €260.0 million. Pending the consummation of the Acquisition, the gross proceeds will be deposited into the Escrow Account in the name of the Issuer but controlled by the Escrow Agent and pledged in favor of the Trustee on behalf of the holders of the Notes. The proceeds from the Offering, together with an equity contribution from the Permira Funds, will be used to fund the Acquistion and to pay estimated transaction fees and expenses in connection with the Offering.

Upon satisfaction of the conditions to the release of the amounts deposited in the Escrow Account, the gross proceeds from the Offering will be used, together with the equity contribution from the Permira Funds and the Co-Investors, to (i) pay the Purchase Price under the Acquisition Agreement, (ii) repay the Existing Credit Facility and (iii) pay related fees and expenses.

The following table illustrates the estimated sources and uses of funds relating to the Transactions. The actual amounts set forth in the table and in the accompanying footnotes are subject to adjustment and may differ at the time of the consummation of the Transactions, depending on several factors, including differences in our estimate of fees and scheduled installment payments on the Existing Credit Facility.

Sources	(in € million)	Uses	(in € million)
Notes offered hereby	260.0	Estimated purchase price[3]	571.8
Equity[1]	474.0	Repayment of Existing Credit Facility[4]	168.1
Cash on balance sheet[2]	36.6	Cash on balance sheet[5]	5.0
		Estimated transaction fees and expenses[6]	25.7
Total sources	**770.6**	**Total uses**	**770.6**

(1) This amount comprises an approximately 91% contribution from Permira Funds and an approximately 9% contribution from existing family member and management shareholders. The equity contribution may differ from the amount shown based on certain adjustments to the purchase price under the Acquisition Agreement and cash on the balance sheet as of the Completion Date. As of the date of this Offering Memorandum, we expect the Completion Date to occur in January 2017.

(2) Represents expected cash on balance sheet as of the Completion Date.

(3) See "*The Transactions*" for a description of the Purchase Price for the Acquisition. Includes the carrying amount of existing shareholder loans as of June 30, 2016 in the amount of €73.6 million, the claims of which will be assumed by the Issuer. The actual purchase price may differ from the amount shown based on certain adjustments under the Acquisition Agreement.

(4) Represents the outstanding amounts due under the Existing Credit Facility as of September 30, 2016 (excluding accrued and unpaid interest), break costs and costs in connection with the termination of existing interest hedging arrangements payable on the Completion Date.

(5) Represents expected cash on balance sheet as of the Completion Date after giving effect to the Transactions.

(6) Represents estimated underwriting fees, commitment fees, commissions and other expenses associated with the Transactions.

CAPITALIZATION

The following table sets forth, in each case, the cash and cash equivalents and the capitalization (i) as of September 30, 2016 of the S&B Group, on a historical consolidated basis and (ii) as of September 30, 2016 of the Issuer and its subsidiaries, as adjusted on a *pro forma* basis to give effect to the Transactions, including the Offering and the application of the proceeds thereof.

This table should be read in conjunction with "*Use of Proceeds,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations,*" "*Description of Certain Financing Arrangements*" and the Unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes included elsewhere in this Offering Memorandum.

	Historical	As adjusted[1]
	(in € million)	
Cash and cash equivalents[2]	12.1	5.0
Notes offered hereby	—	260.0
Revolving Credit Facility[3]	—	—
Liabilities to banks[4]	168.1	—
Total external debt	**168.1**	**260.0**
Liabilities to shareholders[5]	75.4	—
Total indebtedness	**243.5**	**260.0**
Equity[6]	0.0	458.7
Total capitalization	**243.5**	**718.7**

(1) As adjusted to give *pro forma* effect to the Transactions as if they had occurred on September 30, 2016.

(2) The historical amount represents the carrying amount of cash and cash equivalents shown as cash on hand, bank balances and checks in the Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2016. Cash and cash equivalents on the Completion Date may be different because of, among other reasons, current payments or indebtedness.

(3) Represents the €35.0 million senior secured revolving credit facility established under the Revolving Credit Facility Agreement which we expect to remain undrawn on the Issue Date. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement.*"

(4) The historical amount represents the carrying amount of the Existing Credit Facility shown as liability to banks in the Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2016.

(5) The historical amount represents the carrying amount of shareholder loans shown as liability to shareholders in the Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2016. These are the total amounts outstanding under the shareholder loans between certain of the Sellers and S&B Holding, which claims will be assigned to the Issuer in connection with the Acquisition.

(6) The historical amount represents the carrying amount of equity as shown in the Unaudited Condensed Consolidated Interim Financial Statements and includes a capital deficit of €15.3 million as of September 30, 2016. The as adjusted figure represents the equity contribution from Permira Funds and the contribution from existing family member and management shareholder rollovers and includes a capital deficit of €15.3 million of the Target as of September 30, 2016.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present the S&B Group's summary financial information and should be read in conjunction with the Audited Consolidated Financial Statements, and the Unaudited Condensed Consolidated Interim Financial Statements, which are reproduced elsewhere in this Offering Memorandum, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Audited Consolidated Financial Statements were prepared in accordance with German GAAP and were audited in accordance with Section 317 HGB, and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer) by EY, which issued an unqualified audit opinion thereon in each case. The Unaudited Condensed Consolidated Interim Financial Statements, which were prepared in accordance with German GAAP, have not been audited. The information below is not necessarily indicative of the results of future operations.

*According to German GAAP, the Consolidated Financial Statements included in this Offering Memorandum do not reflect the impact of any changes to the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement or other data that may occur as a result of the purchase price allocation ("**PPA**") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying amounts for existing assets and liabilities and assets or liabilities that we may add to the Group's consolidated balance sheet, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. The Group's future consolidated financial statements could be materially different from the Consolidated Financial Statements included in this Offering Memorandum once the PPA adjustments have been made. The Issuer will account for the Acquisition using the acquisition method of accounting and the PPA will be applied at the level of the Issuer.*

The Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements included in this Offering Memorandum have been prepared on the basis of German GAAP, which differs in certain significant respects from IFRS. For a summary of certain significant differences between German GAAP and IFRS, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Significant Differences between German GAAP and IFRS".

Selected Consolidated Income Statement Information

	For the year ended December 31,			For the nine months ended September 30,	
	2013	2014	2015	2015	2016
			(in € million)	(unaudited)	
Revenue	227.6	256.7	304.3	203.9	242.0
Other operating income	1.4	0.8	1.0	0.9	0.9
Cost of materials	(110.7)	(134.6)	(154.2)	(110.2)	(134.4)
Gross profit	**118.3**	**122.9**	**151.1**	**94.5**	**108.5**
Personnel expenses	(39.1)	(40.5)	(46.8)	(34.7)	(42.7)
Amortization, depreciation and write-downs	(36.1)	(36.8)	(38.0)	(28.3)	(30.4)
Other operating expenses	(41.7)	(47.7)	(63.9)	(44.8)	(53.7)
Other interest and similar income	0.2	0.0	0.0	0.0	0.0
Interest and similar expenses	(17.8)	(18.0)	(16.3)	(12.8)	(10.1)
Financial result	**(17.7)**	**(18.0)**	**(16.3)**	**(12.8)**	**(10.1)**
Result from ordinary activities[1]	**(16.4)**	**(20.1)**	**(13.9)**	**—**	**—**
Income taxes	1.9	0.8	(0.2)	4.5	2.4
Earnings after taxes[2]	**—**	**—**	**—**	**(21.6)**	**(26.0)**
Other taxes	0.0	0.0	0.0	0.0	0.0
Net loss for the year/period	**(14.5)**	**(19.3)**	**(14.1)**	**(21.6)**	**(26.0)**

(1) Due to changes in the presentation principles according to German GAAP, from January 1, 2016, result from ordinary activities is no longer presented in the income statement. Therefore, it is presented in the consolidated income statements of the Audited Consolidated Financial Statements, but not in the consolidated income statement of the Unaudited Condensed Consolidated Interim Financial Statements.

(2) Due to changes in the presentation principles according to German GAAP, from January 1, 2016, earnings after taxes are presented as an additional line item in the income statement. Therefore, such line item is not presented in the consolidated income statements of the Audited Consolidated Financial Statements, but in the consolidated income statement of the Unaudited Condensed Consolidated Interim Financial Statements.

Selected Consolidated Balance Sheet Information

	As of December 31,			As of September 30,
	2013	2014	2015	2016
		(in € million)		(unaudited)
Assets				
Fixed assets				
Intangible assets				
Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	199.0	179.1	159.5	148.3
Goodwill	43.9	31.9	20.0	11.0
Prepayments	0.1	0.1	0.2	0.0
Property, plant and equipment				
Land, land rights and buildings, including buildings on third-party land	6.7	8.6	21.1	20.5
Plant and machinery	3.2	2.9	2.7	12.9
Other equipment, furniture and fixtures	4.3	4.9	5.8	5.4
Prepayments and assets under construction	0.2	7.3	8.8	1.4
Financial assets				
Loans to affiliates	—	0.0	0.0	0.0
Fixed assets	**257.4**	**235.0**	**218.1**	**199.5**
Current assets				
Inventories				
Merchandise	57.7	65.7	66.9	87.9
Prepayments	3.2	3.0	4.2	5.1
Receivables and other assets				
Trade receivables	0.5	0.8	1.1	1.3
Other assets	3.8	3.1	5.6	7.7
Cash on hand, bank balances and checks	26.9	35.3	36.9	12.1
Current assets	**92.1**	**107.9**	**114.7**	**114.1**
Prepaid expenses	**4.2**	**3.2**	**3.6**	**2.6**
Capital deficit	**—**	**—**	**—**	**15.3**
Assets	**353.7**	**346.2**	**336.4**	**331.6**
Equity and Liabilities				
Equity				
Subscribed capital	0.1	0.1	0.1	0.1
Capital reserves	60.4	60.4	60.4	60.4
Equity difference from currency translation	—	—	—	0.0
Loss carryforward	(2.1)	(16.6)	(35.8)	(49.9)
Net loss for the year/period	(14.5)	(19.3)	(14.1)	(26.0)
Capital deficit	—	—	—	15.3
Equity	**43.9**	**24.6**	**10.6**	**0.0**
Provisions				
Tax provisions	2.0	1.5	2.6	4.0
Other provisions	5.1	5.7	9.2	11.9
Provisions	**7.1**	**7.2**	**11.8**	**15.8**

	As of December 31,			As of September 30,
	2013	2014	2015	2016
		(in € million)		(unaudited)
Liabilities				
Liabilities to banks	91.4	93.7	181.8	168.1
Prepayments received on account of orders	1.2	1.9	1.4	1.4
Trade payables	8.8	8.8	9.3	21.0
Liabilities to shareholders	137.3	151.1	70.2	75.4
Other liabilities	3.5	4.9	3.8	6.0
Liabilities	**242.3**	**260.4**	**266.5**	**271.8**
Deferred income	**0.0**	**0.0**	**0.0**	**0.0**
Deferred tax liabilities	**60.5**	**54.0**	**47.5**	**43.6**
Equity and Liabilities	**353.7**	**346.2**	**336.4**	**331.6**

Selected Cash Flow Statement Information

	As of and for year ended December 31,			As of and for the nine months ended September 30,	
	2013	2014[1]	2015	2015	2016
		(in € million)		(unaudited)	
Cash flow from operating activities	4.4	24.9	31.7	4.9	7.0
Cash flow from investing activities	(7.1)	(14.4)	(21.1)	(18.1)	(12.6)
Cash flow from financing activities	7.9	(2.1)	(9.0)	(7.2)	(19.3)
Change in cash and cash equivalents	5.2	8.4	1.6	(20.3)	(24.8)
Cash and cash equivalents at the end of the period	26.9	35.3	36.9	15.0	12.1

(1) Due to the first-time application of the GAS 21 (*Deutsche Rechnungslegungs Standards*) "Cash Flow Statements", in the 2015 Audited Consolidated Financial Statements, interest result, which was previously included in cash flow from financing activities, is presented in cash flow from operating activities. Pursuant to GAS 21, income tax expense/income and income tax payments are also presented as a separate line item under cash flow from operating activities. In the 2014 Audited Consolidated Financial Statements, these amounts were presented as an increase in provisions, other non-cash expenses and income and increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities. Financial data shown in this table for the year ended December 31, 2014 are taken from the comparative financial information included in the consolidated cash flow statement from the 2015 Audited Consolidated Financial Statements and, therefore, deviate from the respective financial information presented in the 2014 Audited Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations are based on the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements, which are reproduced elsewhere in this Offering Memorandum, and the section entitled "Selected Consolidated Financial Information." The Audited Consolidated Financial Statements were prepared in accordance with German GAAP and were audited in accordance with Section 317 HGB, and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer) by EY, which issued an unqualified audit opinion thereon in each case. The Unaudited Condensed Consolidated Interim Financial Statements, which were prepared in accordance with German GAAP, have not been audited. The information below is not necessarily indicative of the results of future operations.

*According to German GAAP, the Consolidated Financial Statements included in this Offering Memorandum do not reflect the impact of any changes to the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement or other data that may occur as a result of the purchase price allocation ("**PPA**") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying amounts for existing assets and liabilities and assets or liabilities that we may add to the Group's consolidated balance sheet, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. The Group's future consolidated financial statements could be materially different from the Consolidated Financial Statements included in this Offering Memorandum once the PPA adjustments have been made. The Issuer will account for the Acquisition using the acquisition method of accounting and the PPA will be applied at the level of the Issuer.*

The Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements included in this Offering Memorandum have been prepared on the basis of German GAAP, which differs in certain significant respects from IFRS. For a summary of certain significant differences between German GAAP and IFRS, see "—Summary of Significant Differences between German GAAP and IFRS".

We present below certain non-GAAP measures and ratios that are not required by or presented in accordance with German GAAP, including EBITDA and Adjusted EBITDA, among others. The non-GAAP measures are not measurements of financial performance under German GAAP and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with German GAAP. The non-GAAP measures as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies, and EBITDA and Adjusted EBITDA differ from "Consolidated EBITDA" contained in the section "Description of the Notes" of this Offering Memorandum and the Indenture. The calculations for the non-GAAP measures are based on various assumptions. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of our financial condition or results of operations for the periods presented and should not be relied upon when making an investment decision. See "Presentation of Financial and Other Information."

The historical data below is not necessarily indicative of results of future operations and should be read in conjunction with "Forward-Looking Statements," "Use of Proceeds," "Capitalization" and "Selected Consolidated Financial Information."

Overview

We are a members-only, online and offline, off-price fashion retailer, with a strong focus on selling premium and luxury brands. Founded in 1924 and headquartered in Munich, we offer a large variety of designer brands from over 2,300 suppliers at attractive prices for men, women and children through online and offline sales channels. Our online platform, "BestSecret", has a presence in Germany, Austria, Switzerland, France, the United Kingdom and Sweden. Our offline business includes three

large-scale retail sites (two in Munich and one in Vienna) with a total net sales area of over 15,000 square meters. For the twelve months ended September 30, 2016, we had revenue of €342.4 million, an Adjusted EBITDA of €52.4 million and an Adjusted EBITDA margin of 15.3%. For the same period, 86.6% of our revenue was generated in Germany, 65.7% of our revenue was generated from our online operations and 34.3% generated from our offline operations.

Factors Affecting our Results of Operations

Our results of operations and the operating metrics discussed in this section have been, and may continue to be, affected by the key factors set forth below as well as certain historical and future events and actions. As many of these factors are beyond our control and certain of these factors have historically been volatile, past performance will not necessarily be indicative of future performance and it is difficult to predict future performance with any degree of certainty. See "*Risk Factors*." We consider the following factors to be the principal drivers of our results of operations.

Multi-channel distribution model

In contrast to off-price fashion retailers who depend on one channel only, we operate both online and offline distribution channels through our online platform BestSecret and our three offline member sites. We sell in-season and off-season merchandise through our first clearance level both online (typically offering discounts in a range of 20% to 80% of RRP) and in our fashion stores (typically offering discounts in a range of 20% to 55% of RRP). Merchandise that has not been sold through our online channel or our fashion stores is sold through the second clearance level in our "second season" stores, which are focused on a value-centric proposition with typically greater discount levels of 40% to 80% of RRP. Our "second season" stores also offer merchandise that we directly procure for this sales channel. We believe that this combination of multiple distribution channels allows us to optimize our gross margin by testing different pricing levels for each product at each clearance level and helps us to manage the growth and expansion of our online and offline channels.

We believe that our revenue and customer developments in the period under review were mainly driven by (i) a growing customer base in both our online and offline operations, (ii) fewer tourists visiting our stores in Munich due to currency exchange fluctuations, such as the decline in the value of the ruble relative to the euro, (iii) a shift in our multi-channel customer spending from offline to online, and (iv) the ramp up of our Vienna store and the resulting further increasing offline customer base. As a result of these effects our total number of active customers has increased. From 2013 to September 30, 2016, our number of active online customers increased at a CAGR of 28.4%. Over the same period, our number of active offline customers increased at a CAGR of 15.7%. From 2013 to 2015, the number of our multi-channel customers increased at a CAGR of 12.0%.

Revenue from our offline operations has increased at a slower rate than the indexed increase in customers from 2013 to September 30, 2016. While the reduction in international tourists visiting our Munich stores reduced our revenue, it did not cause a decline in our customer numbers as we record our revenue from tourists on the account of agents. In addition, the shift in our multi-channel customer spending from offline to online reduced our revenue in our offline stores at stable customer numbers. While this had a negative impact on our offline revenue, we believe that the positive impact on our online revenue, where we generate higher margins, largely compensated such effect. Furthermore, our customer numbers increased as a result of our corporate membership invitations and the issuance of second season passes, the latter of which we started in late 2015. Finally, the ramp up of our Vienna store has caused an increase in customer numbers, however, as our Vienna store is still in the ramp-up phase, revenue per customer is significantly lower than that of our established Munich sites. In our offline business, we currently intend to open several additional sites in Germany in the coming years.

The above mentioned effects also impacted our revenue generated from our offline operations in Germany, which decreased by 5.1% from 2013 to 2014, decreased by 1.3% from 2014 to 2015 and decreased by 3.0% from the nine months ended September 30, 2015 to the nine months ended September 30, 2016.

Revenue from our online operations increased as a result of an increased customer base in Germany, our core market, as well as our continued online expansion in the United Kingdom, Sweden and Switzerland from 2013 to September 30, 2016.

Our results of operations in our online channel are also affected by return rates. While we believe that customer returns are a natural consequence of selling fashion online, as well as an expression of our high service standards, increasing customer return rates (*e.g.,* due to changes in customer behavior or the abuse of our return policy) may increase our costs and negatively affect our results of operations.

General economic conditions and factors, particularly in the DACH region

General economic factors affecting consumer spending include the prevailing economic climate, levels of employment, salaries, wage rates, availability of consumer credit, consumer confidence and consumer perceptions of economic conditions. While we believe that our business model is resilient to minor general economic effects, the vast majority of our revenue is earned within the DACH region and any unfavorable macroeconomic event within that region may have a negative effect on our customers and our results of operations.

Our ability to secure an attractive variety and quantity of products

Our results of operations and profitability depend, to a considerable extent, on our ability to sell a desirable mix of merchandise on our online platform and in our stores at attractive prices. We need to continuously source a variety and quantity of merchandise from desirable brands in a cost-effective manner. In the past, we have not had any material difficulties securing sufficient merchandise at attractive prices. However, developments in the retail fashion industry, combined with the seasonal nature of our suppliers' industry, may impact the timing of and the prices at which we can procure our merchandise. For example, favorable economic conditions in the fashion industry typically lead to increases in production volumes by our suppliers and, consequently, may result in greater availability of overstock merchandise in the market and an opportunity to source such excess overstock merchandise at better prices. In contrast, extended periods of financial uncertainty or decreases in consumer spending may cause our suppliers to reduce their own production in later periods, thereby limiting the amount of merchandise on the market and negatively affecting the prices at which we can purchase overstock merchandise. In addition, weather conditions can impact the timing and availability of merchandise. A mild autumn or a cold spring may negatively impact the sale of winter and summer merchandise, respectively, by our suppliers. This may lead to the earlier availability of merchandise but may also result in our need to lower prices to follow price reductions by our suppliers in their high street retail locations. Based on the availability of merchandise, we may also make opportunistic purchases of mixed lots of apparel.

Seasonality and fluctuations in our quarterly results of operation

Our business is seasonal, which is typical for retailers in the fashion industry. For example, we typically experience an increase in sales in the fourth quarter of the year due to the Christmas shopping season. In the year ended December 31, 2015, revenue in the fourth quarter accounted for 33.0% of our total revenue for the year. Any factors that harm our operating results during the fourth quarter of a year, including unfavorable economic conditions affecting consumer spending levels or inclement weather that deters customers from visiting our stores, could have a disproportionate effect on our results of operations for the relevant entire year.

In addition, our Net Working Capital is affected by seasonal trading patterns. Our investment in inventory generally increases in October and November in anticipation of the Christmas shopping season. Our Net Working Capital typically reaches a peak from September to November, with a minimum position in January after the Christmas season has passed.

Our quarterly results of operations may also fluctuate as a result of a variety of other factors, including the timing of new store openings and the revenue contributed by new stores and the timing and level

of inventory markdowns. See "*Risk Factors—Risk Factors Related to our Business and Industry—Sales of our products are subject to seasonal fluctuations and unfavorable weather*".

Investments in operational excellence

Our results of operations are primarily driven by our gross profit, personnel expenses and other operating expenses. We have implemented various measures to increase our revenue and gross profit and to reduce our operating expenses. From January 1, 2014 to September 30, 2016, we invested €26.2 million in additions to property, land and equipment related to the new warehouse and logistics center, particularly in building fixtures, intra-logistics systems and other equipment, to enhance our operational excellence and level of automation in distribution. We also invested continually in our IT capabilities in order to introduce scalability to our platform and reduce our dependency on third party providers. This also included the establishment of a near-shoring IT facility in Granada, Spain, to support further development of our online platform. These capital expenditures, among others, have affected our results of operations during the years 2014, 2015 and the nine months ended September 30, 2015 and 2016 and we anticipate that these will result in future annual cost savings.

Disciplined entry into new international markets and expansion in existing markets

We commenced operations in Austria in 2011 and continued our online expansion path into four additional countries with the launches of our online presence in the United Kingdom in 2013, Sweden and Switzerland in 2015 and, most recently, in France in 2016. In April 2016, we also acquired SOS, which operated three webshops, and, as a result, significantly expanded our active customer base in Switzerland. SOS had a revenue and EBITDA contribution of €8.7 million and negative €4.5 million, respectively, in the period from its initial consolidation from April 1, 2016 to September 30, 2016, due, in part, to the loss-making nature of the prior business model as well as one-off losses from an extraordinary write-down of the existing SOS inventory to allow the S&B Group to reposition the SOS business in line with the BestSecret model. In September 2016, SOS began to positively contribute to our EBITDA. We have also incurred certain startup costs associated with the international expansion of our online operations, including expenses to establish a local distribution network and marketing expenses to attract new customers to become members of our online platforms in markets where we were not previously present and our name and brand was unknown.

In 2014, we opened our Vienna store location and we currently expect to further expand our offline presence through the opening of new stores in German cities with above-average consumer spending power in order to further penetrate our core German market. The new store opening in Vienna required initial capital expenditures for store fittings. The opening of new store locations in Germany may also require certain capital expenditures if we need to refurbish new retail space we may lease in the future or higher lease expenses if the store spaces are new or refurbishments are paid for by the lessor. However, we expect to initially incur lower maintenance capital expenditures for new stores compared to our existing stores in Munich and Vienna. Furthermore, we may incur additional startup costs related to the hiring and training of local store personnel and expanding our distribution network to serve those new locations. Such increases and capital expenditures and startup costs may negatively impact our results of operations during and after the store opening, and it may take several quarters, or years, before such new store locations become profitable. We believe the experience gained in connection with the opening of our Vienna store, which became profitable within the first year after launch, will serve as a blueprint for further store roll-outs.

Key Income Statement Items

Set forth below is a brief description of the key line items of our consolidated income statement:

Revenue

We generate our revenue primarily from the sale of merchandise on our online platform and in our offline stores. Revenue also includes commissions, which mainly related to the Escada commission model and which has now been renegotiated to exclude such commissions, as well as revenue received from shipping fees charged to customers when merchandise is purchased online. Revenue

from our offline operations also includes revenue from our limited wholesale trading. Revenue is recognized when goods have been shipped. Customer returns are recorded in revenue once processed. The Accounting Directive Implementation Act (*Bilanzrichtlinie-Umsetzungsgesetz*, "***BilRUG***") which entered into force on July 23, 2015 had minor effects on account of the redefinition of revenue, other operating income, cost of materials and other operating expenses. Starting January 1, 2016, income derived from the sale, rental or lease of products and/or the provision of services is recorded as revenue and not as other operating income. The individual accounts, which were previously reported under other operating income, were reclassified to revenue as a result of the first-time application of the BilRUG dated June 18, 2015 in the Unaudited Condensed Consolidated Financial Statements.

Other Operating Income

Other operating income mainly comprises the reversal of provisions, damages, rental income from subletting, exchange rate gains and sundry other operating income. The other operating income is partially related to out-of-period income, which mainly relates to the release of provisions. Please see above regarding the changes to the definitions of revenue and operating income following the Accounting Directive Implementation Act.

Cost of Materials

Cost of materials comprises primarily costs related to the purchase of merchandise and other goods that are sold during the relevant reporting period and also includes inventory allowances. The individual accounts, which were previously reported under other operating expenses, were reclassified to cost of materials as a result of the first-time application of BilRUG in the Unaudited Condensed Consolidated Interim Financial Statements.

Personnel Expenses

Personnel expenses mainly relate to employees in the stores and in enabling services and include all expenses for wages and salaries (including bonuses) and other employment benefit costs and social security contributions.

Amortization, Depreciation and Write-downs

We incur expenses for amortization and depreciation of intangible assets and property, plant and equipment as a result of scheduled depreciation on these assets. Amortization and depreciation are usually charged on a straight-line basis over the expected useful life of the assets. Depreciation includes regular depreciation of tangible assets such as technical equipment and machinery. Furthermore, amortization for intangible assets, which are not related to the purchase price allocation such as software, is included.

In addition, amortization relates to goodwill and intangible asset step-ups resulting from the purchase price allocation. Goodwill is amortized over a period of five years. The remaining intangible assets (including brand names and customer base) are amortized over a period between 8 to 20 years.

Other Operating Expenses

Other operating expenses include selling expenses, administrative expenses, rent and service charges and advertising costs as well as sundry other operating expenses. Selling expenses mainly relate to packaging/freight, customs fees and payment costs as well as expenses for contract workers in logistics and external IT consultants and provisions for customer returns. Administrative expenses include other expenses such as legal and consulting, personnel related, telephone and IT as well as office supplies. Advertising costs mainly comprise marketing and campaign costs in order to realize the S&B Group's growth strategy.

Interest and Similar Expenses

Interest and similar expenses result from loan liabilities to banks and from liabilities to shareholders. Following the Issue Date, with respect to the Issuer, and the Completion Date, with respect to the Group, our interest expenses will include interest on the Notes and on any drawings under the Revolving Credit Facility as well as commitment fees related to the availability of the Revolving Credit Facility.

Income Taxes

Income taxes comprise current income taxes and income from deferred taxes.

Results of Operations

Comparison of the Nine Months ended September 30, 2016 with the Nine Months ended September 30, 2015

The following table sets forth our results of operations for the nine months ended September 30, 2015 and 2016:

	For the nine months ended September 30,		
	2015	2016	Change in %
		(€ million) (unaudited)	
Revenue	203.9	242.0	18.7
Other operating income	0.9	0.9	—
Cost of materials	(110.2)	(134.4)	22.0
Personnel expenses	(34.7)	(42.7)	23.1
Amortization, depreciation and write-downs	(28.3)	(30.4)	7.4
Other operating expenses	(44.8)	(53.7)	19.9
Other interest and similar income	0.0	0.0	—
Interest and similar expenses	(12.8)	(10.1)	(21.1)
Financial result	**(12.8)**	**(10.1)**	**(21.1)**
Income taxes	4.5	2.4	(46.7)
Net loss for the period	**(21.6)**	**(26.0)**	**20.4**

Revenue

Our revenue increased by €38.1 million, or 18.7%, from €203.9 million for the nine months ended September 30, 2015 to €242.0 million for the nine months ended September 30, 2016. The increase was primarily due to the growing online active customer base and the contribution of the new store in Vienna, as well as an increase in our membership in our Munich stores, largely coming from our corporate memberships and second season-only memberships (the latter of which we only began offering in late 2015). The positive development of the total online customer base was mainly driven by the growing online customer base in Germany and, to a lesser extent, by increases in our international online customer base. It was further supported by the acquisition of SOS in Switzerland in April 2016, which helped to increase our customer base in the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015.

Our online revenue increased by €36.2 million, or 29.5%, from €122.6 million for the nine months ended September 30, 2015 to €158.8 million for the nine months ended September 30, 2016. Our offline revenue increased by €1.9 million, or 2.3%, from €81.3 million for the nine months ended September 30, 2015 to €83.2 million for the nine months ended September 30, 2016. For the nine months ended September 30, 2016, €206.2 million, or 85.2%, of our revenue was generated in Germany compared to €187.6 million, or 92.0% of our revenue, for the nine months ended September 30, 2015.

Cost of materials

Cost of materials increased by €24.2 million, or 22.0%, from €110.2 million for the nine months ended September 30, 2015 to €134.4 million for the nine months ended September 30, 2016. The increase in absolute amounts, which was broadly in line with the increase in revenue, was primarily due to growth in our online business as well as the store in Vienna. Cost of materials as a percentage of revenue increased in the nine months ended September 30, 2016, by 1.5 percentage points compared to the nine months ended September 30, 2015, primarily as a result of an increase in the change in inventory allowance.

Personnel expenses

Our personnel expenses increased by €8.0 million, or 23.1%, from €34.7 million for the nine months ended September 30, 2015 to €42.7 million for the nine months ended September 30, 2016. The increase was primarily due to an increase in headcount in logistics to handle online sales growth, expense for overtime hours related to our warehouse centralization, and investments associated with the expansion of the management team, additional administrative staff and the addition of highly skilled IT staff to establish an organization which is suitable for further growth. A further main driver of personnel expenses was the increasing number of full-time equivalent employees at the new store in Vienna and at SOS in Switzerland which was only acquired in April 2016. A number of SOS employees have been laid off subsequent to the acquisition, and, consequently, the related personnel expenses of SOS are expected to be lower in 2017. For the reasons described above, personnel expenses as a percentage of revenue increased from 17.0% for the nine months ended September 30, 2015 to 17.6% for the nine months ended September 30, 2016.

Amortization, depreciation and write-downs

Amortization, depreciation and write-downs increased by €2.1 million, or 7.4%, from €28.3 million for the nine months ended September 30, 2015 to €30.4 million for the nine months ended September 30, 2016. The increase was primarily due to the new centralized logistics center in Poing, Germany. Amortization, depreciation and write-downs in the nine months ended September 30, 2016 also included amortization of hidden reserves recognized in connection with the acquisition accounting for the 2012 acquisition by Ardian (brand, customer base and goodwill) in the amount of €24.6 million.

Other operating expenses

Other operating expenses increased by €8.9 million, or 19.9%, from €44.8 million for the nine months ended September 30, 2015 to €53.7 million for the nine months ended September 30, 2016. The increase was primarily due to an increase in selling expenses, administrative expenses, rent and service charges as well as advertising costs. Selling expenses, in particular the cost of freight/postage/packaging, increased by €4.5 million, or 51.1%, from €8.8 million for the nine months ended September 30, 2015 to €13.3 million for the nine months ended September 30, 2016, as a result of the increase in volume of packages shipped and the increase in international shipping and customs duties relating to our Swiss business as a result of our online expansion. Administrative expenses, which increased by €2.1 million, or 11.1%, from €18.9 million for the nine months ended September 30, 2015 to €21.0 million for the nine months ended September 30, 2016, mainly rose due to legal and consulting fees related to our operational improvement processes as well as personnel related costs, including for contract workers in logistics and IT with respect to the consolidation of our warehouse into the centralized warehouse in Poing. The increase in rent and service charges by €1.1 million, or 14.3%, from €7.7 million for the nine months ended September 30, 2015 to €8.8 million for the nine months ended September 30, 2016 was primarily driven by the payment of double rent for several months while we consolidated our warehouses. Higher advertising expenses were incurred in the areas of direct customer communication and online advertising which were driven by the online expansion.

Interest and similar expenses

Interest and similar expenses decreased by €2.7 million, or 21.1%, from €12.8 million for the nine months ended September 30, 2015 to €10.1 million for the nine months ended September 30, 2016.

The decrease was primarily due to the refinancing of shareholder loans through bank financing in July 2015 with lower interest rates.

Income taxes

Income taxes (income) decreased by €2.1 million, or 46.7%, from €4.5 million for the nine months ended September 30, 2015 to €2.4 million for the nine months ended September 30, 2016. The decrease was primarily due to an increase in taxable income and the expected assessment under the tax audit.

EBITDA

EBITDA amounted to €15.0 million for the nine months ended September 30, 2015 and €12.1 million for the nine months ended September 30, 2016, representing a decrease of €2.9 million, or 19.3%. The decrease was due to the negative EBITDA contribution from SOS and operational inefficiencies in connection with the consolidation of our warehouses into the centralized logistics center in Poing.

Net loss for the period

A net loss for the period was recorded primarily due to the effects of amortization of intangible assets related to the purchase price allocation in connection with our acquisition by Ardian as well as for the other reasons explained above. Net loss for the period amounted to €21.6 million for the nine months ended September 30, 2015 compared to €26.0 million for the nine months ended September 30, 2016, representing an increase of €4.4 million, or 20.4%. The change was primarily due to personnel expenses and other operating expenses having increased from the nine months September 30, 2015 to the nine months ended September 30, 2016.

Comparison of the Year ended December 31, 2015 with the Year ended December 31, 2014

The following table sets forth our results of operations for the year ended December 31, 2015 and 2014 and:

	For the year ended December 31,		
	2014	2015	Change in %
		(€ million)	
Revenue	256.7	304.3	18.5
Other operating income	0.8	1.0	25.0
Cost of materials	(134.6)	(154.2)	14.6
Personnel expenses	(40.5)	(46.8)	15.6
Amortization, depreciation and write-downs	(36.8)	(38.0)	3.3
Other operating expenses	(47.7)	(63.9)	34.0
Other interest and similar income	0.0	0.0	—
Interest and similar expenses	(18.0)	(16.3)	(9.4)
Financial result	**(18.0)**	**(16.3)**	**(9.4)**
Result from ordinary activities	**(20.1)**	**(13.9)**	**(30.8)**
Income taxes	0.8	(0.2)	—
Net loss for the year	**(19.3)**	**(14.1)**	**(26.9)**

Revenue

Our revenue increased by €47.6 million, or 18.5%, from €256.7 million for the year ended December 31, 2014 to €304.3 million for the year ended December 31, 2015. The increase was primarily due to further growth in our online active customer base, particularly in Germany, which accounted for a majority of the increase in revenue. To a lesser extent, it was also driven by increases in revenue in Austria, Sweden, Switzerland and the United Kingdom. Furthermore, the increase was partly attributable to the first full-year contribution of revenue from the new store in Vienna, which opened in November 2014 and managed to quadruple its active customer base from the end of 2014 to the end of 2015, as well as the increase in the membership in our Munich stores, largely coming from our corporate memberships. We also started our second season-only memberships in late 2015.

The increase was offset, in part, by a decrease in offline revenue in Germany due to a lower number of tourists visiting the Munich offline stores as well as a shift of multi-channel customers to online.

Our online revenue increased by €40.5 million, or 27.3%, from €148.2 million for the year ended December 31, 2014 to €188.7 million for the year ended December 31, 2015. Our offline revenue increased by €7.1 million, or 6.5%, from €108.5 million for the year ended December 31, 2014 to €115.6 million for the year ended December 31, 2015.

For the year ended December 31, 2015, €277.8 million, or 91.3% of our revenue, was generated in Germany compared to €244.4 million, or 95.2% of our revenue for the year ended December 31, 2014.

Other operating income

Other operating income increased by €0.2 million, or 25.0%, from €0.8 million for the year ended December 31, 2014 to €1.0 million for the year ended December 31, 2015. The increase was primarily due to a variety of other operating income sources, including the release of small provisions for merchandise returns and outstanding invoices.

Cost of materials

Cost of materials increased by €19.6 million, or 14.6%, from €134.6 million for the year ended December 31, 2014 to €154.2 million for the year ended December 31, 2015. The increase was broadly in line with our increase in revenue. Cost of materials as a percentage of revenue improved in the year ended December 31, 2015 by 1.7 percentage points compared to the year ended December 31, 2014, primarily as a result of lower discounts on sold merchandise compared to 2014, when we experienced a mild winter.

Personnel expenses

Personnel expenses increased by €6.3 million, or 15.6%, from €40.5 million for the year ended December 31, 2014 to €46.8 million for the year ended December 31, 2015. The increase was primarily due to an increase in headcount, including the addition of new senior management personnel (such as a Managing Director for BestSecret and a Chief Technology Officer), higher incentives in the form of management bonuses and other bonus payments, an increase in administrative staff to support the expanding business and highly-skilled IT staff in connection with the launch of our near-shore IT lab in Granada, Spain, at the end of 2015. The increase was also partly attributable to an increase in sales staff for the Vienna store. As a percentage of revenue, personnel expenses decreased from 15.8% for the year ended December 31, 2014 to 15.4% for the year ended December 31, 2015 due to the increase in revenue and scalability and despite the increases in headcount described above.

Amortization, depreciation and write-downs

Amortization, depreciation and write-downs increased by €1.2 million, or 3.3%, from €36.8 million for the year ended December 31, 2014 to €38.0 million for the year ended December 31, 2015. The increase was primarily due to expansion investments in our online business as well as capitalized leasehold improvements in the new store in Vienna. Amortization, depreciation and write-downs in the year ended December 31, 2015 also related to amortization of hidden reserves recognized in connection with the acquisition accounting for the 2012 acquisition by Ardian (brand, customer base and goodwill) of €32.8 million.

Other operating expenses

Other operating expenses increased by €16.2 million, or 34.0%, from €47.7 million for the year ended December 31, 2014 to €63.9 million for the year ended December 31, 2015. The increase was primarily due to an increase in selling expenses, administrative expenses and rent and service charges. Selling expenses, and mainly the cost of freight/postage/packaging, increased by €3.1 million, or 29.5%, from €10.5 million for the year ended December 31, 2014 to €13.6 million for the year ended December 31, 2015 mainly driven by the top-line growth in the online business. Administrative expenses, which increased by €7.9 million, or 43.9%, from €18.0 million for the year ended December 31, 2014 to €25.9

million for the year ended December 31, 2015, rose mainly due to higher legal and consulting fees, personnel-related costs for contract workers in logistics and IT as well as expenses related to consultants in connection with the improvement of our financial reporting system. Rent and service charges increased by €1.6 million, or 16.7%, from €9.6 million for the year ended December 31, 2014 to €11.2 million for the year ended December 31, 2015. The higher rent expenses were attributable to the full-year effect of the new store in Vienna as well as, to a smaller extent, payment of double rent for several months in connection with the consolidation of our warehouses into the centralized logistics center in Poing.

Interest and similar expenses

Interest and similar expenses decreased by €1.7 million, or 9.4%, from €18.0 million for the year ended December 31, 2014 to €16.3 million for the year ended December 31, 2015. The decrease was primarily due to the refinancing of shareholder loans through bank financing in June 2015 with lower interest rates.

Income taxes

Income taxes changed by €1.0 million from €0.8 million (income) for the year ended December 31, 2014 to €0.2 million (expenses) for the year ended December 31, 2015. This change was primarily due to an increase in taxable income and the establishment of provisions for tax audits for the years 2009 to 2013.

EBITDA

EBITDA amounted to €34.7 million for the year ended December 31, 2014 and €40.4 million for the year ended December 31, 2015, representing an improvement of €5.7 million, or 16.4%. The increase was primarily due to the significant increase in revenue and, in turn, a higher gross profit.

Net loss for the year

A net loss for the year was recorded primarily due to the effects of amortization of intangible assets related to the purchase price allocation in connection with our acquisition by Ardian as well as for the other reasons explained above. Net loss for the year amounted to €19.3 million for the year ended December 31, 2014 and €14.1 million for the year ended December 31, 2015, representing an improvement of €5.2 million, or 26.9% due to the significant increase in revenue and, in turn, an improved result from ordinary activities.

Comparison of the Year ended December 31, 2014 with the Year ended December 31, 2013

The following table sets forth our results of operations for the years ended December 31, 2014 and 2013:

	For the year ended December 31,		
	2013	2014	Change in %
		(€ million)	
Revenue	227.6	256.7	12.8
Other operating income	1.4	0.8	(42.9)
Cost of materials	(110.7)	(134.6)	21.6
Personnel expenses	(39.1)	(40.5)	3.6
Amortization, depreciation and write-downs	(36.1)	(36.8)	1.9
Other operating expenses	(41.7)	(47.7)	14.4
Other interest and similar income	0.2	0.0	(100.0)
Interest and similar expenses	(17.8)	(18.0)	1.1
Financial result	**(17.7)**	**(18.0)**	**1.7**
Result from ordinary activities	**(16.4)**	**(20.1)**	**22.6**
Income taxes	1.9	0.8	(57.9)
Net loss for the year	**(14.5)**	**(19.3)**	**(33.1)**

Revenue

Our revenue increased by €29.1 million, or 12.8%, from €227.6 million for the year ended December 31, 2013 to €256.7 million for the year ended December 31, 2014. The increase was primarily due to the growing online active customer base in Germany, with a small portion of the increase related to Austria and the United Kingdom, as well as the contribution of revenue from the new store in Vienna. We also increased the membership in our Munich stores, largely coming from our corporate memberships. The increase was offset, to a small extent, by a slight decrease in revenue generated by our offline active customer base, due to mild weather conditions in the fourth quarter of 2014 and, in turn, earlier and higher discounts on merchandise as well as a decline in the number of tourists visiting our offline stores in Munich.

Our online revenue increased by €33.8 million, or 29.5%, from €114.4 million for the year ended December 31, 2013 to €148.2 million for the year ended December 31, 2014. Our offline revenue decreased by €4.7 million, or 4.2%, from €113.2 million for the year ended December 31, 2013 to €108.5 million for the year ended December 31, 2014.

For the year ended December 31, 2014, €244.4 million, or 95.2%, of revenue was generated in Germany compared to €217.4 million, or 95.5%, of our revenue, for the year ended December 31, 2013.

Other operating income

Other operating income decreased by €0.6 million, or 42.9%, from €1.4 million for the year ended December 31, 2013 to €0.8 million for the year ended December 31, 2014. The decrease was primarily due to small decreases in a number of other operating income sources, including the release of provisions.

Cost of materials

Cost of materials increased by €23.9 million, or 21.6%, from €110.7 million for the year ended December 31, 2013 to €134.6 million for the year ended December 31, 2014. Cost of materials as a percentage of revenue rose disproportionately from 48.6% for the year ended December 31, 2013 to 52.4% for the year ended December 31, 2014 due primarily to the earlier and higher discounts on merchandise in response to the mild weather in the fourth quarter of 2014 and the increase in the change in inventory allowance compared to 2013.

Personnel expenses

Our personnel expenses increased by €1.4 million, or 3.6%, from €39.1 million for the year ended December 31, 2013 to €40.5 million for the year ended December 31, 2014. The increase was primarily due to an increase in headcount related to the buildup of certain internal functions as well as the new store opening in Vienna. The personnel expense ratio (personnel expenses as a percentage of revenue), however, decreased by 1.4 percentage points from the year ended December 31, 2013 to the year ended December 31, 2014 due to the larger increase in revenues relative to the small increase in personnel expenses.

Amortization, depreciation and write-downs

Amortization, depreciation and write-downs increased by €0.7 million, or 1.9%, from €36.1 million for the year ended December 31, 2013 to €36.8 million for the year ended December 31, 2014. The increase was primarily due to the formation of S&B Wien in 2014. Amortization, depreciation and write-downs in the year ended December 31, 2014 also related to amortization of hidden reserves recognized in connection with the acquisition accounting for the 2012 acquisition by Ardian (brand, customer base and goodwill) of €32.8 million.

Other operating expenses

Other operating expenses increased by €6.0 million, or 14.4%, from €41.7 million for the year ended December 31, 2013 to €47.7 million for the year ended December 31, 2014. The increase was primarily

due to an increase in selling expenses, administrative expenses and marketing costs. Selling expenses, mainly the cost of freight/postage/packaging, increased by €1.9 million, or 22.1%, from €8.6 million for the year ended December 31, 2013 to €10.5 million for the year ended December 31, 2014, due to the increase in revenue. Administrative expenses increased by €2.9 million, or 19.2%, from €15.1 million for the year ended December 31, 2013 to €18.0 million for the year ended December 31, 2014 due primarily to costs incurred for personnel recruitment, training, legal counsel and business consulting. Advertising costs increased by €0.9 million, or 37.5%, from €2.4 million for the year ended December 31, 2013 to €3.3 million for the year ended December 31, 2014 related to direct customer communication and online marketing.

Interest and similar expenses

Interest and similar expenses increased by €0.2 million, or 1.1%, from €17.8 million for the year ended December 31, 2013 to €18.0 million for the year ended December 31, 2014.

Income taxes

Income taxes (income) decreased by €1.1 million, or 57.9%, from €1.9 million for the year ended December 31, 2013 to €0.8 million for the year ended December 31, 2014. The decrease was primarily due to the recognition of provisions for tax audits with respect to the years 2009 to 2013 in the year ended December 31, 2014.

EBITDA

EBITDA was €37.3 million for the year ended December 31, 2013 and €34.7 million for the year ended December 31, 2014, representing a decrease of €2.6 million, or 7.0%, for the year ended December 31, 2014 as compared to the year ended December 31, 2013. The decrease was primarily due to the increase in cost of materials relative to the growth in revenue and the increase in other operating expenses, which resulted in a higher net loss for the year.

Net loss for the year

A net loss for the year was recorded primarily due to the effects of amortization of intangible assets related to the purchase price allocation in connection with our acquisition by Ardian as well as for the other reasons explained above. Net loss for the year was €14.5 million for the year ended December 31, 2013 and €19.3 million for the year ended December 31, 2014, representing an increase in net loss of €4.8 million, or 33.1%, for the year ended December 31, 2014 as compared to the year ended December 31, 2013. The increase in net loss was primarily due to a lower result from ordinary activities, which was largely driven by an increase in cost of materials and other operating expenses relative to a smaller increase in revenue.

Liquidity and Capital Resources

Our main sources of liquidity are our cash flow from operating activities and long-term financing from banks (following the issuance of the Notes and the repayment of the Existing Credit Facility, our indebtedness will consist of the Notes and the Revolving Credit Facility).

Our business model is focused on ensuring adequate liquidity to allow for flexibility with regard to the purchase of merchandise, including opportunistic mixed lot purchases. Given our positive liquidity situation, we are able to procure merchandise through our operating cash generation, providing us with flexibility which we believe particularly appeals to suppliers.

Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in the section titled "*Risk Factors.*"

Although we believe that our expected cash flows from operating activities, together with available borrowings under the Revolving Credit Facility, will be adequate to meet our anticipated liquidity and

debt service needs, we cannot assure you that our business will generate sufficient cash flows from operating activities or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs. See "*Risk Factors—Risks Related to our Financial Profile—We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to meet our obligations under our indebtedness, which may not be successful.*"

Cash Flows

The following table sets forth the principal components of our cash flows for the years ended December 31, 2015, 2014 and 2013 and the nine months ended September 30, 2016 and 2015.

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2013	2014[1]	2015	2015	2016
		(in € million)		(unaudited)	
Cash flow from operating activities	4.4	24.9	31.7	4.9	7.0
Cash flow from investing activities	(7.1)	(14.4)	(21.1)	(18.1)	(12.6)
Cash flow from financing activities	7.9	(2.1)	(9.0)	(7.2)	(19.3)
Change in cash and cash equivalents	5.2	8.4	1.6	(20.3)	(24.8)
Cash and cash equivalents at the end of the period	**26.9**	**35.3**	**36.9**	**15.0**	**12.1**

(1) Due to the first-time application of GAS 21 "Cash Flow Statements", in the 2015 Audited Consolidated Financial Statements, interest result, which was previously included in cash flow from financing activities, is presented therein in cash flow from operating activities. Pursuant to GAS 21, income tax expense/income and income tax payments are also presented as a separate line item under cash flow from operating activities. In the 2014 Audited Consolidated Financial Statements, these amounts were presented as an increase in provisions, other non-cash expenses and income and increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities. Financial data shown in this table for the year ended December 31, 2014 are taken from the comparative financial information included in the consolidated cash flow statement in the 2015 Audited Consolidated Financial Statements and, therefore, deviate from the respective financial information presented in the 2014 Audited Consolidated Financial Statements. Such comparative financial information included in the 2015 Audited Consolidated Financial Statements is used for the discussion of the cash flows for the fiscal years 2014 versus 2015 below, whereas the financial information included in the respective 2014 and 2013 Audited Consolidated Financial Statements are used in the discussion of the cash flows for the fiscal years 2013 versus 2014 for comparability reasons.

Cash flow from operating activities

Cash flow from operating activities increased by €2.1 million from €4.9 million for the nine months ended September 30, 2015 to €7.0 million for the nine months ended September 30, 2016. The increase in cash flow from operating activities was primarily due to an increase of €7.2 million in trade payables and other liabilities that cannot be allocated to investing or financing activities from €2.9 million for the nine months ended September 30, 2015 to €10.1 million for the nine months ended September 30, 2016. The increase was primarily offset by a lower interest result and a higher increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities in the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015.

Cash flow from operating activities increased by €6.8 million from €24.9 million for the year ended December 31, 2014 to €31.7 million for the year ended December 31, 2015. The increase in operating activities was primarily due to the lower net loss for the period and was partly off-set by a decrease in trade payables and other liabilities.

Cash flow from operating activities increased by €2.5 million from €4.4 million for the year ended December 31, 2013 to €6.9 million for the year ended December 31, 2014. The increase in cash flow from operating activities was primarily due to an increase of €2.2 million in trade payables and other liabilities that cannot be allocated to investing or financing activities.

Cash flow from investing activities

Cash flow used in investing activities decreased by €5.5 million from €18.1 million for the nine months ended September 30, 2015 to €12.6 million for the nine months ended September 30, 2016. The decrease in cash flow used in investing activities was primarily due to the €9.8 million decrease in cash paid for investments in property, plant and equipment, from €15.1 million for the nine months ended September 30, 2015 to €5.3 million for the nine months ended September 30, 2016, and €2.7 million cash equivalent assumed in connection with the SOS acquisition (which €2.7 million was used to pay expenses owing to the SOS sellers during the period), which was partly offset by the increase in cash paid for additions to the basis of consolidation in connection with the acquisition of SOS (€8.0 million).

Cash flow used in investing activities increased by €6.7 million from €14.4 million for the year ended December 31, 2014 to €21.1 million for the year ended December 31, 2015. The increase in cash flow used in investing activities was primarily due to cash paid for investments made in property, plant and equipment in connection with the setup and installations of the centralized logistics center in Poing and, to a lesser extent, to cash paid for investments in intangible assets for the online shop. Cash paid for investments in property, plant and equipment increased by €6.0 million, from €11.8 million for the year ended December 31, 2014 to €17.8 million for the year ended December 31, 2015.

Cash flow used in investing activities increased by €7.4 million from €7.1 million for the year ended December 31, 2013 to €14.5 million for the year ended December 31, 2014. The increase in cash flow used in investing activities was primarily due to the €7.1 million increase in cash paid for investments in property, plant and equipment from €4.7 million for the year ended December 31, 2013 to €11.8 million for the year ended December 31, 2014, which related primarily to the setup and installations of the centralized logistics center in Poing location.

Cash flow from financing activities

Cash flow used in financing activities increased by €12.1 million from €7.2 million for the nine months ended September 30, 2015 to €19.3 million for the nine months ended September 30, 2016. The increase in cash flow used in financing activities was primarily due to the decrease of €89.6 million in cash received from loans, from €93.0 million for the nine months ended September 30, 2015 to €3.4 million for the nine months ended September 30, 2016 and to the partly compensating decrease of €78.8 million in cash repayments of loans, from €96.4 million for the nine months ended September 30, 2015 to €17.6 million for the nine months ended September 30, 2016, in connection with the refinancing of our shareholder loans in June 2015.

Cash flow used in financing activities increased by €6.9 million from €2.1 million for the year ended December 31, 2014 to €9.0 million for the year ended December 31, 2015. The increase in cash flow used in financing activities was, among other things, due to an increase in interest paid in connection with the refinancing of a shareholder loan in June 2015 through bank financing. Furthermore, cash repayments of liabilities to shareholders (including accrued interest) increased by €91.5 million for the year ended December 31, 2015, but which were offset, in part, by an increase of cash received from loans in the amount of €85.0 million.

Cash flow from financing activities increased by €8.1 million from €7.9 million for the year ended December 31, 2013 to €16.0 million for the year ended December 31, 2014. The increase in cash flow from financing activities was primarily due to the €8.0 million increase in cash received from loans, which related to an increase of bank liabilities.

Capital Expenditure

We calculate Capital Expenditure as the sum of additions to intangible assets and property, plant and equipment as shown in the table below for the periods indicated.

	For the year ended December 31,			For the nine months ended September 30,
	2013	2014	2015	2016
		(in € million)		(unaudited)
Additions to intangible assets	2.4	2.7	3.6	2.1
Additions to property, plant and equipment	4.7	11.9	17.8	5.3
Capital Expenditure	**7.1**	**14.6**	**21.4**	**7.4**

Our Capital Expenditure in the periods under review primarily related to our centralized warehouse and logistics center and warehouse in Poing, the store opening in Vienna as well as IT and certain maintenance costs. IT capital expenditures mainly include ongoing investments in mostly self-developed software, our e-commerce portal and website and mobile apps as well as in further innovation, *e.g.*, SecretClub. Maintenance capital expenditures related primarily to expenses for replacement fixtures, furniture and equipment in our stores, with maintenance capital expenditures being exceptionally high in 2013 due to our investment in a new pocket sorter (a machine that can transport both hanging and flat-packed goods in a single system) and store refurbishments. The table below presents our expansion and other (including maintenance) capital expenditures for the periods presented:

	For the year ended December 31,			For the nine months ended September 30,
	2013	2014	2015	2016
		(in € million)		(unaudited)
Capital Expenditure	**7.1**	**14.6**	**21.4**	**7.4**
thereof new warehouse and logistics center	—	7.2	16.0	3.0
thereof new store opening	—	3.0	0.8	0.1
thereof IT capital expenditure	2.4	2.7	3.6	2.1
thereof other (including maintenance) capital expenditure	4.7	1.7	1.0	2.2

Our Capital Expenditure for the nine months ended September 30, 2016 amounted to €7.4 million and related primarily to the final payment for the centralized logistics center and warehouse, IT improvements and various maintenance costs.

Our Capital Expenditure increased by €6.8 million, from €14.6 million for the year ended December 31, 2014 to €21.4 million for the year ended December 31, 2015. A significant majority of the Capital Expenditure during 2015 related to the initial setup and expansion of the centralized logistics center and warehouse in Poing. Much of the remaining Capital Expenditure related to ongoing investments in IT.

Our Capital Expenditure increased by €7.5 million, from €7.1 million for the year ended December 31, 2013 to €14.6 million for the year ended December 31, 2014. The increase was primarily due to expenses for the initial setup and expansion of the centralized logistics center in Poing and, to a lesser extent, capital expenditure for building fixtures, furniture and equipment for the new store in Vienna, which began operations at the end of November 2014, and investments in IT to improve the internal capabilities of the S&B Group.

Our Capital Expenditure for the three months ending December 31, 2016 is expected to amount to €2.9 million. Our budgeted capital expenditure for 2017 is €6.4 million, excluding any potential capital expenditure for new store openings.

Net Working Capital

We calculate Net Working Capital as the sum of inventories and receivables and other assets excluding tax receivables less other provisions, prepayments received on account of orders, trade payables and other liabilities excluding liabilities for taxes. The following table presents our Net Working Capital as of the dates indicated:

	As of December 31,			As of September 30,
	2013	2014	2015	2016
		(in € million)		(unaudited)
Inventories	60.9	68.7	71.1	93.1
Receivables and other assets excluding tax receivables[1]	1.3	1.5	2.8	5.9
Other provisions	(5.1)	(5.7)	(9.2)	(11.9)
Prepayments received on account of orders	(1.2)	(1.9)	(1.4)	(1.4)
Trade payables	(8.8)	(8.8)	(9.3)	(21.0)
Other liabilities excluding liabilities for taxes[2]	(2.8)	(3.6)	(1.2)	(2.5)
Net working capital	**44.3**	**50.2**	**52.8**	**62.2**

(1) Receivables and other assets amounting to €6.7 million, €3.9 million, €4.4 million and €8.9 million as of December 31, 2015, 2014 and 2013 as well as €8.9 million as of September 30, 2016, respectively, excluding corporate tax credit (*Körperschaftsteuerguthaben*), input tax (*Vorsteuer*), trade tax credit (*Gewerbesteuerguthaben*), corporate tax overpayment (*Körperschaftsteuerüberzahlung*) in a total amount of €3.9 million, €2.4 million and €3.1 million as of December 31, 2015, 2014 and 2013 as well as €3.0 million as of September 30, 2016, respectively.

(2) Other liabilities amounting to €3.8 million, €4.9 million and €3.5 million as of December 31, 2015, 2014 and 2013, respectively, as well as €6.0 million as of September 30, 2016, excluding liabilities for taxes as shown in other liabilities in our consolidated balance sheet in a total amount of €2.6 million, €1.3 million, €0.7 million and €3.5 million as of December 31, 2015, 2014 and 2013 and September 30, 2016, respectively.

Net Working Capital increased by €9.4 million, from €52.8 million as of December 31, 2015 to €62.2 million as of September 30, 2016, due primarily to an increase in inventories from €71.1 million as of December 31, 2015 to €93.1 million as of September 30, 2016 and as a result of the growth of our business operations and our seasonal buildup of inventories prior to the Christmas shopping season. This was partly offset by a corresponding increase in trade payables.

Net Working Capital increased by €2.6 million, from €50.2 million as of December 31, 2014 to €52.8 million as of December 31, 2015, due primarily to an increase in inventories as a result of our operating growth. The increase was also attributable to an increase in receivables and other assets. The increase was offset, in part, by an increase in other provisions from €5.7 million as of December 31, 2014 to €9.2 million as of December 31, 2015 and which mainly related to an increase in provisions for customer returns to address the increase in merchandise volumes sold.

Net Working Capital increased by €5.9 million, from €44.3 million as of December 31, 2013 to €50.2 million as of December 31, 2014, due primarily to an increase in inventories in connection with the mild winter and several opportunistic lot purchases of merchandise. This was partly offset by an increase in other liabilities excluding liabilities for taxes, which increased from €2.8 million as of December 31, 2013 to €3.6 million as of December 31, 2014 and mainly related to liabilities for customer returned goods that have not been reimbursed yet.

Maturity of Liabilities

Historical

As of September 30, 2016, the maturity of our liabilities was as shown in the table below:

	Liabilities			
	Total	**< 1 Year**	**2 to 5 Years**	**> 5 Years**
		(in € million) (unaudited)		
Liabilities to banks	168.1	10.0	158.1	—
Prepayments received on account of orders	1.4	1.4	—	—
Trade payables	21.0	21.1	—	—
Liabilities to shareholders	75.4	—	—	75.4
Other liabilities	6.0	6.0	—	—
Total	**271.8**	**38.3**	**158.1**	**75.4**

Certain indebtedness after giving effect to the Offering

As of September 30, 2016, on an unaudited basis after giving effect to the Transactions, our financing arrangements would have been as follows:

	Due within one year	**Due between one year and five years**	**Due after five years**
		(in € million) (unaudited)	
Notes offered hereby[1]	—	—	260.0
Revolving Credit Facility[2]	—	—	—
Total	**—**	**—**	**260.0**

(1) Reflects the gross proceeds from the issuance of the Notes.

(2) The Revolving Credit Facility will provide for up to €35.0 million of senior secured credit borrowings. Pursuant to the terms of the Revolving Credit Facility Agreement, the Issuer may request to incur additional facilities under the Revolving Credit Facility Agreement in amounts up to €15.0 million.

Other Financial Obligations and Contingent Liabilities

As of September 30, 2016, we had obligations under long-term rental and lease agreements in an amount of €80.0 million. Such obligations mainly related to our sites and our warehouse and logistics center in Poing. In addition, as of the same date, we had contingent liabilities from a letter of indemnity of up to a maximum of €25 thousand. This letter relates to a lease agreement for rental space in Metzingen, Germany.

Hedging Arrangements

Effective September 30, 2015, we entered into two new interest rate swaps to replace the then existing interest rate swaps and secure 50% of the outstanding amounts under the Existing Credit Facility. In connection with the repayment of all outstanding amounts under the Existing Credit Facility with the proceeds from the Notes, we will terminate these interest rate swaps. The costs related to the termination of these swaps is expected to be insignificant.

Qualitative and Quantitative Disclosures on Market Risk

We are exposed to a number of market risks arising from our normal business activities.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Prior to the offering of the Notes, our exposure to the risk of changes in market interest rates related primarily to our long-term financial liabilities with floating interest rates under the Existing Credit Facility.

Following completion of the offering of the Notes, our exposure to interest rate fluctuations will relate to drawings under the Revolving Credit Facility as amounts drawn under the Revolving Credit Facility will bear interest at a floating rate. Following the offering of the Notes, we may evaluate the necessity of future interest hedging.

Credit risk

Credit risk arises mainly on trade receivables and bank balances. In view of our broad customer base, the impact of credit risk on trade accounts receivable is low.

Currency risk

Given that a portion of our procurement of merchandise is conducted in U.S. dollars, we are exposed to the risk that the euro may depreciate against the U.S. dollar, resulting in higher procurement prices for such merchandise. We expect we would be able to pass on at least a portion of such increased procurement prices to customers. As a result, our exposure to currency risks from operating activities is limited.

Significant Accounting Policies

In preparing our consolidated financial statements, assumptions and estimates have been made which affect the amounts and presentation of the assets and liabilities recognized in the statement of financial position, income and expenses, and contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of our assets and liabilities in future periods.

By "significant," we mean that the following accounting policies are both important to the portrayal of our financial condition and results and require management's subjective judgments, often as a result of the need to estimate the effects of matters that are inherently uncertain. You should note that the preparation of our financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during each reporting period.

All assumptions and estimates are made according to the best of our management's knowledge and belief in order to present a true and fair view of our net assets, financial position and results of operations. Since the actual values may, in individual cases, differ from the assumptions and estimates that were made, these are continuously reviewed. Adjustments to the estimates that are relevant for the financial statements are made in the period in which the change occurs, provided that the change relates only to this period. If the change relates not only to the reporting period but also to subsequent periods, the change is taken into account both in the period of the change and in subsequent periods.

Revenue Recognition

Revenue is recognized when goods have been shipped. Packaging and freight costs, including for merchandise returns, are recorded in other operating expenses. Pursuant to the Accounting Directive Implementation Act (*Bilanzrichtlinie-Umsetzungsgesetz, "BilRUG"*) which entered into force on July 23, 2015, the definition of revenue for years beginning after the entering into force of the Accounting Directive Implementation Act has changed. Since January 1, 2016, income derived from the sale, rental or lease of products and/or the provision of services is recorded as revenue and not as other operating income.

Valuation of Inventories

Inventories are subject to a physical inventory count and recorded in a list. They are valued at acquisition cost plus ancillary acquisition costs less age-related deductions (customary seasonal write-downs for goods over time) of 20% to 90%, taking into account the lower of acquisition cost or market price. Our gross inventory as of December 31, 2013, 2014, 2015 and as of September 30, 2015 and 2016 was €79.4 million, €90.3 million, €92.9 million, €111.4 million and €123.5 million, respectively.

Provisions

Provisions are recognized at their settlement value for taxes yet to be assessed as well as for uncertain liabilities, taking into account all recognizable risks. The provision for take-back obligations relates to the customer's 14-day right of return. Revenue recognition is thus adjusted by recognizing an appropriate provision in the amount of the expected returns. Provisions are recognized using the net method and reported under other operating expenses.

Deferred Taxes

To determine deferred taxes arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the company-specific tax rates at the time they reverse; the amounts of any resulting tax charge and benefit are not discounted. Differences due to consolidation procedures in accordance with Sections 300 to 307 of the German Commercial Code (HGB) are taken into account; differences arising on the first-time recognition of goodwill or a negative consolidation difference are not included. Where tax loss carryforwards acquired in connection with the acquisition of subsidiaries are expected to be offset within the next five years, the option of recognizing deferred tax assets with no effect on net income until the end of the adjustment period as defined by Section 301 (2) Sentence 2 of the German Commercial Code (HGB) in the process of purchase price allocation was exercised. Deferred tax assets and liabilities are not offset.

Intangible assets including goodwill

As of September 30, 2016, we had intangible assets (including goodwill) amounting to €159.3 million.

The following intangible assets are amortized on a straight-line basis and *pro rata temporis* over their customary useful lives: the brands Schustermann & Borenstein (useful life: 20 years) and BestSecret.com (useful life: 15 years) and the customer bases for our offline business (useful life: 12 years) and our online business (useful life: 8 years). Other purchased intangible assets are recognized at acquisition cost less amortization charged *pro rata temporis* using the straight-line method (useful life of between three and seven years).

Goodwill determined in the purchase price allocation is amortized using the straight-line method over five years.

Summary of Significant Differences between German GAAP and IFRS

Our Consolidated Financial Statements included elsewhere in this Offering Memorandum have been prepared on the basis of German GAAP, which differ in certain respects from IFRS. The following paragraphs summarize certain significant differences between German GAAP and IFRS as of December 31, 2015.

The organizations that promulgate IFRS have ongoing projects that could have a significant impact on future comparisons of German GAAP and IFRS. This description is not intended to provide a comprehensive analysis of all such differences specifically related to us or the industry in which we operate. IFRS are generally more restrictive and more comprehensive than German GAAP regarding recognition and measurement of transactions, account classification and presentation and disclosure requirements. We have not attempted to identify all disclosure, presentation or classification differences

that would affect the manner in which transactions and events are presented in the Audited Consolidated Financial Statements or the notes thereto included elsewhere in this Offering Memorandum.

We have not prepared consolidated financial statements in accordance with IFRS. Accordingly, we cannot assure you that the differences described below would, in fact, be the accounting principles creating the greatest material differences between our consolidated financial statements prepared under German GAAP and under IFRS. In addition, we cannot estimate the net effect that applying IFRS would have on our results of operations or our financial position, or any part of them, in any of the presentations of financial information in this Offering Memorandum.

Financial Statement Presentation

Under IFRS, the presentation of the balance sheet is based on a current/non-current distinction of assets and liabilities. IFRS requires the presentation of assets and liabilities in order of liquidity only when a liquidity presentation provides information that is reliable and is more relevant than a current/non-current presentation. Under German GAAP, the presentation of the balance sheet is based on the liquidity of the assets and liabilities. This results, for example, in the different presentation of financial assets and liabilities and deferred taxes in the statement of financial position under IFRS and German GAAP.

Unlike IFRS, German GAAP does not require the presentation of the statement of comprehensive income, and it is common (but not required) that the income statement under German GAAP will be prepared using the "nature of expense" method and not the "cost of sales" method, which is generally used under IFRS financial statements. In addition, the disclosures required in the explanatory notes to the financial statements are far more extensive under IFRS than under German GAAP.

Under German GAAP, until December 31, 2015, presentation of the income statement permitted the disclosure of items as "extraordinary" that are incurred outside ordinary business activities. Under IFRS, disclosure of any items of income or expense as "extraordinary", either in the income statement, other comprehensive income or the notes, is prohibited.

Consolidation Principles

Under IFRS, capital consolidation must follow the acquisition method, with identifiable assets and liabilities being measured at their acquisition-date fair values.

Under German GAAP, capital consolidation was required to be reported using the carrying amount method until 2009. Starting in 2010, the acquisition method and valuation by acquisition-date-fair values was introduced into German GAAP.

Under IFRS, an entity (investor) is required to consolidate another entity (investee) depending on whether it controls the investee. An investor controls an investee when it has power over an investee, is exposed, or has rights to the variable returns from its involvement and, due to his power, can influence the amount of these variable returns. The consolidation conclusions under IFRS do not differ significantly from the German GAAP regulations for the most straightforward entities. However, some differences may arise where there are complex group structures or where specific entities have been established, for example, in connection with:

- entities with a dominant investor without a majority of the voting or similar rights and where the remainder of voting rights belongs to widely-dispersed shareholders (*de facto* control); or
- structured entities (formerly "special purpose entities") for which voting or similar rights are not the dominant means to determine power.

Under German GAAP, an investor is required to consolidate the investee if an investor holds the majority of voting rights, enjoys the right to appoint or dismiss the majority of the management and supervisory board members, enjoys the right to exercise a controlling influence on financial and

operating policies or, in substance, obtains the majority of risks and rewards of an investee that has a narrow, well-defined purpose ("special purpose entity").

Business Combination

Under IFRS 3, acquisition related costs (transaction costs) that are incurred to effect a business combination are accounted as expenses in the periods in which the costs are incurred and the services are received.

Acquisition-related costs are not part of the consideration transferred to the seller in return for the business; they are not part of the fair value of the acquired business; and they do not represent an asset of the acquirer. Acquisition-related costs represent services that have been rendered to and consumed by the acquirer. As such, IFRS 3 states that they are accounted for as an expense when the acquirer consumes the related service.

Under German GAAP, certain costs which have been incurred after the decision to acquire an entity qualify for capitalization and form part of the acquisition cost (e.g., due diligence costs, consultancy costs for valuation reports). All expenses incurred prior to the decision making have to be expensed as incurred.

Costs related to the issuance of financial liabilities are expensed as incurred. Optionally, interest-like expenses are capitalized and amortized over the term of the debt.

For purchase price allocation, all identifiable assets, liabilities, and contingent liabilities of the subsidiaries are reflected at their fair value regardless of the level of minority share. Under IFRS 3, goodwill acquired in a business combination, must be allocated to a cash generating unit (CGU) or group(s) of CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Under German GAAP, goodwill is allocated to the respective business unit to which it refers.

Under IFRS, goodwill is not amortized but tested for impairment annually and if there is an indication that goodwill may be impaired.

The recoverable amount of the CGU is compared with its carrying amount. Recoverable amount is defined as the higher of an asset's fair value less costs of disposal and its value in use. If the recoverable amount of an asset or CGU is less than its carrying amount, an entity should reduce the carrying amount to the recoverable amount. The reduction is an impairment loss. For assets carried on the depreciated historical cost basis, the impairment loss should be recognized in profit or loss immediately. For assets that are carried at revalued amounts, an impairment loss is treated as a revaluation decrease. The loss is first set against any revaluation surplus relating to the asset in other comprehensive income to the extent of the surplus and the remaining balance of the loss (if any) is then treated as an expense in profit or loss.

German GAAP requires goodwill to be amortized over its economic life. Goodwill should be reviewed for impairment and its remaining useful life once a year. Goodwill is impaired if its carrying amount exceeds its fair value.

Property, plant and equipment

Under IFRS, the recorded acquisition cost of property, plant and equipment includes appropriate dismantling, removal and restoration costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset are capitalized as part of the cost of that asset. Overhead costs, such as general and administrative costs and expenses for social services, voluntary social benefits and company pensions are not part of the production cost. Under IFRS, individual items within property, plant and equipment are frequently composed of different component parts with varying useful lives or consumption patterns. These parts are individually replaced during the useful life of an asset. Under IFRS, each such part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is

recognized and depreciated separately (component approach). Costs of required and regular major inspections are capitalized and depreciated if it is probable that future economic benefits associated with the item will flow to the reporting entity and the cost of the item can be measured reliably. After initial recognition IFRS further offers an option to value items of property, plant and equipment at either the (lower) cost of the item less any accumulated depreciation and impairment or at its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment.

Under German GAAP, property, plant and equipment is initially valued at purchase or production cost and includes general and administrative costs and expenses for social services, voluntary social benefits and company pensions. Capitalization of costs directly attributable to the acquisition, construction or production of a qualifying asset is permitted, but not required (alternative treatment). The component approach is not specifically contemplated by German GAAP rules, but its use for balance sheet purposes is generally permitted. Costs of regular major inspections are recognized in the income statement as incurred. A revaluation model is not permitted. Costs of demolishing or restoring an item of property, plant and equipment do not qualify for capitalization but are required to be reported as provision over the item's useful life. After initial recognition, property, plant and equipment are accounted for at cost less any accumulated depreciation.

Impairment of Assets

Under IFRS, an impairment loss is recognized if the recoverable amount of an asset is less than its carrying amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Under German GAAP, an impairment loss for non-current assets must only be recorded if a permanent impairment in value is anticipated. The concept of cash generating units is not applicable under German GAAP, and the impairment loss is determined on an item-by-item basis. An impairment loss is to be recognized when the carrying amount of an asset exceeds its fair value.

Provisions, Other Liabilities and Contingencies

Some provisions in the financial statements under German GAAP will be required to be reported as other liabilities in accordance with IFRS. Under IFRS, provisions are recognized if an enterprise has a present obligation as a result of a past event, it is probable (*i.e.*, more likely than not to occur) that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. In cases where the outflow of economic resources is expected to occur, an obligation will be reported as a liability.

Under German GAAP, the criteria for the recognition of provisions and contingencies are less detailed and prescriptive than under IFRS. Accordingly, there is greater flexibility under German GAAP to record provisions for onerous contracts and restructuring expenses. In addition, German GAAP estimates are typically made in a more conservative manner. The recognition of a provision with a probability lower than 50% is possible. German GAAP requires the recording of provisions for deferred maintenance that is expected to be performed within three-month after the end of the reporting period, uncertain liabilities and expected losses from executory contracts. Long-term provisions (*i.e.*, with a maturity of more than one year) are discounted using a maturity matched average market interest rate for the preceding seven years as published by the German Central Bank (*Deutsche Bundesbank*).

Initial Recognition and Measurement of Assets and Liabilities; Currency Translation

Under IFRS, initial recognition and subsequent measurement of financial assets and liabilities—if qualified as financial assets and liabilities at fair value through profit and loss—is required at its fair value. Foreign currency receivables and liabilities are measured at fair value.

Under German GAAP, the valuation of inventories is measured at the lower of cost (replacement cost) or net realizable value. Under IFRS, the valuation of inventories is measured at net realizable value.

This means that to the extent the net realizable value is not lower than the market price (replacement cost), the valuation of inventories under German GAAP and IFRS may result in different amounts.

Under German GAAP, current financial assets are required to be recorded at acquisition cost and financial liabilities are required to be recorded at repayment cost. Current receivables and liabilities in foreign currency are measured at fair value. The valuation of non-current currency receivables and liabilities with a maturity more than one year has to be in line with lower of cost or market principle and higher carrying amount at the balance sheet date respectively.

Interest-Bearing Loans and Borrowings; Prepaid Expenses

Under IFRS, all interest-bearing loans and borrowings are initially recorded at the fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are measured at amortized cost using the effective interest method.

Under German GAAP, interest-bearing loans and borrowings are recorded at their repayment amounts. Transaction costs, except for costs to be paid to the finance providers, are expensed as incurred. Only costs equivalent to interest transaction costs paid to finance providers are deferred as prepaid expenses and amortized on a straight-line basis to interest expense.

Leasing

Under IFRS, a lease has to be classified as either an operating lease or a finance lease. A finance lease is a lease that transfers substantially all the risks and benefits incident to ownership of the leased item. For finance leases, the lessee records an asset and an obligation at an amount equal to the lower of the fair value of leased property and the present value of the minimum lease payments. Operating leases are expensed as incurred.

Under German GAAP, accounting for leases is mainly driven by tax regulations, so the lease contracts in Germany typically consider such rules in order to avoid capitalization at the lessee level. These rules differ from the IFRS rules in several respects.

Deferred Taxes

Deferred tax assets (DTA) and deferred tax liabilities (DTL) are income taxes recoverable or payable in future years. They are mainly based on the taxable or deductible temporary differences between the carrying amount of an asset or liability and the respective tax base. Due to the IFRS accounting principles, the carrying amount of an asset or liability can differ from the amount under German GAAP. Accordingly, the respective deferred tax assets and liabilities change as well.

Under German GAAP, net DTL must be recognized in full, while the recognition of net DTA is optional. Unlike German GAAP, IFRS does not provide an option to capitalize net DTA, and, therefore, both net DTA and net DTL must be recognized in the respective period.

Under IFRS, DTA must also be recognized for tax loss carryforwards to the extent that it is probable that future taxable profit will be available. Under German GAAP, the capitalization of DTA for loss carryforward must only be taken into consideration if the tax benefit from the tax loss carryforward can be expected to be recovered within the next five years.

Derivative Financial Instruments and Hedging

Under IFRS, derivative financial instruments are recorded in the consolidated balance sheet at fair value (mark-to-market). Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and reclassified to profit or loss for the period when the forecast transaction being hedged occurs. Under IFRS, the criteria to be met to qualify for hedge accounting are quite strict. This includes stringent documentation requirements.

Under German GAAP, there is more flexibility to include forecast transactions in hedge accounting. Further, there is no need to separately account for fair values of derivative financial instruments that qualify for hedge accounting (net hedge presentation method).

INDUSTRY

Certain of the information set forth in this section has been derived from external sources, including information from the Third Party Study and the Third Party Report. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we believe that these industry publications, surveys and forecasts are reliable, we have not independently verified them and cannot guarantee their accuracy or completeness. Therefore, the following data, especially on market sizes, past growth rates and competitive positions should be viewed with caution, and may differ from market and competitive data contained in other analyses or calculations of competitors. See "Presentation of Industry and Market Data." Additional factors that should be considered in assessing the market and competitive data are described elsewhere in this Offering Memorandum, including in particular in the section entitled "Risk Factors."

We are a members-only, online and offline, off-price fashion retailer primarily focused on selling premium and luxury brands. For the twelve months ended September 30, 2016, we had revenue of €342.4 million and Adjusted EBITDA of €52.4 million. For the same period, 86.6% of our revenue was generated in Germany, 65.7% of our revenue was generated from our online operations and 34.3% generated from our offline operations. While the majority of our stock is sold in Germany, we source a significant majority of our stock from across Europe.

Overview of the European Fashion Market

According to the Third Party Report, the total European fashion market amounted to €792 billion in 2015 and grew by a CAGR of approximately 0.5% since 2010. The market is comprised of the following price segments in 2015: luxury (5%), premium (4%), mid-price (42%), and mass/value (49%). The majority of our merchandise is within the premium and luxury segments and, to a lesser extent, in the mid-price segment.

- *Luxury*: Consists of high-price, high-quality luxury brands such as Valentino, Escada, Tod's and Diane von Furstenberg. According to the Third Party Report, this sub-segment grew at a CAGR of 5.5% between 2010 and 2015, supported by a general consumer trend of trading up to more premium products as well as increasing tourist spending. According to the Third Party Report, this segment is expected to further grow at a CAGR of 3.5% between 2015 and 2020 benefiting from similar consumer dynamics.

- *Premium*: Consists of brands such as Tommy Hilfiger, Lacoste, and MaxMara. This segment is more focused on local consumption compared to the luxury segment and, according to the Third Party Report, has been growing at a CAGR of 2.5% between 2010 and 2015. According to the Third Party Report, this segment is expected to further grow at a CAGR of 3.0% between 2015 and 2020 benefiting from the consumer trend of trading up to higher end products.

- *Mid-Price*: Consists of more affordable fashion brands such as Superdry, Jack Wolfskin, and Adidas. According to the Third Party Report, this segment experienced a 0.2% decline per annum between 2010 and 2015 due to the trend of customer polarization away from mid-priced products and towards the higher and lower end price segments. According to the Third Party Report, this segment is expected to grow at a CAGR of 2.0% between 2015 and 2020.

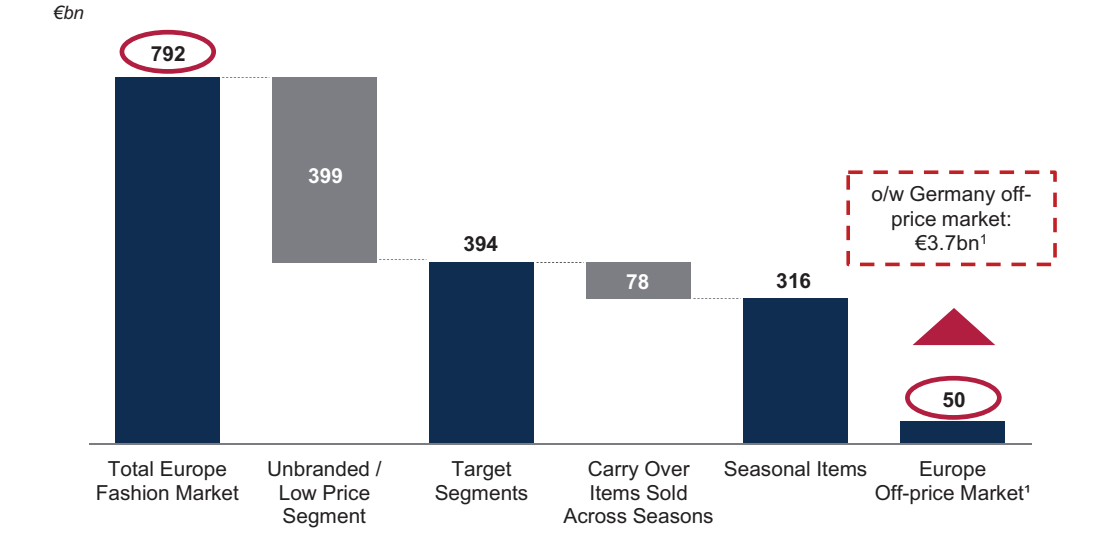
- *Mass/Value*: Consists of generic merchandise focused on value propositions. According to the Third Party Report, this segment grew at a CAGR of 0.9% between 2010 and 2015 and is expected to accelerate to a CAGR of 4.1% between 2015 and 2020 due to customers moving away from the mid-price segment and preferring economic options such as fast fashion.

The Off-price Overstock Market in Europe and Germany

We have a strong focus on the luxury and premium off-price overstock clearance market, a structurally attractive niche within the broader fashion system that excludes unbranded apparel, low price mass market products and carry over "classic" items that full price retailers can continue to sell for multiple

seasons. The fashion ecosystem is structurally predisposed to create overstock driven by collections that customers do not wish to purchase at full price, sizing assortments that create inefficiencies and a shortening fashion cycle that further complicates stock management and sizing of customer demand. We leverage our long-standing relationships to secure the highest quality overstock at attractive prices, and source a significant majority of our overstock from Europe. In 2015, according to the Third Party Report, the fashion industry generated €50 billion of overstock in Europe in the luxury, premium and mid-price segments, of which €3.7 billion were generated in Germany.

Bridge From Total Fashion Market to Off-Price Market in Europe 2015



Source: Third Party Report

Note: The majority of unbranded, carry over and seasonal items are sold at full price.

(1) At reselling prices.

For luxury, premium, and mid-priced stock that remain unsold at full price and after discounting, brands and department stores turn to third parties for efficient overstock clearance, unless they can direct the stock to their own outlet stores. According to the Third Party Study, players in the overstock clearance market can be categorized as follows:

- *Factory outlet centers*: Often used as an internal sales channel for brands, increasingly focused on special make-ups (*i.e.*, fashion lines and collections) and less on overstock clearance. Players in this channel include Zweibrücken The Style Outlets and Wertheim Village. According to the Third Party Study, factory outlets represented approximately 5 to 15% of the total German off-price clearance market in 2015.
- *Online shopping clubs*: These are typically campaign-based without a permanent product assortment (*i.e.* organized flash sales), offering high discount visibility and leaving the inventory risk with brand suppliers. Players in this channel include Zalando Lounge and brands4friends. According to the Third Party Study, online shopping clubs represented 15 to 25% of the German total off-price clearance market, including internal through in-house operated outlets and external through specialized off-price retailers.
- *Online and offline off-price retailers*: These can vary by product assortment, brand protection and price range that they offer. Players in this channel include TKMaxx and Saks Off 5th. We provide differentiated discreet clearance, valued by luxury and premium brand suppliers, via our restrictive members-only business model. According to the Third Party Study, this channel accounted for approximately 40 to 60% of the total German off-price clearance market in 2015.
- *Jobbers*: These generally focus on the lower end of the market by purchasing out-of-style lots, often rebranding and de-labeling the products to be resold at independent outlets. As there is a loss of control over merchandise flow and branding, this channel focuses on the mass/value segment and is usually disregarded by luxury and premium retailers. According to the Third Party

Study, jobbers represent approximately 15 to 25% of the total German off-price clearance market in 2015.

- *Disposal, recycling and charity stores*: This category is considered the last resort and presents the least financially attractive option for a brand supplier. Some luxury brands decide to destroy overstock despite the financial impact in order to keep full control over product flow and brand image.

Supply of Overstock Continues to Outweigh Demand from Clearance Channels, Generating Meaningful Surplus Each Year that is Aggregated Over Time

Due to structural features in the fashion business, the changing trends and challenges in estimating demand for sizes, styles and categories mean that sell-through rates for fashion brands rarely rise above 80%. Despite improvements in demand data analytics and more responsive supply chains, the ever-changing trends and faster collection cycles where the expectation is to "see now, buy now", meaning that overproduction and overstock is expected to continue to recur every season. According to the Third Party Report, the volume of off-price overstock generated in luxury, premium and mid-priced merchandise (supply) in 2015 alone was approximately €50 billion and is expected to grow to approximately €53 billion in 2020.

According to the Third Party Report, off-price external clearance retailers in Europe (excluding outlets) sold approximately €20 billion of luxury, premium and mid-priced overstock in 2015. This is expected to increase by a CAGR of 7.7% to reach €29 billion by 2020, leaving an estimated €24 billion surplus of unsold off-price stock in 2020 alone, according to the Third Party Report. While some fashion retailers may store their remaining stock in their warehouses, leading to overstock accumulation over time, or unload it through jobbers, luxury and premium brands prefer specialist clearance players who can clear large volumes of overstock in an efficient and discreet manner. Therefore, supply is not expected to be a limiting factor to growth in this sector.

Germany is an Underpenetrated Market with Growth Potential in Online and Offline

Online

According to the Third Party Report, the online off-price market in Germany (stock sold to customers) grew from €0.6 billion in 2013 to €0.7 billion in 2015 at a CAGR of approximately 13% and is expected to further grow at a CAGR of approximately 10% to €1.1 billion in 2020. According to the Third Party Report, the expected growth is driven by increasing internet penetration as the number of e-commerce users in Germany is expected to increase from 45.4 million in 2015 to 50.0 million by 2020 at a CAGR of approximately 2%. According to the Third Party Report, the online off-price market for the premium segment represents a small but fast growing subset of total e-commerce users in Germany, with 3.6 million users in 2015, but expected to grow at a much faster pace at a CAGR of 12.1% to 6.3 million in 2020.

Offline

According to the Third Party Report, the German offline off-price market (stock sold to customers) grew from €1.5 billion in 2013 to €1.9 billion in 2015 at a CAGR of approximately 13% and is expected to further grow at a CAGR of approximately 10% to €3.2 billion in 2020. According to the Third Party Report, future growth is driven by German customers' appetite for greater value for money, combined with an increased outlet penetration in the country.

Relative to other developed European countries, Germany has low off-price offline penetration, with only 4% of the total fashion market in 2015 represented by the offline off-price market, compared to France at 7%, the UK at 10%, and Italy at 10%, according to the Third Party Report. While penetration in Germany is expected to rise to 6% by 2020, it still trails other European countries and represents high growth potential for offline expansion. Germany only had 0.16 outlet centers per one million inhabitants in 2015, compared to Switzerland with 0.7 centers, Italy with 0.5, UK with 0.4, and France with 0.3, according to the Third Party Report. Even accounting for the announced opening of two new

outlet locations, Germany is still expected to trail mature European countries with 0.19 outlets per one million inhabitants by 2020 and the low level of penetration suggests further possibilities to expand the offline off-price market, according to the Third Party Report.

Competitive Landscape

We have a differentiated positioning in the off-price market due to a consumer proposition that combines an exclusive membership with a local multi-channel format (Munich and Vienna) in the premium to luxury off-price space. The competitive landscape of the German external overstock clearance market is characterized by players who are spread across value segments from luxury to mass/value, with a mix of retail channels focusing on online, offline or both. The exclusivity of the retail platform becomes important in the premium to luxury segment where suppliers value brand protection. The key German players have either open platforms (*i.e.* YOOX!, TK Maxx) or shopping clubs (*i.e.* brands4friends, Zalando Lounge), where membership is granted via simple registration, versus our model, where the platform is completely exclusive and membership is by invite or referral only with minimum spending requirements.

Online

According to the Third Party Report, we are the leading player within the German online off-price market with a 24% market share in 2015 by revenue. The market is relatively consolidated with seven players representing approximately 82% of the market share in 2015, namely S&B, brands4friends, vente-privee, Zalando Lounge, Amazon BuyVIP, YOOX! and dress-for-less. According to the Third Party Report, the market is expected to undergo further consolidation by 2020, with an expected market share of 87% among the top seven competitors.

Offline

According to the Third Party Report, German offline off-price market can be split into discount retailers and outlet centers. The market for discount retailers is more fragmented, with a small number of key players holding minor market shares and the remaining held by a variety of small independent discount retailers. The market for discount retailers is expected to consolidate slightly by 2020, with expectations that the top four competitors will possess a 35% market share, compared to 2015, where the same four players held approximately 30% of the market. TK Maxx leads the market with a 24% market share in 2015, and we are the second largest offline off-price retailer with a 6% market share by sales. However, we believe that our positioning is differentiated as we primarily focus on the premium segment, while TK Maxx is mainly focused on mass market fashion. Zalando Outlet has less than 1% in market share and is primarily focused on international pan-European expansion rather than increasing penetration in the German market. Potential new entrants include Saks Off 5th, the off-price division of the international department store, Saks Fifth Avenue.

According to the Third Party Report, the German outlet center market (which is separate from the discount retailer market) accounts for a larger proportion of the offline off-price space in Germany with the four main competitors occupying a market share of 48%, including McArthur Glen (23%), Chic Outlet Shopping (17%), Outlet City Metzingen (13%) and The Style Outlets (5%). The market for outlet centers is expected to undergo some consolidation by 2020, with an expected market share of 55% for the top four competitors

Overview of Other Related Markets

Switzerland

The Swiss market is smaller than the German market, but customers have relatively more attractive economics due to higher spend on fashion in combination with higher purchasing power. The competitive landscape for off-price retail is underdeveloped compared to Germany. Increasing interest has been seen in the market through recent acquisitions. We consider the Swiss market to be highly attractive and we believe that we are well positioned to quickly scale up our market share through our recent acquisition of SOS.

Current competitors in the market are DeinDeal (leading competitor with an open multi-brand offering in the premium segment), Zalando Lounge (closed multi-brand platform ranging from the premium to mass segment), eboutic.ch and MyStore.ch (both pursuing a flash sales strategy in the premium segment), and YOOX! (open membership multi-brand platform in the luxury to premium segment).

Austria

The Austrian market is smaller than the German market and customers have comparably attractive economics relative to German customers, in terms of spending on fashion and higher purchasing power. The competitive landscape for off-price retail is similar to the German market, where we have broad experience. We consider the Austrian market to be highly attractive and are confident of our ability given the similarities between the German and Austrian customer. In addition, we believe that we are well-positioned to further grow in the region through the continued ramp up of our offline Vienna site supported by similar customer needs and tastes in the German and Austrian market.

Current competitors in the market are Zalando Lounge (closed membership multi-brand platform ranging from the premium to mass segment), Amazon BuyVIP (closed membership multi-brand platform ranging from the premium to mass segment), Lesara (open membership multi-brand platform with flash sales in the mass segment), brands4friends (flash sales ranging from the premium to mass segment) and YOOX! (open membership multi-brand platform in the luxury to premium segment). There are no local country-based players, and the Austrian market is considered by the Third Party Report to be a local reflection of the nearby German market.

OUR BUSINESS

Overview

We are a members-only, online and offline, off-price fashion retailer with a strong focus on selling premium and luxury brands. Founded in 1924 and headquartered in Munich, we offer a large variety of designer brands from over 2,300 suppliers at attractive prices for men, women and children through online and offline sales channels. Our online platform, "BestSecret", has a presence in Germany, Austria, Switzerland, France, the United Kingdom and Sweden. Our offline business includes three large-scale retail sites (two in Munich and one in Vienna) with a total net sales area of over 15,000 square meters. For the twelve months ended September 30, 2016, we had revenue of €342.4 million, an Adjusted EBITDA of €52.4 million and an Adjusted EBITDA margin of 15.3%. For the same period, 86.6% of our revenue was generated in Germany, 65.7% of our revenue was generated from our online operations and 34.3% generated from our offline operations.

Our Strengths

Distinctive business model creating value for customers and suppliers.

We have a distinctive multi-channel, invitation-only business model offering customers a permanent collection and wide assortment of off-price premium and luxury fashion merchandise at discounts typically ranging from 20% to 80% of RRP, through a shopping experience that is similar to high-street retailers. Our multi-channel proposition provides customers the convenience of multi-device online shopping and an exclusive and stylish shopping experience in our stores. Customers gain access to our products, which include in-season and off-season merchandise from premium and luxury fashion brands complemented by merchandise from our private labels, through invitation only membership model.

We provide suppliers with an efficient, preferred partner to manage their overstock in a discreet and controlled environment. Our exclusive, invitation-only membership model creates the opportunity for suppliers to ensure that their overstock is sold in a discreet manner, protecting their retail pricing strategies and the desirability of their brands and allowing them to maximize value for their overstock. We have the ability to purchase large quantities of merchandise, including mixed "lots," which are lots that do not contain a typical distribution of sizes and colors, increasing our value as counterparty to our suppliers, making us the "port of first call" for our suppliers and reinforcing our customer proposition by giving us access to desirable merchandise.

We believe that our business model differentiates us from other players in the industry both from the perspective of the customers and the suppliers. Our relationships with suppliers allow us to provide a more consistent and relevant assortment to our customers compared to other off-price retailers while our retail proposition gives our suppliers a channel to manage their overstock in a manner that is consistent with their brand strategy.

Leading player in a growing market with attractive characteristics and well-positioned to capture further growth in online sales.

We operate in the off-price fashion retail market, which is a segment of the broader fashion market, and focus primarily on the premium and luxury segments of that market. Based on the Third Party Report, we believe that we are the market leader in the online off-price fashion market in Germany with a 24% market share in 2015, a market leader in the offline off-price fashion market in Germany and that our relevant market is sizable and has substantial potential for growth.

We believe that the online market will grow due to a shift to purchasing merchandise through online channels as well as an increase in the relevant customer base due to under-penetration in the countries in which we currently operate. In the German market, online sales of off-price merchandise increased by a CAGR of 13.1% from 2013 to 2015, from €555 million in 2013 to €710 million in 2015. Our revenue from online operations experienced a 28.4% CAGR from the year ended December 31, 2013 to the year ended December 31, 2015 and accounted for 62.0% of our revenue in the year ended

December 31, 2015, compared to 50.3% of our revenue in the year ended December 31, 2013. Based on the Third Party Report, we believe that there will continue to be a shift to purchasing merchandise through online channels and, as the German market leader in the online off-price fashion market, we believe that we are particularly well-positioned to benefit from this shift. We believe that potential new entrants to the market would have to invest substantially to build comparable clearance channels that protect the integrity of the brands that they sell, whereas we already have mature, developed sales channels and established relationships with high-quality suppliers. Further, the off-price fashion market comprised only 4% of the total fashion market in Germany in 2015, compared to 7% in France, 10% in the United Kingdom and 10% in Italy during the same period. As such, we believe that the German off-price fashion market is underpenetrated in comparison to other Western European countries, and that this offers further room for growth. We believe that our addressable customer base will increase as penetration increases based on our referral system.

From a supplier's perspective, our addressable market is premium and luxury overstock, which excludes unbranded apparel in the mass/value segment and carry-over items that full price retailers can continue to sell for multiple seasons. According to the Third Party Report, this amounted to nearly €50 billion (at reselling price) in stock in 2015 in Europe and is expected to increase in size due to continued structural trends in the industry. The prevalence of a "buy-now" concept, where brands sell merchandise immediately after introducing it to the market at fashion shows, removes the chance to receive feedback from the market and results in production planning inefficiencies that contribute to the supply of overstock. Other structural trends driving the growth of supply in the off-price fashion segment include a shorter collection cycle, resulting in supply of overstock as suppliers have to change collections more frequently, and increasing customer affinity for off-price merchandise.

Large, growing and diversified portfolio with low supplier dependency and direct access to leading international brands creating an attractive assortment for our customers.

We currently purchase merchandise from a large and diversified supplier base of over 2,300 suppliers. Our diversification of suppliers has contributed to the breadth of our product portfolio and ensures that we are not reliant on any single supplier, brand or fashion trend. In 2015, no single supplier accounted for more than 5% of our revenue, and our top 10 suppliers accounted for approximately 21% of our revenue in 2015. The number of suppliers that we purchase merchandise from has increased at 7.4% CAGR from 2013 to 2015. We experience limited supplier attrition and we actively manage our supplier base in order to focus on the most profitable suppliers with the most popular merchandise.

We believe that our ability to differentiate ourselves from other fashion clearance channels such as online shopping clubs, factory outlet centers or other retail wholesalers has made us an attractive partner for suppliers and facilitates our direct access to high quality inventory. Our business model allows us to purchase large lots of unsold merchandise and place it with minimal publicity, which is appealing to suppliers seeking to efficiently manage their overstock and brand image. As a result of this, we often receive early, direct access to unsold merchandise at discounts of up to 90% compared to RRP from suppliers and have the opportunity to purchase an attractive assortment of merchandise at favorable prices.

We believe that we offer our customers an attractive assortment of merchandise because we are able to purchase in-season merchandise in addition to the off-price overstock that we purchase out of season. The ability to offer a selection of in-season merchandise at a discount to RRP, when combined with our private label offerings and our off-price off-season overstock, has the effect of creating a permanent, full assortment of merchandise for our customers. We believe that this differentiates us from our competitors and that our premium in-season merchandise attracts customers to our online and offline shops leading to add-on purchases and, thus, added revenue.

Loyal, engaged and affluent customer base resulting in frequent customer purchases and driving low marketing expenses.

We believe that we have a loyal, engaged and affluent customer base. We believe that the loyalty of our customer base is evidenced by significant revenues generated from repeat customers, a high

customer engagement rate relative to our peers and the level of customer referrals. Based on recent twelve-month data, slightly more than half of online and offline customers generated more than €150 and €500 of revenue, respectively, on sales of our merchandise. The average spend per active customer is substantially higher in both cases. Additionally, in 2015, online customers placed on average approximately seven orders each. Through 2015, 76% of our online customers were repeat customers. We believe these figures compare favorably to our competitors. Through 2015, 46% of online members that we approved had made a first purchase. We believe based on a third-party survey, that over 80% of our customers have referred potential customers and 50% of our customers have referred three or more potential customers. This contributes significantly to our ability to grow our customer base without incurring significant marketing expenses. For the year ended December 31, 2015, our advertising costs as percentage of revenue were 1.4%.

We believe that the way in which our customers utilize our online site demonstrates their high level of engagement. Compared to other online off-price players, we enjoy leading customer engagement metrics including the length of time spent on the site and the number of page views while on the site. We believe that the engagement of our customers in our offline stores is further enhanced by our policy that customers have to spend a minimum of €250 per annum to retain their membership. In addition, we also incentivize spending and customer engagement through our gold, silver and bronze memberships for online customers, attained on the basis of the amount that customers spend online and offline.

We believe we attract an affluent customer base that has monthly net household incomes well above average levels in Germany. Based on a third-party survey of our customers, 63% and 76% of online and offline customers, respectively, have a net household income of greater than €3,000 per month compared to 30% of the total German market.

Distinctive multi-channel distribution capabilities driving industry leading sell-through rates.

Whereas other off-price players typically depend on one channel only, we operate both online and offline channels through our website "BestSecret" and our three "Schustermann & Borenstein" sites. We sell in-season and off-season merchandise, in a full range of sizes and category assortments, through our first clearance level both online (typically offering discounts in a range of 20% to 80% of RRP) and in our fashion stores (typically offering discounts in a range of 20% to 55% of RRP). Merchandise that has not been sold through our online channel or our fashion stores is sold through the second clearance level in our "second season" stores, which are focused on a value-centric proposition with typically greater discount levels of 40% to 80% of RRP. Special events (including our semi-annual "family and friends" events) at our offline stores allow us to sell further stock and increase our sell-through rates by clearing off-season merchandise at larger discounts of typically 30% to 80% of RRP depending on the event. We believe that our combination of different sales channels allows us to optimize our gross margin by testing different pricing levels for each product at each clearance level. Our ability to achieve high sell-through rates of approximately 90 to 95% also enhances our purchasing abilities as it gives us more flexibility to acquire unsorted lots and negotiate more attractive pricing or assortments of merchandise.

Our multi-channel distribution capabilities also offer a range of benefits for customers. We are able to achieve synergies in the interplay between our online and offline channels, such as our service points through which we offer our multi-channel customers in-store pick-up for online orders and allow returns of merchandise ordered online by our multi-channel customers in our stores. Customers are offered a tailored user experience through the opportunity to choose delivery times and payment methods and also through receiving personalized suggestions for clothes and editorial content. Our online channel offers convenience by providing our customers with a multi-device platform to shop from and a 1-3 day delivery time whereas our offline channel provides a destination for our customers that offers a premium, exclusive shopping experience. The combination of our online and offline expertise has resulted in an increase at a CAGR of 12% in multi-channel customers from 2013 to 2015, which benefits our overall financial performance as multi-channel customers have an above average spend.

Proprietary and scalable IT and logistics infrastructure.

Our membership-based business model provides us with significant volumes of customer information and buying patterns that allow us to take an analytical approach at managing the business. We have invested to in-source our back-end and front-end IT capabilities and our IT platform is modern and scalable and consists of logistics, enterprise resource planning (ERP), webshop and product planning systems. In addition, through in-house developed software, we have ownership of all processes. We also have a dedicated team of 17 full-time equivalent employees in Granada, Spain to provide strengthened IT support and we have achieved a stable cost base despite our growing IT capacity. We believe that our IT capabilities will help build a strong foundation to support our expansion, both through acquisitions such as the acquisition and integration of SOS in Switzerland and through our own initiatives, as well as organic growth in markets that we already have a presence in.

From January 1, 2014 to September 30, 2016, we have invested €26.2 million in additions to property, plant and equipment related to our modern centralized warehouse and logistics center that we opened in January 2016. This new centralized warehouse and logistics center has resulted in the centralization and consolidation of our logistics operations. Through our Poing facility, we have approximately 107,000 square meters of warehouse space, the ability to process approximately 10,000 items per hour and approximately 50 packing stations. We have been able to reduce the time until merchandise is available for sale through the use of our Poing facility and we believe the centralized warehouse and logistics center provides a platform that is commensurate with our needs for our anticipated growth phase. Additionally, we have integrated our logistics processes with the purchasing department, which we believe will enable us to lower procurement related costs.

Profitable and resilient business model with a strong track record of growth.

Our business exhibits high growth and cash conversion. Our revenue exhibited growth greater than that of the wider fashion market of 50.4% from €227.6 million for the year ended December 31, 2013 to €342.4 million for the twelve months ended September 30, 2016. During the same period, our Adjusted EBITDA increased by 42.0% from €36.9 million to €52.4 million. We are able to convert our profitable growth into attractive cash flows due to our efficient working capital management and the limited maintenance capital expenditure requirements of our business model. For the nine months ended September 30, 2016, maintenance and other capital expenditures were 1.4% of revenue and for the previous three calendar years it averaged 1.0% of revenue. At the same time, we have continuously improved our inventory management, bringing down the number of days that inventories are outstanding, as of period end, from 201 days for the year ended December 31, 2013 to 168 days for the year ended December 31, 2015.

We believe that the segment of the market in which we operate exhibits attractive resilience from a supply and demand perspective through the economic cycle due to the value that it offers consumers and the attractive procurement opportunities in an economic downturn when suppliers are under greater pressure to sell overstock. From 2008 to 2010, in the context of an overall economic contraction, we exhibited stable gross margins and achieved organic growth in revenue with minimal capital expenditures. Over the last ten years, we believe that we also managed to achieve consistent revenue growth and stable gross margins.

Strong and committed management team.

We have an experienced management team led by Daniel Schustermann, Amir Borenstein, Sascha Krines and Marian Schikora. We believe that the management team enjoys especially strong proven and trusted relationships with suppliers and has significant experience in sourcing and purchasing merchandise. Management has already led the business under previous private equity ownership and during that time they have expanded the business internationally, transformed the business from a pure-play offline retailer into a multi-channel retailer and established a new IT and logistics infrastructure to enable the business to continue growing.

The management team has affirmed its long-term commitment to the business and will be reinvesting alongside Permira as part of the Transactions. Following consummation of the Acquisition, our management and members of the founding families (some of whom are members of management) will

hold voting rights (excluding the management equity participation plan) of approximately 9% in PTGMidco S.à r.l., an indirect parent company of the Issuer.

Our Strategy

Expand our strong online presence in existing markets and pursue selective acquisitions in new markets.

We plan to continue to expand our market leading online position using targeted membership growth in Germany through viral marketing and continued incentive programs for customer referrals from existing customers. We believe that we can utilize our online channel to establish a footprint in other regions in Germany where we are currently underrepresented and leverage that footprint to open additional offline site locations with an intention to convert online customers to multi-channel customers similar to our recent achievements in Vienna, Austria. Potential initiatives for continuing to build our online business include developing strategies to improve basket sizes by data-driven customer insights and continuing to personalize our online experience, further optimizing our loyalty program with special treatment of high-value customers in order to maximize revenue and to develop value-based customer segmentation with personalized communication strategies.

We intend to assess opportunities for international expansion on a case-by-case basis and to target opportunities in high growth markets that do not have a dominant incumbent player. We believe that our expertise in fashion procurement and sales can be successfully adapted to address the local market. We use a "quali-quantitative model" when targeting international markets to assess the attractiveness of the market based on the forecasted market growth, the market size and the current competition in the market. We also consider the potential partnership prospects with local management in the country, general market economics and conditions and whether we believe that our product mix will be attractive in the country. We have recently entered the Swedish and French online markets, and our acquisition of SOS has strengthened and accelerated our growth in Switzerland. We also intend to continue to strengthen our growth in Austria, both online and offline, and we will assess entry opportunities in other European markets in the future.

Strengthen our multi-channel proposition.

We plan to strengthen our multi-channel proposition through various initiatives. We plan to increase revenue generated by our offline stores by enhancing integration with our online channel, which includes introducing online terminals to our stores, creating in-store app features and virtual shelf extension, which is the ability to scan items in a store and check availability across our entire online and offline platform. Additionally, we are introducing a voluntary-paid premium membership program that will offer enhanced benefits, including discounts, concierge services, gift wrapping and personal shopping, to customers. We believe that we can increase revenue generated by our online channel through the introduction of targeted marketing campaigns to drive buyer activity among existing customers and to provide payment by invoice to our customers as a convenient payment method that we hope will enhance the overall shopping experience. We also intend to use enhanced data analytics, including analyzing customer data on purchases, products viewed and items on a wish list, to further customize and tailor displayed content in line with our customers' individual shopping behavior and brand preferences. In addition, through personalization of our online platform for customers, we intend to connect customers with the most relevant assortment categories and brands for them. Finally, we believe that we can use experience gained from our successful ramp-up of our store in Vienna to strengthen the performance of our other offline stores as well as to successfully open additional offline site locations.

Focusing on operational excellence and efficiency gains.

While we currently achieve strong gross margins, we intend to focus on operational excellence and efficiency gains through ongoing initiatives in order to maintain and increase our profitability. We believe that we will continue to experience an increase in productivity due to our new centralized warehouse and logistics center and that logistics costs will decline due to lower variable costs and the decrease of fixed costs for logistics. We have also invested significantly in finance, tax, IT and

procurement personnel, hiring an additional 93 full-time equivalent employees in these areas since 2012, in order to enable us to scale our business and we have implemented a system architecture that provides management with more transparent data to aid in steering the business. We believe that the personnel we have added and the system architecture we have put in place will allow for future growth with an underlying cost structure that will grow more slowly than the overall performance of the business.

Our History

S&B was founded in Munich in 1924 by Herman Schustermann as a wholesale business providing tailors and homemakers with fabrics. In 1951, S&B entered into a partnership with Philip Hilsenrath, whose interest was acquired by Benno Borenstein in 1960, marking the beginning of Schustermann & Borenstein and the combination of two textile trading companies with regional customer bases in the vicinity of Munich, Germany.

Prior to 2007, the S&B Group's business operations were limited to its offline stores in Munich. In 2007, the S&B Group launched its online business platform *BestSecret*. In 2012, the S&B Group's founding families sold a majority stake of 61% in the business to Ardian. In 2014, construction commenced on the new centralized warehouse and logistics center in Poing, Germany (near Munich), which became operational in early 2016 and consolidated our then existing seven warehouses. Later in 2014, the S&B Group expanded its offline footprint through the opening of a new store in Vienna, Austria. Most recently, in April 2016, the S&B Group acquired SOS, a leading off-price online retailer in Switzerland, to further expand its online presence in the DACH region.

In October 2016, Permira announced its acquisition of a majority stake in the S&B Group. For more information on the acquisition of the S&B Group, see "*The Transactions.*"

Product Offerings and Sales Channels

We offer privileged access to a broad and permanent assortment of off-price premium and luxury fashion merchandise through two primary sales channels: our online platform *BestSecret* and our offline stores. Customers gain access to our products through an exclusive invitation-only membership model, creating high desirability for both customers and suppliers. We offer a broad assortment, with good size availability, of menswear, womenswear, young fashion, shoes, sportswear and accessories from a large variety of brands at discounts typically ranging from 20 to 80% of the recommended retail price. For the twelve months ended September 30, 2016, our net sales by product category were 25% womenswear, 19% menswear, 15% young fashion, 14% shoes, 8% sportswear and 19% accessories and other merchandise (including children's clothes, bags, jewelry and scarves, among others). In addition, to ensure certain product categories are generally available and kept in stock, we offer a portfolio of over 30 private label brands (including fashion, decorative home merchandise and various supplementary products) alongside our premium suppliers' products.

Online*/*E-commerce

In 2007, we launched our online shop *BestSecret* in the German market, transitioning from a pure offline player to a multi-channel fashion retailer. In 2011, we entered the Austrian market, setting the first milestone for our international expansion strategy. Since then, we have continued our online expansion path into four additional countries with the launch of our online presence in the United Kingdom (2013), Sweden (2015), Switzerland (2015) and, most recently, France (2016).

Our *BestSecret* customers enjoy access to a multi-device shopping experience from their desktop computers, tablet or mobile phone to allow for high customer convenience and an on-the-go shopping experience. Our technology supports all major online and mobile platforms, including dedicated iOS and Android applications for both smartphones and tablets. We strive to update our applications on a monthly basis to offer customers new features in addition to the daily new themes and product offerings we share through our individualized newsletters.

In early 2015, we introduced our customer loyalty program *SecretClub* to foster online active customer engagement and retention. The loyalty program includes three levels of status based on a point system: Bronze (more than 300 points), Silver (more than 1,500 points) and Gold (more than 2,500 points). Members collect points for each online purchase, with €1 spent translating into one status point, as well as for recommending new active customers and other activities (e.g., newsletter subscriptions or special sales events), which we promote regularly. As of September 30, 2016, approximately 52%, 6% and 7% of our *SecretClub* members had achieved Bronze, Silver and Gold status, respectively. Based on their status, our members enjoy certain benefits, including commissions in the form of vouchers for referrals of new active customers, opportunities to create a wish list for out-of-stock items, reservations on items for a limited period of time and reduced minimum order values. Silver and Gold status members also receive admission to our offline stores in Munich and Vienna and can take advantage of *FittingClub*, our curated shopping service. Gold status members further enjoy free priority shipping and sneak previews of new merchandise before other active customers.

In April 2016, we acquired Swiss Online Shopping AG ("***SOS***"), a leading online fashion retailer in Switzerland that operated the online shops FashionFriends, Brandstore and Stromberg. FashionFriends is a widely recognized brand in the Swiss market through its online "flash sales" in Switzerland, and we will continue to serve SOS' Swiss customers under the FashionFriends banner while offering them the *BestSecret* customer proposition through our operations in Germany. The Brandstore and Stromberg websites now redirect customers to the FashionFriends platform.

Offline*/*Stores

Our store portfolio primarily comprises three free-standing sites, each including multiple stores, with a total net selling area of more than 15,000 square meters. Two sites are located in Munich, Germany, and a third site is located in Vienna, Austria. Each of our sites is located on the periphery of the city center (*i.e.*, off high street locations) which translates into higher sales density, significantly lower rent expenses and attractive cost-margin advantages.

Each of our three sites utilizes a multi-store concept, including, among others, a premium and luxury fashion store and a "second season" store. Our premium and luxury fashion stores offer primarily in-season brand collections at considerable discounts to the recommended retail price, with products typically arranged by key brands and presented, in some cases, in dedicated brand areas. Our second season stores offer discounted merchandise from prior seasons and unsold merchandise from our premium and luxury fashion stores and from the BestSecret online platform with a more economical retail store layout and product presentation as compared to the higher end premium layout and product presentation in our premium fashion stores. While access to our three stores is limited to offline members, day passes are available for tourists and Silver and Gold status members on a limited basis.

Our Munich sites are further complemented by separate special event stores for temporary sales events, such as sportswear sales, traditional costume sales days and family and friends days. The family and friends sales events, for example, take place twice each year for a four-week period and offer unsold merchandise from our online platform and stores at discounts of typically up to 80% off the recommended retail price to our offline members and their accompanying friends and family. The traditional costumes special event sale, which is also open to non-members, is organized around the annual Oktoberfest in Munich and features a large selection of traditional costumes.

Our Vienna store offers a similar concept. However, the premium and luxury fashion area and second season area are located on the same floor and not physically separated by different floors or entrances as is the case at our Munich sites. From the beginning of 2015 to June 30, 2016, our offline customer base at our Vienna site has grown at a CAGR of approximately 130%. As our Vienna store is still in the ramp-up phase, revenue per customer is significantly lower than that of our established Munich sites.

The table below includes an overview of our three sites:

Site Location	Gross Sales Floor Space (sqm)	Net Sales Floor Space (sqm)	Use
Member Stores			
Munich, Germany	8,079	6,363	Flagship store (including premium, second season and special event stores)
Aschheim-Dornach, Germany (in the vicinity of Munich)	6,923	5,393	Flagship store (including premium, second season and special event stores)
Vösendorf, Austria (in the vicinity of Vienna)	4,035	3,248	Flagship store (selling both premium and second season items)
Total	**19,037**	**15,004**	

In addition to the sites in the table above, we also operate three small stores, two in the Munich area and a Bugatti outlet store in Zweibrücken, Germany. These stores do not have membership restrictions and are not branded as S&B stores. For the year ended December 31, 2015, our revenue from these stores amounted to €4.3 million.

In addition to our online and offline business operations described above, we continue to engage in limited wholesale textile trading. Revenue generated from these trading activities is insignificant for the S&B Group.

Customers

We actively manage and control access to our online and offline shopping platforms via an exclusive membership system comprising three different membership categories: full memberships, second season-only store memberships and BestSecret online-only memberships. In addition, we also have relationships with corporate customers to whom we extend memberships. The acceptance of new members, or customers, is by invitation only, with admission of new members to our offline stores being more restrictive than admission to our online shop. New customers, in Munich, are typically only admitted as members from a waitlist of individuals that have been recommended by existing members, with growth in our Munich offline membership, largely coming from our corporate and second season-only memberships. We expect to put the same system in place in Vienna once we have reached a certain number of customers. Offline memberships require a minimum annual spend of €250 to retain active membership. Online members do not have a minimum spend requirement, although online memberships may be deactivated after a prolonged period of inactivity if reactivation measures, such as vouchers, are not successful. In this way, we are able to control the volume of members in our sales channels to ensure a discreet shopping experience for offline active customers and retain customer desirability of our online platform.

We believe our product offering and exclusive shopping experience attract an affluent as well as highly engaged and loyal customer base according to a survey of over 1,000 active customers (roughly split equally between online and offline customers) conducted in 2016. Based on that survey, approximately 92% of online active customers and approximately 97% of offline active customers responded that they highly appreciate their membership. In addition, more than 80% of existing active customers responded that they had recommended at least one person for membership, with slightly more than 50% of existing active online and offline customers responding that they had recommended three or more persons for membership. We believe that this membership loyalty and high level of recommendation enables us to achieve customer base growth with minimum marketing spend.

Moreover, we believe that our active customers spend a significant portion of their total annual spending on fashion in our online or offline stores.

We enjoy particularly strong popularity among female customers, who account for approximately 64% and 68% of our total members in our offline and online channels, respectively. The majority of our offline and online members are between 30 and 59 years old. However, our online channel active customer base comprises a higher portion of young members, with approximately 72% of members being younger than 50 years old (compared to approximately 51% among our offline active customers). By net household income, we also believe that we attract individuals genuinely interested in fashion and who value us as the destination platform of choice for premium and luxury fashion at attractive prices. Based on a third-party survey of our customers, 63% and 76% of online and offline active customers, respectively, reported a monthly net household income of more than €3,000 (compared to approximately 30% of the overall population in Germany, based on the Third Party Study.

For the year ended December 31, 2013 (indexed at 100), our number of active online customers increased to 131, 166 and 199 for the years ended December 31, 2014 and 2015 and the twelve months ended September 30, 2016, respectively, representing a CAGR of 28.4%. Between 2013 and 2015, the number of total orders from online members increased by approximately 45%, with the average basket size of online members increasing by approximately 11%.

For the year ended December 31, 2013 (indexed at 100), our number of active offline customers increased to 107, 137 and 149 for the years ended December 31, 2014 and 2015 and the twelve months ended September 30, 2016, respectively, representing a CAGR of 15.7%. Between 2013 and 2015, the number of total offline transactions (including transactions by tourists holding day passes) increased by approximately 5.3%, with the average offline transaction value (including transactions by tourists holding day passes) increasing by approximately 1.7%.

Based on recent twelve-month data, slightly more than half of online customers and offline customers generated revenue of more than €150 and €500, respectively, on the purchase of our merchandise. The average spend per active customer is substantially higher in both cases. Additionally, in 2014, online customers placed on average approximately seven orders each and 76% of our online customers had made a purchase in the following year, both figures that compare favorably to our competitors. For the year ended December 31, 2015, 39% of new online members made a first purchase and 73% of these customers made multiple purchases.

Based on our WaWi tracking system, net sales by cohort, or customers who joined in a given year, typically increase significantly during the first year of membership and tend to level off over time. For example, indexed to the beginning of 2013 (100), online revenue from our pre-2011 active customers remained stable at 100 (2013), 100 (2014), 99 (2015) and 100 (twelve months ended September 30, 2016).

Procurement/Sourcing

We source a wide range of well-known premium brands through a centralized and joint procurement process. We employ a mixed sourcing strategy for our online and offline businesses and typically purchase merchandise in large unsorted lots. When purchasing large unsorted lots, we benefit from our multi-channel approach. While pure online retailers cannot sell certain merchandise if only limited size and color options are available, we have the flexibility of selling these at our offline sites. A significant majority of our sourcing relates to the purchase of in-season and off-season overstock merchandise from numerous suppliers. The remaining sourcing is split roughly evenly between (i) pre-season orders of in-season merchandise and (ii) private label merchandise sourced, for example, from Turkey and Hong Kong. A significant majority of merchandise is purchased in euro, while purchases in U.S. dollar have accounted for only a small portion of our total merchandise sourcing in the past.

From 2013 to 2015, our supplier base increased from a total of 2,015 suppliers to 2,326 suppliers. Due to our diverse and extensive supplier base, we are not dependent on any single supplier. For the year ended December 31, 2015, our largest supplier accounted for approximately 5% of total purchasing

volumes, with nearly all other suppliers accounting for less than 1% of total purchasing volumes in the same period. We actively manage our supplier base in order to optimize the supplier base with the assortment and volumes of merchandise we require for our business. We maintain long-standing relationships with many of our suppliers and believe that we are the partner-of-choice for many premium brands for the clearance of overstock in the off-price retail market in Germany.

Sourcing for both the online and offline businesses is managed centrally at the level of S&B GmbH. S&B GmbH has entered into a very limited number of long-term supplier framework agreements with individual suppliers, some of which maintain minimum purchase agreements. As a result, most merchandise is sourced on the basis of individual orders consistent with the general practice in the off-price fashion retail market.

As of September 30, 2016, our procurement and sourcing function comprised 30 purchasing managers and purchase assistants, who were supported by 44 purchasing clerks. Purchasing managers are dedicated to specific assortment categories, such as womenswear, menswear, young fashion, shoes, sports, with a head of merchandising and two merchandise managers in place for each such category. Purchasing managers also determine the allocation of merchandise to our online and offline distribution channels, the time at which merchandise is moved to our second season stores as well as the timing of product discounts on selected merchandise. We believe that our approach enables us to maintain a structured and coordinated procurement process and allows purchasing managers to react to changes in customer demand and adjust clearance dynamics to support on-going purchasing decisions.

Logistics

In January 2016, we commenced operations at our new leased centralized logistics center in Poing, Germany, located in the vicinity of Munich. Prior to the construction of the centralized logistics center, we operated seven different warehouses for merchandise. The new logistics center has approximately 107,000 square meters and combines multi-channel logistics and order fulfillment processes for both our offline and online customers. It will also allow us to accelerate our process of receiving merchandise through increased automation (and shorter lead times with respect to deliveries through enhanced software), which reduces the time until stock is available for sale. In addition to operational and efficiency improvements, we believe that the new logistics center will help enable us to realize the scalability required to meet further international expansion. The current utilization level of the new logistics center is approximately 75%, and the potential to expand the center by an additional 80,000 square meters provide us with additional flexibility to expand to address future growth.

Information Technology (IT) and Customer Relationship Management (CRM)

Our business depends significantly on our ability to process transactions on secure information systems and to store, retrieve, process and manage information. Our IT systems are managed in-house by a team of 50 IT professionals who are supported by third parties for certain cloud services, maintenance and software development services. In the years ended December 31, 2013, 2014 and 2015, we invested approximately €2.4 million, €2.7 million and €3.6 million, respectively, in IT-related capital expenditures to strengthen our IT capabilities and in-house excellence. Our primary front-office IT systems are used to manage, track and deliver orders, monitor stock and interface with suppliers and other business relations. We also rely on licensed software for back-office operations, including managing financial and human resources activities. We regularly monitor and update our IT systems and processes to ensure reliability, business continuity and performance. Key IT systems are replicated and stored at an external site, with data systematically backed up daily. Various business continuity plans have been created to respond to possible incidents. These plans are regularly reviewed, tested and updated.

All of our IT systems are operated by S&B GmbH and BS GmbH, which own the essential hardware used for the S&B Group's IT systems. Both companies also use licensed standard systems and application software. In addition, the accounting system of SOS is currently hosted by a third-party

service provider. BS GmbH uses internally developed customized software to manage logistics and product planning.

Our IT organization is overseen by our Chief Information Officer, who is supported by an IT director and a team of project managers, developers, helpdesk operators and IT infrastructure employees. As of September 30, 2016, we had 50 full-time equivalent employees in our IT operations, including 17 full-time equivalent employees working as developers in our near-shore IT lab in Granada, Spain, which we launched in 2015.

In recent years we have invested considerably in expanding our IT capabilities, including developing in-house innovations tailored to our business. For example, we developed a family of applications for our e-commerce platform, with special versions of iPad, iPhone and Android devices. A new search engine developed internally now allows for more precise results, a type-ahead search function and search suggestions. The online platform also supports multiple currencies and is available in multiple languages, with secure payment gateways.

In addition, our IT-related investments have been dedicated, in part, to developing a scalable IT architecture to address the expected future growth of the business and to manage orders more efficiently. We have also improved and intend to continue to enhance our customer relation management ("***CRM***") activities to improve customer retention and re-activation as well as monitor active customers' purchasing activity to better tailor the presentation of merchandise and marketing campaigns to individual customers.

Intellectual Property

As of September 30, 2016, we owned or had the right to use 49 trademarks (including 11 German, 20 EU and 15 Swiss trademarks) as well as related tradenames and logos. We also have a portfolio of approximately 80 domain names, notably for our BestSecret, FashionFriends, MySecretShop and FashionClub websites. We believe that our trademarks and tradenames are of value to our business, in particular our *BestSecret* trademark.

Employees

The table below sets forth our period average number of employees by subsidiary for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2013	2014	2015	2016
S&B GmbH	883	919	939	719
BS GmbH[(1)]	430	359	454	138
S&B Outlet	9	10	6	7
S&B Logistik	—	—	—	583
S&B Wien	—	11	69	109
SOS	—	—	—	75
Total	**1,322**	**1,299**	**1,468**	**1,631**

(1) Including employees working as developers in our near-shore IT lab in Granada, Spain.

As of September 30, 2016, we had 1,631 full-time equivalent and part-time employees and 522 part-time temporary workers (*geringfügig Beschäftigte*). In connection with the centralization of our logistics operations in Poing, Germany, all employment relationships with logistics employees in S&B GmbH and Best Secret GmbH were terminated by way of mutual termination agreements. All affected employees were offered employment pursuant to contracts concluded with S&B Logistik GmbH on the same terms. The S&B Group and, in particular, S&B Logistik GmbH use temporary employees

(*Leiharbeitnehmer*). The number of such employees fluctuates throughout the year and is typically higher in the second half of the year, particularly in the period leading up to the holiday season.

We believe that our relationships with our employees are good. We have not suffered any disruptions to our business as a result of work stoppages or strikes in recent years. None of the S&B Group's employees are represented by works councils (*Betriebsrat*), and, except for S&B Wien, none of the S&B Group's subsidiaries is bound by any collective bargaining agreements (*Tarifverträge*) or is a member of an employer association (*Arbeitgeberverband*). Due to mandatory membership in the Austrian Chamber of Commerce (*Wirtschaftskammer*), S&B Wien is bound by two collective bargaining agreements for employees and apprentices in commercial operations (*Kollektivvertrag für Angestellte und Lehrlinge in Handelsbetrieben* and *Kollektivvertrag für Handelsarbeiter*). None of the companies of the S&B Group has currently established a supervisory board (*Aufsichtsrat*). According to the German One-Third Participation Act (*Drittelbeteiligungsgesetz*), we may be required to implement a supervisory board with an employee representative at the levels of S&B GmbH and S&B Logistik in the future.

Litigation

We have been, and may from time to time be, party to various claims and legal proceedings arising in the ordinary course of our business, such as employee claims, and intellectual property disputes, among others. We have not been within the past twelve months, and we are not currently a party to any governmental, legal, administrative, arbitration or dispute proceedings, either individually or in the aggregate, that has had, or is expected to have, a material adverse effect on our financial position and results of operations.

Insurance

We maintain insurance against various risks related to the ordinary operations of our business, including general business interruption insurance and third-party liability, property damage, electronic damage, transportation damage and directors' and officers' liability insurance. We conduct periodic reviews of our insurance coverage, both in terms of coverage limits and deductibles. We believe that the types and amounts of insurance coverage that we maintain are consistent with customary industry standards. However, no assurances can be given that this coverage will be sufficient to cover the cost of defense or damages in the event of a significant claim.

Environmental, Health and Safety Matters

Our products, and the third party manufacturers who supply them, are subject to various supranational, national and local environmental laws and regulations. We believe that we are currently in substantial compliance with all applicable environmental and health and safety laws and regulations. Although our management systems and practices are designed to ensure compliance with applicable laws and regulations, future developments and increasingly stringent regulation could require us to make additional unforeseen environmental, health and safety expenditures to maintain compliance or meet new compliance standards. See also "*—Regulatory Environment*" and "*Risk Factors—Risks Related to Our Business and Industry—We are subject to consumer protection laws and other regulatory requirements which may change, resulting in additional costs*".

Real Estate and Leases

We do not own any real estate. Our corporate headquarters and all of our stores are leased pursuant to commercial lease agreements.

Lease agreements for our stores are generally long-term leases with an initial fixed term of up to 10 years and the option to extend the lease on one or more occasions for an additional period of time up to five years. All lease agreements have been entered into by S&B GmbH with the exception of the designer outlet store in Zweibrücken, Germany, which is leased by S&B Outlet, and our site in Vienna, which is leased by S&B Wien. A number of our lease agreements provide for the right to sublet the

leased premises with the prior consent of the lessor. Our lease agreements for the two sites in Munich expire in 2022, and our lease agreement for our site in Vienna expires in 2024.

In September 2015, we entered into a lease agreement relating to our logistics center in Poing, Germany, for a fixed 10-year term. The lease agreement also includes the option to extend the lease agreement twice for an additional five years each. In addition, in June 2016, we entered into an amendment agreement in relation to the existing lease agreement regarding our lease at Margaretha-Ley-Ring in Aschheim-Dornach where we plan to move our corporate headquarters in the first half year of 2017. Most of our lease agreements for retail space in Germany are with entities controlled by the Schustermann and Borenstein families, and the limited partners of the lessor under the lease agreement relating to the Poing facility also include certain individuals from the Schustermann and Borenstein families. For more information, see "*Certain Relationships and Related Party Transactions*".

In general, the amount of rent payable under our lease agreements is fixed upon the signing of the relevant lease agreement. Certain of our lease agreements provide for rent adjustments based on consumer price indices or provide for step ups of rent amounts every several years, and the lease agreement for the designer outlet store in Zweibrücken, Germany, provides for a rent amount based, in part, on turnover.

Regulatory Environment

Our business is subject to various regulatory requirements. Laws and regulations applicable to our operations may differ due to different national and local laws. Applicable regulatory requirements relate, in particular, to our dealing with customers as well as laws and regulations relating to consumer protection and the processing of customer data. The following section provides a brief description of the primary German legislation and regulations which are applicable to our business. Similar laws and regulations also apply to our business in other jurisdictions in which we operate.

Data Protection

The processing of personal data by companies established in Germany is governed by the Federal Data Protection Act (*Bundesdatenschutzgesetz*) and the Telemedia Act (*Telemediengesetz*) to the extent a service qualifies as electronic information and communication service within the meaning of section 1 of the German Telemedia Act. The provisions of the Telemedia Act (to the extent applicable) supersede, in part, the provisions of the Federal Data Protection Act within its scope. Generally, personal data – in the absence of consent obtained by the data subject – may only be collected, processed, stored and used for legitimate purposes (also taking into account the overriding interests of the data subject to refuse any such collection, processing, storage or usage of data). Furthermore, data subjects need to be notified about the storage and the collection of their personal data and certain limitations for the storage period apply. Under the Federal Data Protection Act, data subjects are also entitled to request information *inter alia* as to which data is collected or stored, for which purposes such storage or collection has taken place, what is shared and with whom. The Telemedia Act requires, *inter alia*, that service providers within its scope provide certain information, such as name and address, contact details and registration details to the respective users.

We are subject to the supervision of local data protection authorities ("***DPA***") in Germany. To comply with regulatory requirements imposed on us, we have established data protection processes, including, without limitation, appointing data protection officers, where required, and have implemented protection policies for all employees dealing with personal data.

Data subjects, DPAs and competitors, as well as consumer associations, and other authorized associations may pursue claims against us for breach of the Federal Data Protection Act. Furthermore, the German parliament is currently working on legislation to extend the rights of consumer associations and other authorized associations to pursue such claims.

On May 24, 2016, the EU Data Protection Regulation (*Datenschutzgrundverordnung*) was adopted and will become effective on May 25, 2018. The Data Protection Regulation provides for a number of changes to the EU data protection regime, which might entail a partial replacement of current national

data protection laws by an EU regulation. Once effective, the EU Data Protection Regulation will further strengthen individuals' rights and impose stricter requirements on companies with respect to the processing (including storage) of personal data. Among the primary requirements set out in the EU Data Protection Regulation, fines of up to €20 million, or 4% of global turnover on a group basis, whichever is greater and depending on the respective breach, may be imposed for breaches of the EU Data Protection Regulation. Other provisions include stricter requirements and internal processes for the transparency of processed data of individuals, heightened requirements on computer safety measures and controls, increased rights of individuals to demand the deletion of processed data and obligations to demonstrate compliance with the EU Data Protection Regulation, including the obligation to submit data breach notifications to the relevant DPA and data subjects. At present, it is not possible to assess the full impact the EU Data Protection Regulation may have on our business in the future, but its implementation and enforcement may impose substantial further limitations and administrative burdens compared to existing applicable laws and regulations with respect to the data protection.

Consumer Protection Laws

Laws and regulations applying to businesses generally and, in particular, to businesses operating on the Internet affect us. Although there is no specific legal framework governing transactions conducted via the Internet in Germany, as the growth in Internet commerce continues, the number of laws and regulations relating to online business operations is increasing and includes areas such as privacy, content, advertising and information security.

For example, in Germany, we are subject to various laws concerning the protection of consumers. In particular, the German Civil Code (*Bürgerliches Gesetzbuch*) regulates distance selling contracts (*Fernabsatzgeschäft*), with a view to rendering such sales more transparent for consumers. The consumer benefits, among other things, from a statutory right of withdrawal from a distance selling contract within a period of 14 days after the consumer has received the respective goods and has been informed about his right of withdrawal in a manner compliant with the statutory requirements. During this time, a purchase may be cancelled without any specific reason. The right of withdrawal expires twelve months and 14 days after receipt of goods even if the consumer has not been properly informed about his/her statutory right of withdrawal. If customers exercise their right of withdrawal, we may have to bear the costs for the return of goods and the risk for damage or loss. The German Civil Code, in connection with the Introductory Law to the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch*), also provides that certain mandatory information must be provided to the consumer, including material characteristics of the purchased goods, the identity of the seller, terms of payment, delivery and/or service, price and payment details and the statutory right of withdrawal. In addition, in accordance with the German Price Indication Regulation (*Preisangabeverordnung*), retailers must ensure, among other things, that the price of each product is displayed clearly, precisely and legibly and shall be accessible, legible and intelligible on websites.

We are also subject to rules and regulations relating to unfair competition in the jurisdictions in which we operate. In particular, in Germany, competitors, consumer associations (*Verbraucherverbände*) and other authorized associations may seek to enforce alleged violations of, or the failure to comply with, the Act Against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb*). Based on the Act Against Unfair Competition, unfair commercial practices are illegal. Unfair commercial practices include, *inter alia*, commercial practices which are misleading, which constitute an unreasonable nuisance, which make use of harassment, coercion or undue influence, as well as unsolicited marketing (including unsolicited email marketing).

Foreign Trade and Customs Law

We source many of our products within the European Union. Within the European internal market, the principle of free movement of goods applies. With respect to import and export of goods from countries which are not members of the EU, we must comply with national and European foreign trade and customs regulations. At the EU level our relevant regulatory framework is based on the Union Customs Code (Regulation (EU) 952/2013). In Germany, the Foreign Trade and Payments Act

(*Außenwirtschaftsgesetz*) and the Ordinance on the Foreign Trade and Payments Act (*Außenwirtschaftsverordnung*) constitute additional regulations which, *inter alia*, set forth rules of procedure. Infringements of customs or foreign trade regulations may be sanctioned with an administrative fine (*Bußgeld*) if categorized as administrative offenses or with a fine (*Geldstrafe*) or custodial sentence (*Freiheitsstrafe*) if categorized as criminal acts. Depending on the extent and nature of the underlying administrative offense, the respective fine may amount to up to €30,000 for violations of procedural regulations and up to €500,000 for violations of other regulations of the Foreign Trade and Payments Act. The authorities may from time to time undertake external audits (*Außenwirtschaftsprüfung*) to assess whether we have complied with the regulations of the Foreign Trade and Payments Act and the pertaining ordinances.

Whereas imports and exports within the EEA are in principle not liable to customs duty, the movement of goods beyond the frontiers of the Economic Area may be subject to customs. The customs control charges, *inter alia*, statutory import duties (*Einfuhrabgaben*). Customs offices may from time to time initiate customs inspections (*Zollprüfung*) to assess whether customs regulations have been infringed. Infringements may result in a fine of up to €50,000.

The countries belonging to the EEA may charge customs duties if products are exported into such non-EEA countries. We also distribute our products in Switzerland (which does not belong to the EEA). Switzerland, however, is party to a preferential agreement (*Präferenzabkkommen*), such agreements being concluded with the European Union and certain other countries in order to facilitate the exchange of goods. The rate of customs duty for goods exported into countries which are parties to the preferential agreement is considerably lower than the regular customs duty rate. The customs administration assesses in a preference inspection (*Präferenzprüfung*) in accordance with the Commission Implementing Regulation (EU) 2015/2447, which applies from May 1, 2016, whether the requirements and conditions set forth in the preferential agreement are complied with.

Product Liability and Textile Labeling Law

In Germany, we are in general subject to liability under the Product Liability Act (*Produkthaftungsgesetz*) which is based on European Directive 85/374/EEC. Under this act, we are liable, regardless of fault, for damage to life, body, health and property caused by defective products to the extent we are seen as manufacturer of such products according to the Product Liability Act. Furthermore, although there is no coherent legal framework for trade in textiles in Germany, certain laws and regulations may apply to us. For example, the German Food, Consumer Goods and Feed Act (*Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetzbuch*) and the German Ordinance on Consumer Goods (*Bedarfsgegenständeverordnung*) include special regulations which aim at preventing possible damage to human health caused by textiles, especially due to toxic substances or contamination. Similarly, the German Chemicals Prohibition Ordinance (*Chemikalienverbotsverordnung*) prohibits the placing on the market of certain substances and preparations as well as products containing such substances or preparations as listed in detail therein. Furthermore, textiles may only be made available on the German market if they comply with the German Product Safety Act (*Produktsicherheitsgesetz*). We are further subject to the European Regulation 1007/2011/EU pursuant to which textiles may only be made available on the European market if they are labeled or marked with certain information, in particular regarding textile fibers. Depending on the implementing laws of the EU Member States, infringements of the textile labeling requirements may constitute administrative offenses.

Regulations on Shop Closing Time

Most European countries have regulations on shop closing times based on employees' protection and immission control. This particularly applies to shop closing times on weekends and holidays. Regulations on shop closing times during night hours on working days were recently suspended by several European countries as respective regulations were no longer required following the implementation of Directive 2003/88/EC concerning certain aspects of the organization of working time. In Germany, shop closing times are regulated by regulations at the Federal States level (*Ladenschlussrecht*) with the exception of Bavaria where the former German Federal Act on Shop

Closing still applies. The city retail businesses occasionally make use of prolonged shopping hours. Based on these regulations, the opening of shops on Sundays and holidays is principally prohibited in Germany. However, there are occasional exceptions with respect to Sunday opening hours. Similar to Germany, Austria has enacted strict regulations on shop closing times with only occasional exceptions.

Regulations on Cyber Security

On July 6, 2016, the European Directive (EU) 2016/1148 of the European Parliament and of the Council concerning measures for a high common level of security of network and information systems across the Union (the "***NIS Directive***") was adopted, which became effective on August 8, 2016. The NIS Directive provides for *inter alia* security requirements and incident-related notification obligations applying to digital service providers, e.g. online-marketplaces. The member states of the European Union are required to implement the regulations provided by the NIS Directive by May 9, 2018. Therefore, it is not possible to assess the full impact of the NIS Directive on our business in the future. However, in Germany some provisions of the NIS Directive have already been implemented prematurely by the IT Security Act (*IT-Sicherheitsgesetz*), which entered into force on July 25, 2015 and that modified *inter alia* the Telemedia Act (*Telemediengesetz*) which requires us to comply with certain technical and organizational requirements in order to protect our customers' data and IT systems which our customers use.

MANAGEMENT

The Group

The Issuer is a holding company formed for the purpose of facilitating the Acquisition. The sole managing director (*Geschäftsführer*) of the Issuer is Peter-Jürgen Haac. The professional address for Peter-Jürgen Haac is Mark-Twain-Straße 4, 81245 Munich, Germany.

S&B Holding

Management of S&B Holding

Schustermann & Borenstein Holding GmbH is a company with limited liability (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It was incorporated on July 23, 2012.

S&B Holding is registered with the commercial register of the local court of Munich (Amtsgericht) under registration number HRB 199965 and its registered office is Ingolstädter Straße 40, 80807 Munich, Germany.

The managing directors of S&B Holding are responsible for managing the day-to-day business of S&B Holding in accordance with applicable German law and its articles of association (*Satzung*) (the "***Articles of Association***"). In addition, the managing directors must ensure appropriate control of risk within S&B Holding and its subsidiaries so that any developments jeopardizing its future as a going concern may be identified at an early stage. The managing directors legally represent S&B Holding in dealings with third parties and in court. Currently, S&B Holding has also established an advisory board (*Beirat*) (the "***Advisory Board***") in accordance with its Articles of Association. The Advisory Board may not exercise management functions, it advises the managing directors on the management of S&B Holding and monitors its conduct of business.

The managing directors and the members of the Advisory Board owe duties of loyalty and care *vis-à-vis* S&B Holding. In discharging their duties, the members of these corporate bodies must consider a broad range of interests, which in turn includes the interests of shareholders, employees, creditors and, to a certain extent, the general public. The managing directors or the members of the Advisory Board are jointly and severally liable to S&B Holding for any damages that may arise if they fail to discharge their duties, provided that the liability of members of the Advisory Board towards S&B Holding is limited by the Articles of Association to wilful misconduct.

As a basic principle under German law, a shareholder has no direct recourse against any managing director or members of the Advisory Board in the event that they breach a duty *vis-à-vis* S&B Holding. Except as otherwise provided in the Articles of Association, only the shareholders' meeting (*Gesellschafterversammlung*) of S&B Holding (the "***Shareholders' Meeting***") may exercise the right to bring claims for damages against the managing directors or members of the Advisory Board.

S&B Holding has taken out a directors and officers liability insurance policy for all managing directors and all members of the Advisory Board.

The Shareholders' Meeting may issue instructions which are binding upon the managing directors. Instructions that would result in violations of mandatory provisions of German corporate law and in particular, capital maintenance rules, are in any event prohibited.

Managing Directors

General Information

The managing directors are responsible for managing the business of S&B Holding in accordance with the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG*), its Articles of Association and the rules of procedure (*Geschäftsordnung*) for the board of managing directors of S&B Holding. Members of the managing directors are appointed for an indefinite period, but the Advisory Board may revoke the appointment of each managing director at any time.

The managing directors have overall responsibility for S&B Holding's business. Managing directors may not deal with, or vote on, measures relating to proposals, arrangements or contracts between himself or herself and S&B Holding.

S&B Holding's Articles of Association provide that it can only be legally represented by two managing directors or by one managing director in conjunction with an authorized signatory who holds a power of attorney (*Prokurist*).

Managing Directors

The following table sets forth the current managing directors of S&B Holding (who are also managing directors of the S&B Group).

Name	Age	Member since	Appointed until	Responsibility	Other principal positions
Daniel Schustermann	40	2012	Unlimited	Managing Director	Managing Director, S&B GmbH Managing Director, S&B Holding Managing Director, S&B Beteiligungs Managing Director, S&B Outlet Managing Director, S&B Logistik Chairman of the Board of Directors of SOS
Marian Schikora	40	2014	Unlimited	Managing Director	Managing Director, S&B GmbH Managing Director, S&B Holding Managing Director, S&B Beteiligungs Managing Director, BS GmbH Managing Director, MIP Verwaltungs GmbH Managing Director, MIP II Verwaltungs GmbH Limited Partner, MIP Verwaltungs GmbH
Amir Borenstein	50	2014	Unlimited	Managing Director	Managing Director, S&B GmbH Managing Director, S&B Holding Managing Director, S&B Beteiligungs Managing Director, S&B Outlet Chairman of the Board of Directors of SOS
Sascha Krines	44	2013	Unlimited	Managing Director	Managing Director, S&B GmbH Managing Director, S&B Holding Managing Director, S&B Beteiligungs Managing Director, S&B Logistik Member of the Board of Directors of SOS Managing Director, MIP Verwaltungs GmbH Managing Director, MIP II Verwaltungs GmbH Limited Partner, MIP Verwaltungs GmbH

The business address of the managing directors is Ingolstädter Straße 40, 80807 Munich, Germany.

Daniel Schustermann joined the S&B Group in 2011 and is responsible for sales, procurement, human resources, customer relationships and real estate & expansion at the S&B Group. Prior to joining the S&B Group, he worked as a consultant for CMI Munich. Mr. Schustermann holds a bachelor degree from the European Business School.

Marian Schikora joined the S&B Group in 2000 and is responsible for marketing, IT and production and campaign management. He is responsible for the management of BestSecret since 2007, the establishment of which he led within the S&B Group. Prior to joining the S&B Group, Mr. Schikora worked with DataDesign AG as project manager.

Amir Borenstein joined the S&B Group in 1987. He has been part of the management team since 1992 and is responsible for design, quality control and purchasing/management of key suppliers as well as the management and sourcing of private label business (including special make-ups from key suppliers) and purchasing key brands. Prior to joining the S&B Group, he worked for the import and fashion agency Horvath&Maille (Toronto).

Sascha Krines joined the S&B Group in 2013 and is responsible for finance/accounting, controlling, business analysis, business organization, legal and logistics. Prior to joining the S&B Group, he worked for MediaSaturn in various management positions and, prior to that, KPMG's consulting business. Mr. Krines holds a diploma degree in business administration from the University of Applied Sciences of Cologne.

The business address of each member of the board of managing directors is Ingolstädter Straße 40, 80807 Munich, Germany.

Advisory Board

Overview

According to rules of procedure of the Advisory Board (the "***Rules of Procedure***"), the Advisory Board may comprise up to five members which are appointed by the shareholders of S&B Holding Shareholders' Meeting. Prior to consummation of the Acquisition, the current members of the Advisory Board will resign their positions, and we expect they will be replaced by members appointed by Permira Funds.

One of the members of the Advisory Board is appointed as chairman (*Vorsitzender*) for an unlimited term by resolution of the shareholders by a simple majority of the votes cast. Such appointment can be recalled under certain circumstances by resolution of the shareholders without cause.

With one exception, no former managing director is currently serving on the Advisory Board.

Unless otherwise required by the Rules of Procedure, resolutions of the Advisory Board are passed by a simple majority of the members of the Advisory Board. In order to constitute a quorum, at least three members of the Advisory Board must participate in the voting.

The Advisory Board is required to meet at least once per quarter.

While the Shareholder's Meeting of S&B Holding may resolve to shift further responsibilities to or to withdraw single or all competencies from the Advisory Board, the Advisory Board is generally, subject to certain exceptions, *inter alia*, responsible for (i) advising the board of managing directors of S&B Holding; (ii) appointment, dismissal and discharge of the managing directors of S&B Holding; (iii) granting and withdrawal of proxies (*Prokuren*) and general powers of attorney (*General- und Handlungsvollmachten*); (iv) review and approval of annual budgets or business plans; (v) determination and appointment of the auditor for the financial statements and the group financial statements and (vi) approval of the annual financial statements and of the consolidated financial statements.

Compensation of the Managing Directors and Members of the Advisory Board

In 2015, the total remuneration of the management amounted to €2.4 million and of the advisory board to €0.1 million.

Further Information about the Managing Directors

During the last five years, no managing director has been convicted of a fraudulent offense.

During the last five years, no managing director has acted in any capacity at any entity which was subject to bankruptcy, receivership or an involuntary liquidation.

No official public incrimination and/or sanctions by any statutory or regulatory authority against any managing director has occurred. No managing director has ever been disqualified by a court from acting as a member of the administrative, management or advisory bodies of an issuer or from acting in the management or conduct the affairs of any issuer during the last five years.

S&B Holding has not granted any loans to managing directors, and no managing directors have concluded any transactions with it that lie outside its normal operating activities.

Shareholders' Meetings

Pursuant to the Articles of Association, general Shareholders' Meetings take place once a year. Each of the shares carries one vote at the Shareholders' Meeting. There are no restrictions on voting rights of the shares of the company.

Unless mandatory provisions of the German Limited Liability Company Act or the Articles of Association state otherwise, Shareholders' Meeting resolutions are passed with a simple majority of the votes cast. Subject to certain prerequisites and exemptions, a majority representing more than 80% of the voting capital is required, *inter alia*, for resolving on (i) amendments to the Articles of Association of S&B Holding (provided that amendments to the corporate purpose require a quorum of 90% of the voting capital); (ii) conversions pursuant to the German Conversions Act (*Umwandlungsgesetz*); (iii) concluding, amending and terminating of company contracts pursuant to sec. 291 et. seq. of the German Stock Corporation Act (*Aktiengesetz*) and agreements relating to the lease of the company in whole or in parts or of other companies; (iv) entering into, amending and dissoluting of silent partnerships or similar transactions; (v) establishment of an additional company organ and the transfer of responsibilities to such company organ; (vi) purchase of other enterprises in a whole, of material parts thereof or acquisition of participations, provided that the value of the enterprise, of the part of the enterprise or participation exceeds €50 million; (vii) sales and disposals of participations of any kind, provided that S&B Holding or its shareholders are not the sole shareholders of the relevant purchasers; (viii) appropriation of the net profit and any other dividends distributed to the shareholders; (ix) concluding, amending and terminating of contracts with its shareholders or affiliates of any shareholder or any shareholder's related parties; (x) recapitalizations of S&B Holding in whole or in parts including the concluding of related financing agreements; (xi) resolutions on similar measures and transactions contemplated in subsidiaries of S&B Holding.

PRINCIPAL SHAREHOLDERS

The Issuer will be ultimately beneficially owned by the Permira Funds and certain co-investors (the "***Co-Investors***"). In particular, the Permira Funds, management and family investors have beneficial ownership, directly or indirectly through intermediate holding companies of the Issuer.

Permira Funds is a European private equity firm with a global reach. Permira, as advisor to the Permira Funds, employs over 200 people in 14 offices worldwide, including Dubai, Frankfurt, Guernsey, Hong Kong, London, Luxembourg, Madrid, Menlo Park, Milan, New York, Paris, Seoul, Stockholm and Tokyo. Since 1985, it has secured €31 billion of committed capital. Over the last three decades, Permira Funds has completed over 200 transactions, investing in companies across the five key sectors on which they are focused (Consumer, Technology, Industrials, Financial Services and Healthcare).

According to the Acquisition Agreement, certain Sellers shall reinvest (indirectly) into the S&B Group on a *pari passu* basis in the context of the Acquisition, subject to, and in accordance with, the applicable terms of the Acquisition Agreement (the "***Co-Investment***"). Such Co-Investment shall ultimately be held directly by the Co-Investors in a direct or indirect holding company of the Issuer in the form of a Luxembourg limited liability company.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates from time to time and in the ordinary course of our business. We believe these agreements are on terms no more favorable to the related parties or our affiliates than they would expect to negotiate with disinterested third parties.

Management Equity Participation Program

In order to enable senior management to participate in the success of S&B Group, PTGMidco S.à r.l. (the "***Permira Investor***") has decided to implement an equity participation program (the "***Management Equity Investment***"). Certain key managers of the S&B Group (the "***Participants***") have been offered the opportunity to invest in the Management Equity Investment.

For purposes of the Management Equity Investment, the Permira Investor, as shareholder of the PTGLUX S.à r.l. (the "***PTGLUX***"), expects to provide to the Participants ordinary shares in PTGLUX (together with any future shares in the PTGLUX made available to the Participants for the purposes of the Management Equity Investment, the "***Management Shares***" and, the Management Shares together with any other instrument or instrument of shareholder financing, including shareholder loans, the "***Management Financial Instruments***"). Each of the Participants will hold its Management Financial Instruments indirectly through a separate German limited partnership (*Kommanditgesellschaft*) where the Participants will become a sole limited partner. In addition to the Participants, further participants will join the Management Equity Investment, namely the Permira Investor and several key managers of the S&B Group, as limited partners, through a German limited partnership (*Kommanditgesellschaft*).

Lease Agreements

S&B GmbH entered into six lease agreements, five of which which are concluded with private partnerships (*Gesellschaften bürgerlichen Rechts*) in which certain members of the Schustermann and Borenstein families or their related parties are partners, and one entered into by S&B Logistik is concluded with a limited partnership (*Kommanditgesellschaft*) in which, among others, certain members of the Schustermann and Borenstein families are limited partners. The sites which are leased include the following locations:

- Margaretha-Ley-Ring 21-23, Aschheim-Dornach, Germany
- Margaretha-Ley-Ring 27-33, Aschheim-Dornach, Germany
- Ismaninger Straße 22, Aschheim-Dornach, Germany
- Ingolstädter Straße 40a, Munich, Germany
- Reichenbachstraße 9, Munich, Germany
- Parsdorfer Straße 13, Poing, Germany

U.S. Brands Agency Agreement

S&B GmbH entered into an agency agreement with U.S. Brands LLC (of which Daniel Borenstein is the sole manager and shareholder) dated January 21, 2014 (the "***US Brands Agency Agreement***"), whereby U.S. Brands LLC shall refer potential suppliers to S&B GmbH and S&B GmbH pays to U.S. Brands LLC a commission equal to 10% (with respect to new suppliers) or 2% (with respect to existing suppliers specified in an annex to the agreement), respectively, in each case of the total amount of the net purchase price paid by S&B GmbH to the respective suppliers previously referred to S&B GmbH by U.S. Brands LLC. The agreement commenced on April 1, 2014 and has a fixed term of three years. Upon expiry of the fixed term and any further term, respectively, the agreement's term will in each case be extended automatically by one year, unless it is terminated by either party upon three months' notice prior to the end of the respective term. Under the US Brands Agency Agreement S&B GmbH

paid commission fees in the total amount of approximately $22,000 in 2014 and approximately $62,000 in 2015.

Service & Consultancy Agreements

S&B GmbH entered into a managing director service agreement (*Geschäftsführerdienstvertrag*) with Daniel Schustermann dated September 4, 2012 and into a managing director service agreement with Amir Borenstein dated February 2, 2014.

S&B GmbH entered into consultancy agreements (*Beraterverträge*) with Emil Schustermann dated March 11, 2013 and Benno Borenstein dated March 11/21, 2013. Pursuant to the agreements, the respective consultant provides consultancy services at the request of S&B GmbH and receives a daily compensation of €2,500.00 (plus VAT) with respect to the designated strategic consultancy services on ten days per year and a daily compensation of €2,000.00 plus VAT for any additional day on which he provides services. Both agreements have an indefinite term. They commenced on January 1, 2013 and may be terminated upon four weeks' prior notice with effect as of the end of a calendar month. Under these consultancy agreements, S&B GmbH paid compensation of approximately €15,000 (excluding VAT) and €0 to Mr. Borenstein and Mr. Schustermann in 2015, respectively.

BS GmbH entered into an employment agreement with Anat Fuchs-Borenstein dated May 17, 2013. The employment agreement was initially entered into for a period of six months and, by way of a supplementary agreement dated November 12, 2013, extended for an indefinite period of time. Anat Fuchs-Borenstein is employed as business development manager.

Insurance Coverage

Certain sellers under the Acquisition Agreement and such sellers' related parties are co-insured (*mitversichert*) under certain of S&B Group's insurance policies, whereas the relevant insurers separately and directly invoice the relevant portions of the insurance premiums to the respective co-insured without any involvement of the S&B Group companies.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the material terms of our principal financing arrangements after giving effect to the Transactions. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements, which are not final and have not been executed. For further information regarding our existing indebtedness, see "Use of Proceeds," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Revolving Credit Facility Agreement

Overview and structure

On or prior to the Issue Date, the Issuer (as original borrower and original guarantor), Barclays Bank PLC, Goldman Sachs Bank USA and UniCredit Bank AG, London Branch (as lenders), UniCredit Bank AG, London Branch (as facility agent) and UniCredit Bank AG, London Branch (as security agent) (amongst others) will enter into the Revolving Credit Facility Agreement.

The Revolving Credit Facility Agreement provides for borrowings up to an aggregate principal amount of €35.0 million on a committed basis. The Revolving Credit Facility may be utilized by any current or future borrower under the Revolving Credit Facility in euro, Swiss francs, US dollars, Pounds Sterling or certain other currencies (if agreed) by the drawing of cash advances, the issue of Letters of Credit (upon the appointment of an Issuing Bank) and by way of any Ancillary Facilities that may be made available thereunder (each as defined in the Revolving Credit Facility Agreement). Subject to certain exceptions, loans may be borrowed, repaid and re-borrowed at any time. Borrowings are available to be used for (i) general corporate and working capital purposes of the Group (as defined in the Revolving Credit Facility Agreement) including, without limitation, for payment of interest under the Notes and (ii) on the date of completion of the acquisition of the Target (the "***Closing Date***"), for financing or refinancing any working capital adjustments of the Target Group arising from differences in the average working capital and/or replacing any existing letters of credit or similar instruments only.

In addition, the Issuer may elect to request additional facilities either as a new facility or as additional tranches of an existing facility under the Revolving Credit Facility Agreement (the "***Additional Facility Commitments***") in amounts up to €15.0 million (following the amendment of certain provisions of the Revolving Credit Facility Agreement to reflect the terms of the Indenture as further described below under *Description of Certain Financing Arrangements—Revolving Credit Facility Agreement—Covenants*). The Issuer and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin, the termination date and the availability period (each subject to parameters as set out in the Revolving Credit Facility Agreement). There are certain limitations (including as to maximum amount) on the ability to incur Additional Facility Commitments and no additional facility will have the right to receive mandatory prepayments in priority to the Revolving Credit Facility by virtue of any mandatory prepayment waterfall set out in the Revolving Credit Facility Agreement but will instead be permitted to benefit on a pro rata or junior basis.

Availability

The Revolving Credit Facility may, subject to the satisfaction of customary conditions precedent, be utilized from (and including) the Closing Date until the date falling one month prior to the maturity date of the Revolving Credit Facility.

Borrowers and Guarantors

The Issuer is the original borrower and the original guarantor under the Revolving Credit Facility. A mechanism is included in the Revolving Credit Facility Agreement to enable certain of its subsidiaries to accede as additional borrowers or additional guarantors under the Revolving Credit Facility, subject to certain conditions. The Revolving Credit Facility Agreement also requires that, subject to, for the avoidance of doubt, the section entitled "*Guarantees*" below, in the future each member of the Group (as defined in the Revolving Credit Facility Agreement) which is or becomes a Material Company

(as defined in the Revolving Credit Facility Agreement), or is otherwise required to become a guarantor in order to satisfy the Guarantor Coverage Test (as defined below), becomes an additional guarantor under the Revolving Credit Facility Agreement (subject to agreed security principles).

Maturity and Repayment Requirements

The Revolving Credit Facility matures on the earlier of (i) the date falling six years and nine months after the Closing Date and (ii) the date falling three months prior to the earliest originally scheduled final maturity of the Notes (or any tranche thereof). Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the Revolving Credit Facility must be repaid in full on or prior to the maturity date for the Revolving Credit Facility. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be re-borrowed during its availability period, subject to certain conditions. The termination date for a facility under an Additional Facility Commitment is the date agreed between the Issuer and the relevant lenders.

Interest Rate and Fees

The interest rate on loans under the Revolving Credit Facility is the rate per annum equal to the aggregate of the applicable margin plus LIBOR (or, in relation to advances in euro, EURIBOR) (as each term is defined in the Revolving Credit Facility Agreement). The initial margin under the Revolving Credit Facility is 3.75% per annum. If at least twelve months have expired since the Closing Date, provided that no event of default has occurred and is continuing, the margin on the loans are reduced if certain consolidated leverage ratios (as defined in the Revolving Credit Facility Agreement and representing the ratio of Consolidated Net Indebtedness (less certain cash and cash equivalents) on such quarter date to Consolidated EBITDA for the period of the most recent four consecutive financial quarters (subject to certain provisions and adjustments), the first such period ending on the first quarter date that falls at least three months after the Closing Date (each such term as defined in the Revolving Credit Facility Agreement)) are met.

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility which shall accrue from (and including) the Closing Date to (and including) the last day of the availability period for the Revolving Credit Facility at the rate of 35% of the then applicable margin for the Revolving Credit Facility. The commitment fee is payable (i) quarterly in arrear, (ii) on the last day of the availability period of the Revolving Credit Facility and (iii) on the date on which a lender's commitment is cancelled. No commitment fee shall be payable unless the Closing Date occurs.

Default interest on overdue amounts is calculated at a rate which is 1% higher than that applicable to the loans under the Revolving Credit Facility.

The Issuer is also required to pay customary agency fees to the facility agent and the Security Agent in connection with the Revolving Credit Facility Agreement. No such agency fees are payable unless the Closing Date occurs.

Guarantees

The Issuer has provided a senior guarantee of all amounts payable to the Finance Parties (as defined in the Revolving Credit Facility Agreement) by it or any of its subsidiaries which accede to the Revolving Credit Facility Agreement as additional borrowers or additional guarantors.

Under the Revolving Credit Facility Agreement the Issuer must ensure that, within 60 days of the Closing Date (or if the Closing Date occurs on or prior to 31 December 2016, on the date falling 75 days after the Closing Date) and subject to agreed security principles, sufficient members of the Group accede to the Revolving Credit Facility Agreement as additional guarantors in order that the guarantors under the Revolving Credit Facility Agreement represent no less than 80% of each of the consolidated EBITDA or the consolidated gross assets of the Group (as defined in the Revolving Credit Facility Agreement) (subject to certain exceptions) (the "***Guarantor Coverage Test***").

The Revolving Credit Facility Agreement requires that (subject to agreed security principles) each subsidiary of the Issuer that is or becomes a Material Company (which definition includes, among other things, any member of the Group (as defined in the Revolving Credit Facility Agreement) that has earnings before interest, tax, depreciation and amortization representing more than 5% of our consolidated EBITDA or gross assets representing more than 5% of the gross assets of the Group (as defined in the Revolving Credit Facility Agreement), subject to certain exceptions) following the Closing Date will be required to become an additional guarantor under the Revolving Credit Facility Agreement within 60 days following delivery of the annual financial statements for the relevant fiscal year demonstrating that such subsidiary is a Material Company.

Furthermore, if on the last day of a fiscal year of the Issuer falling after the Closing Date, the Guarantor Coverage Test is not satisfied, within 60 business days following delivery of the annual financial statements for the relevant fiscal year, such other restricted subsidiaries of the Issuer (subject to agreed security principles and certain exceptions) are required to become additional guarantors until the Guarantor Coverage Test is satisfied (to be calculated as if such additional guarantors had been guarantors on such last day of the relevant fiscal year).

Security

As from the Closing Date the Revolving Credit Facility will benefit from substantially the same security as will be provided for the Notes. Under the terms of the Intercreditor Agreement, proceeds from the enforcement of the Collateral (whether or not shared with the holders of the Notes) will be required to be applied to repay indebtedness outstanding in respect of the Revolving Credit Facility in priority to the Notes.

Any Material Company or other member of the Group (each as defined in the Revolving Credit Facility Agreement) which becomes a guarantor of the Revolving Credit Facility is required (subject to agreed security principles) to grant security over its intragroup receivables and certain other agreed assets and (if wholly owned by another member or members of the Group) to have its shares (or equivalent ownership interests) secured in favor of the Security Agent.

Representations and Warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties, subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, and with certain representations and warranties being repeated, including: (i) status and incorporation; (ii) binding obligations; (iii) non-conflict with constitutional documents, laws or other obligations; (iv) power and authority; (v) authorizations; (vi) governing law and enforcement; (vii) no event of default; and (viii) accuracy of most recent financial statements delivered.

Covenants

The Revolving Credit Facility Agreement contains certain incurrence and information covenants and related definitions (with certain adjustments) that will, if required, be amended following the Issue Date to reflect the terms of the Indenture. In addition, the Revolving Credit Facility Agreement also contains certain other affirmative and negative covenants. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge or other qualifications, exceptions and baskets.

The Revolving Credit Facility Agreement also contains a financial covenant, a brief description of which is set out below.

Affirmative Covenants

The affirmative covenants include, among others: (i) providing compliance certificates; (ii) authorizations, (iii) compliance with laws and regulations; (iv) payment of taxes; (v) maintenance of material assets; (vi) maintenance of *pari passu* ranking of the Revolving Credit Facility; (vii) preservation of rights under the Acquisition Agreement; (viii) maintenance of insurance arrangements; (ix) rights of access for the facility agent and Security Agent; (x) maintenance of

intellectual property; (xi) satisfaction of Guarantor Coverage Test; (xii) repayment of certain existing financing arrangements; (xiii) implementation of certain other conditions subsequent in relation to the Share Rollover (as defined in the Revolving Credit Facility Agreement); (xiv) notification of any changes to the accounting principles or accounting practices and delivery to the facility agent of any Reconciliation statements; and (xv) further assurance provisions.

Negative Covenants

The negative covenants include restrictions, among others, with respect to: (i) substantially changing the general nature of the business of the Group (as defined in the Revolving Credit Facility Agreement); (ii) the holding company activities of the Issuer; (iii) amending, waiving or terminating the terms of the Acquisition Agreement; (iv) deliberately changing center of main interests; and (v) non-compliance with economic sanctions. Otherwise, the negative covenants in the Revolving Credit Facility Agreement are substantially the same as the negative covenants in the Indenture.

Covenant Suspension

Certain of the covenants under the Revolving Credit Facility Agreement will be suspended upon (i) a public offering of equity securities by any member of the Group (as defined in the Revolving Credit Facility Agreement) or any of the Issuer's holding companies and an achievement of a Leverage Ratio (defined as the ratio of Consolidated Net Indebtedness on the last day of such period to Consolidated EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the Revolving Credit Facility Agreement) equal to or less than 3.00:1 (pro forma for any prepayment of certain indebtedness from the proceeds of such public offering) or (ii) an achievement by the Issuer (or any of its affiliates) of a long-term corporate credit rating of Baa3/BBB- or better by Moody's Investor Services, Inc. or Standard & Poor's Investors Ratings Services.

Mandatory Prepayment Requirements upon a Change of Control

On a Change of Control (as defined in the Revolving Credit Facility Agreement), each lender under the Revolving Credit Facility Agreement shall be entitled for a 30-day period after receiving notice thereof to require that all amounts payable under the Senior Finance Documents by the obligors to that lender will become immediately due and payable and the borrowers will immediately prepay or procure the prepayment of all utilizations provided by that lender and the undrawn commitments of that lender will be cancelled and such lender shall have no obligation to participate in further utilizations requested under the Revolving Credit Facility Agreement, in each case save to the extent that any ancillary lender or issuing bank, as between itself and the relevant member of the Group, agrees to continue to provide an ancillary facility or letter(s) of credit, in which case, after notification thereof to the facility agent such arrangements shall continue on a bilateral basis and not as part of, or under, the Senior Finance Documents (each defined term as defined in the Revolving Credit Facility Agreement).

Financial Covenants

If, on any quarter date in respect of the period of the most recent four consecutive financial quarters, the aggregate amount outstanding of all loan utilizations under the Revolving Credit Facility exceeds an amount equal to 35 per cent. of the total commitments under the Revolving Credit Facility, the Issuer is required to confirm whether or not the Leverage Ratio (as defined in the Revolving Credit Facility Agreement and representing the ratio of Consolidated Net Indebtedness (less certain cash and Cash Equivalents) on such quarter date to Consolidated EBITDA for the period of the most recent four consecutive financial quarters (subject to certain provisions and adjustments) (the first such period ending on the first quarter date that falls at least three months after the Closing Date, each such term as defined in the Revolving Credit Facility Agreement)) exceeds an agreed ratio. The covenant will be tested quarterly.

Any excess in the financial ratio test set out above will only permit the lenders under the Revolving Credit Facility Agreement to prevent a new utilization of the Revolving Credit Facility (excluding rollovers of existing utilizations) and will not constitute, or result in, a breach of any representation,

warranty, undertaking, default, event of default or other term in the Revolving Credit Facility Agreement or any finance documents pertaining thereto.

The Issuer is permitted to prevent or cure excesses in the Leverage Ratio as described above by applying any cure amount (being amounts received by the Issuer in cash pursuant to any new equity or permitted subordinated debt) as if Consolidated Net Indebtedness (as defined in the Revolving Credit Facility Agreement) had been reduced by such amount. There is no requirement to apply any cure amount in prepayment of the Revolving Credit Facility. No more than four cure amounts may be taken into account during the term of the Revolving Credit Facility and cure amounts in successive financial quarters will not be permitted.

Events of Default

The Revolving Credit Facility Agreement contains the same events of default, with certain adjustments, as those applicable to the Notes as set forth in the section entitled "*Description of the Notes—Events of Default.*" In addition, the Revolving Credit Facility Agreement contains the following events of default:

- inaccuracy of a representation or statement when made;
- breach of the Intercreditor Agreement; and
- unlawfulness, repudiation, rescission, invalidity or unenforceability of the finance documents entered into in connection with the Revolving Credit Facility Agreement.

Intercreditor Agreement

On or about the Issue Date, the Issuer (together with Holdco, the "***Original Debtors***"), Holdco, the lenders under the Revolving Credit Facility Agreement (the "***RCF Lenders***"), the Trustee and the Security Agent, among others, will enter into an intercreditor agreement (the "***Intercreditor Agreement***"). Certain hedging providers and certain subsidiaries of the Issuer (such subsidiaries, collectively with the Original Debtors, the "***Debtors***") may accede in the future. By accepting a Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and shall be deemed to have authorized the Trustee to accede to the Intercreditor Agreement on its behalf.

The following description is a summary of certain provisions, among others, contained in the Intercreditor Agreement and which relate to the rights and obligations of the holders of the Notes following the Trustee's accession to the Intercreditor Agreement on the Issue Date. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines certain rights of the holders of the Notes.

The Intercreditor Agreement sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

Unless otherwise defined in this section or elsewhere in this Offering Memorandum to the extent not defined in the Intercreditor Agreement, capitalized terms set forth and used in this section have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum.

Parties

Upon the issuance of the Notes (and following the relevant accessions), the principal parties to the Intercreditor Agreement will be: (i) the direct Holding Company of Holdco, in its capacity as the Original Investor, (ii) Holdco, (iii) the Issuer as the Parent and a Senior Secured Debt Issuer, (iv) the agent for the finance parties under the Revolving Credit Facility Agreement (the "***RCF Facility Agent***"), (v) the RCF Lenders, (vi) the Trustee, (vii) the Security Agent, and (viii) the other Debtors.

The "***Super Senior Creditors***" include the RCF Lenders together with, upon accession, the Priority Hedge Counterparties (as defined below).

The "***Senior Secured Creditors***" include holders of the Senior Secured Notes (as defined in the Intercreditor Agreement), (upon accession) the Senior Secured Notes Trustee (as defined in the Intercreditor Agreement) together with, upon accession, the Non-Priority Hedge Counterparties (as defined below) and the Permitted Senior Secured Financing Creditors (as defined below).

The "***Group***" means the Issuer and its Restricted Subsidiaries.

The "***Holdco Group***" means Holdco and each member of the Group.

The Intercreditor Agreement allows for accession by certain future creditors in order to share (to the extent set out in the Intercreditor Agreement) in the relevant security, including:

- hedge counterparties pursuant to interest rate and foreign exchange hedging agreements in respect of liabilities to the RCF Lenders, liabilities to the holders of the Senior Secured Notes, the Permitted Senior Secured Financing Liabilities, the Permitted Senior Financing Liabilities and any other indebtedness which is not prohibited under the Secured Debt Documents and which ranks *pari passu* with any of the foregoing listed debt, which are secured on a super senior basis with (among other liabilities) the Revolving Credit Facility (the "***Priority Hedging Agreements***" and the providers thereof the "***Priority Hedge Counterparties***");

- hedge counterparties pursuant to interest rate or foreign exchange hedging agreements which are secured on a *pari passu* basis with (among other liabilities) the Senior Secured Notes and are not Priority Hedging Agreements (the "***Non-Priority Hedging Agreements***" and the providers thereof, the "***Non-Priority Hedge Counterparties***" and together with the Priority Hedge Counterparties, the "***Hedge Counterparties***," the Non-Priority Hedging Agreements together with the Priority Hedging Agreements, the "***Hedging Agreements***");

- creditors of future indebtedness of the Group (the "***Permitted Senior Secured Financing Creditors***"), which is not prohibited under the terms of the Revolving Credit Facility Agreement and the Senior Secured Notes, is *pari passu* with, and not subordinated in right of payment to, the liabilities owed to the Senior Secured Creditors and which is not prohibited, under the terms of the Revolving Credit Facility Agreement or the Senior Secured Notes, from sharing in the Transaction Security with the rights and obligations of Permitted Senior Secured Financing Creditors (the "***Permitted Senior Secured Financing Debt***") the liabilities owed to such creditors being the "***Permitted Senior Secured Financing Liabilities***"); and

- creditors of future indebtedness of the Holdco Group (the "***Permitted Senior Financing Creditors***"), which is not prohibited under the terms of the Revolving Credit Facility and the Senior Secured Notes and which is subject to certain provisions of the Intercreditor Agreement, junior to, and subordinated in right of payment to, the liabilities owed to the Senior Secured Creditors ("***Permitted Senior Financing Debt***"), the liabilities owed to such creditors being the "***Permitted Senior Financing Liabilities***," the agreements evidencing such liabilities and the fee letters in connection therewith (and any other document or instrument designated as such by Holdco and the agent, trustee or other relevant representative in respect of such liabilities (the "***Permitted Senior Financing Representative***") being the "***Permitted Senior Debt Documents***."

In addition: (i) any shareholder of Holdco that is a creditor of certain indebtedness of the members of the Holdco Group (an "***Investor***") shall be a party to the Intercreditor Agreement in that capacity. The Intercreditor Agreement contains customary subordination provisions and restrictions relating to the receivables owing from any member of the Holdco Group to any such Investor (the "***Investor Liabilities***"); and (ii) certain members of the Group that lend to a Debtor (each an "***Intra-Group Lender***") shall be a party to the Intercreditor Agreement with respect to such loans or indebtedness owing from such Debtor to such members of the Group (the "***Intra-Group Liabilities***") provided the aggregate amount due by the Debtors to any such member of the Group exceeds €5,000,000. The Intercreditor Agreement contains subordination provisions relating to any such Intra-Group Liabilities. However, Debtors will not be prohibited from incurring, amending or making payments in respect of

any Intra-Group Liabilities until an acceleration event under the Revolving Credit Facility or the Indenture is continuing; and (iii) if Holdco lends to a member of the Group (the "***Holdco Lender***") it shall be a party to the Intercreditor Agreement with respect to such loans or indebtedness made to members of the Group (the "***Holdco Liabilities***"), which includes the on-lending (if any) of the proceeds of any Permitted Senior Financing Debt by the Holdco Lender (the "***Holdco (Proceeds Loan) Liabilities***"). The Intercreditor Agreement contains subordination provisions relating to any such Holdco Liabilities.

The Intercreditor Agreement also includes the ability to: (i) replace the Revolving Credit Facility Agreement with a replacement revolving credit facility benefiting from a similar position under the terms of the Intercreditor Agreement; and (ii) issue further senior secured notes after the Issue Date. The terms set out in this summary in relation to the Revolving Credit Facility will apply to such replacement revolving credit facility and in relation to the Senior Secured Notes, will apply to such further senior secured notes.

Ranking and Priority

Priority of Indebtedness

The Intercreditor Agreement provides that the liabilities of the Debtors (other than any Senior Debt Issuer, as defined in the Intercreditor Agreement) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

first, the liabilities owed to the Super Senior Creditors (the "***Super Senior Creditor Liabilities***"), the liabilities owed to the Senior Secured Creditors including with respect to the Senior Secured Notes (the "***Senior Secured Liabilities***"), the liabilities owed to any Hedge Counterparty (the "***Hedging Liabilities***") (to the extent not already included in the Super Senior Creditor Liabilities), the Permitted Senior Secured Financing Liabilities, certain customary costs and expenses of the Senior Secured Notes Trustee and any representative acting as a trustee under any issue of senior notes ("***the Senior Notes Trustee***") (the "***Trustee Liabilities***"), the liabilities owed to any agent (the "***Agent Liabilities***") under any Debt Documents (as such term is defined in the Intercreditor Agreement), the liabilities owed to any arranger under any Debt Document (the "***Arranger Liabilities***") and the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar), *pari passu* and without any preference between them;

second, any guarantee liabilities owed to any Permitted Senior Financing Creditor (the "***Senior Guarantee Liabilities,***" and, together with the Permitted Senior Financing Issuer Liabilities, the "***Senior Liabilities***") *pari passu* and without any preference between them;

third, the Holdco (Proceeds Loans) Liabilities;

fourth, the Intra-Group Liabilities; and

fifth, the Holdco Liabilities (other than the Holdco (Proceeds Loans) Liabilities).

The Intercreditor Agreement also provides that the liabilities of any Senior Debt Issuer shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(a) ***first***, the Super Senior Creditor Liabilities, the Senior Secured Liabilities, the Hedging Liabilities (to the extent not already included in Super Senior Creditor Liabilities), the Agent Liabilities, the Arranger Liabilities, the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar), the Trustee Liabilities, any Senior Liabilities due by any Senior Debt Issuer in its capacity as a principal debtor with respect to the Permitted Senior Financing Liabilities (the "***Permitted Senior Financing Issuer Liabilities***") *pari passu* and without any preference amongst them; and

(b) ***second***, any Investor Liabilities.

Priority of Security

The Intercreditor Agreement provides that (subject to the proceeds of such security being distributed in accordance with the Payments Waterfall defined below) the security provided for the Super Senior Creditor Liabilities, the Senior Secured Liabilities (including the Permitted Senior Secured Financing Liabilities), the Hedging Liabilities (to the extent not already included in the Super Senior Creditor Liabilities), the Agent Liabilities, the Arranger Liabilities, the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar) and the Trustee Liabilities (the "***Transaction Security***") shall secure these liabilities *pari passu* and without any preference among them (but only to the extent that such Transaction Security is expressed to secure those liabilities).

The Intercreditor Agreement contemplates that certain of the Collateral that is permitted to also be for, or is expressed to be for, or is not prohibited from being for, the benefit of the Permitted Senior Financing Creditors by the terms of the finance documents shall be "Shared Security" as defined in the Intercreditor Agreement (the "***Shared Security***") and shall rank and secure liabilities listed at (a) and (b) below in the following order:

(a) ***first***, the Super Senior Creditor Liabilities, Senior Secured Liabilities (including the Permitted Senior Secured Financing Liabilities), the Hedging Liabilities (to the extent not already included in the Super Senior Creditor Liabilities), the Agent Liabilities, the Arranger Liabilities, the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar), and the Trustee Liabilities, *pari passu* between them (but only to the extent that such Transaction Security is expressed to secure those liabilities); and

(b) ***second***, the Permitted Senior Financing Liabilities pari passu between them (but only to the extent that such Transaction Security is expressed to secure those liabilities and in respect of the Permitted Senior Financing Liabilities, only to the extent Holdco has agreed that such Permitted Senior Financing Liabilities are to benefit from such Shared Security).

The Investor Liabilities, the Holdco Liabilities and the Intra-Group Liabilities shall not be secured by the Transaction Security or the Shared Security.

Payments and Prepayments; Subordination of the Permitted Senior Financing Debt

The Debtors may make payments and prepayments in respect of the Senior Secured Liabilities and the Trustee Liabilities at any time in accordance with their terms.

The Debtors may make payments and prepayments in respect of the Priority Hedging Agreements and the Non-Priority Hedging Agreements if such payment is a scheduled payment arising under any such agreement or other customary payments under such agreement.

Any Senior Debt Issuer may make payments and prepayments in respect of any Senior Liabilities at any time in accordance with the terms of the relevant senior finance documents in its capacity as a borrower, issuer or equivalent.

Prior to the discharge of all Senior Secured Liabilities and all the Super Senior Creditor Liabilities due to the RCF Lenders (themselves the "***Senior Secured Debt Liabilities***" and such date being "***Senior Secured Debt Discharge Date***" and with the discharge date of all Super Senior Creditor Liabilities due to the RCF Lenders being the "***RCF Lenders Discharge Date***"), no member of the Group may make payments in respect of the Senior Liabilities without the Required Senior Consent (as that term is defined in the Intercreditor Agreement) except, and in addition to the paragraph above, as permitted by the Intercreditor Agreement including the following:

if:

(a) the payment is of:

  i. any of the principal amount of or capitalized interest on the Senior Liabilities which is either (1) not prohibited from being paid by the Revolving Credit Facility Agreement, the Senior Secured Notes Indenture or any Permitted Senior Secured Financing Debt finance

document or (2) paid on or after the final maturity date of the relevant Senior Liabilities or, in each case, a corresponding amount of Holdco Liabilities; or

ii. any other amount which is not an amount of principal or previously capitalized interest (including any scheduled interest (whether cash pay or payment-in-kind) and default interest) or a corresponding amount of Holdco Liabilities;

(b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Senior Liabilities (a "***Senior Payment Stop Notice***") is outstanding; and

(c) no event of default under the finance documents in respect of the Senior Secured Debt Liabilities arising by reason of non-payment of any amounts due in connection therewith (a "***Senior Secured Payment Default***") has occurred and is continuing; or

(d) certain amounts due to any Senior Notes Trustee for its own account;

(e) costs and expenses of any holder of a mortgage, charge, pledge, lien or other security interest having a similar effect ("***Security***") in relation to the protection, preservation or enforcement of such Security;

(f) administrative and maintenance costs, taxes, fees and expenses of any Senior Debt Issuer (in its capacity as a borrower or issuer) incurred in respect of or in relation to (or reasonably incidental to) any Permitted Senior Debt Documents (including in relation to any reporting or listing requirements), provided that such costs and expenses are not incurred in respect of current, threatened or pending litigation against the Secured Parties (as such term is defined in the Intercreditor Agreement) (other than any Permitted Senior Financing Creditor); or

(g) costs, commissions, taxes, fees, premiums and expenses incurred in respect of or in relation to (or reasonably incidental to) any refinancing of the Permitted Senior Financing Liabilities not prohibited by the Intercreditor Agreement, the Revolving Credit Facility Agreement, the Senior Secured Notes Indenture and any Permitted Senior Secured Financing Document.

Prior to the Senior Secured Debt Discharge Date, if a Senior Secured Payment Default is continuing all payments in respect of the Senior Liabilities (other than those for which Required Senior Consent has been obtained) will be suspended.

In addition, if an event of default (other than a Senior Secured Payment Default) under the finance documents in respect of the Senior Secured Debt Liabilities (each "***Senior Secured Event of Default***") is continuing and any relevant Permitted Senior Financing Representative has received a Senior Payment Stop Notice from either the RCF Facility Agent or the Senior Secured Notes Trustee or other relevant representative of the Permitted Senior Secured Financing Debt (each, a "***Senior Secured Agent***"), from the date the relevant Permitted Senior Financing Representative, the Security Agent and Holdco receive the Senior Payment Stop Notice, all payments in respect of Senior Liabilities (other than those for which Required Senior Consent has been obtained) are suspended until the earliest of:

(a) 179 days after the receipt by the relevant Permitted Senior Financing Representative of the Senior Payment Stop Notice;

(b) if a Senior Standstill Period (as defined below) is in effect at any time after delivery of that Senior Payment Stop Notice, the date on which that Senior Standstill Period expires;

(c) the date on which there is a waiver or remedy of the relevant Senior Secured Event of Default;

(d) the date on which the Senior Secured Agent which delivered the Senior Payment Stop Notice notifies (among others) the relevant Permitted Senior Financing Representative, the Security Agent and Holdco that the Senior Payment Stop Notice is cancelled;

(e) the Senior Secured Debt Discharge Date; and

(f) the date on which the Security Agent or Senior Secured Agent takes any enforcement action (including acceleration and/or demand for payment and certain similar actions) ("***Enforcement Action***") against a Debtor which it is permitted to take in accordance with the Intercreditor Agreement,

provided that none of the circumstances described above shall prevent the Senior Debt Issuer from making or the Permitted Senior Financing Creditors from receiving payments in respect of the Senior Liabilities in accordance with the terms of the relevant Permitted Senior Debt Documents as a borrower and/or an issuer but only to the extent that the payment is not funded from the proceeds of a payment received from a member of the Group which is otherwise prohibited by the above or the relevant provisions in respect of Holdco Liabilities.

No new Senior Payment Stop Notice may be served by a Senior Secured Agent unless 360 days have elapsed since the delivery of the immediately prior Senior Payment Stop Notice. No Senior Payment Stop Notice may be served in respect of a Senior Secured Event of Default more than 60 days after the date that the Senior Secured Agent received notice of that Senior Secured Event of Default. No Senior Secured Agent may serve more than one Senior Payment Stop Notice with respect to the same event or set of circumstances, and no Senior Payment Stop Notice may be served in respect of a Senior Secured Event of Default notified to a Senior Secured Agent at the time at which an earlier Senior Payment Stop Notice was issued.

If a Senior Payment Stop Notice ceases to be outstanding or the relevant Senior Secured Event of Default or Senior Secured Payment Default has ceased to be continuing (by being waived by the relevant creditors/creditor's representative or remedied), the relevant Debtor may then make those payments it would have otherwise been entitled to pay under the Permitted Senior Financing Debt and if it does so promptly any Senior Event of Default (and any cross-default or similar provision under any other debt document), which may have occurred as a result of that suspension of payments shall be waived and any notice which may have been issued as a result of that Senior Event of Default shall be waived. A Senior Secured Payment Default is remedied by the payment of all amounts then due.

Restrictions on Enforcement by the Permitted Senior Financing Debt; Senior Standstill Period

Without prejudice to the rights of the Permitted Senior Financing Creditors to take Enforcement Action in relation to the Permitted Senior Financing Issuer Liabilities, prior to the Senior Secured Debt Discharge Date, no Permitted Senior Financing Creditor shall:

(a) direct the Security Agent to enforce or otherwise require the enforcement of any Transaction Security; or

(b) take or require the taking of any Enforcement Action in relation to the Senior Guarantee Liabilities,

without the prior consent of or as required by an Instructing Group (as defined below), except that such restriction will not apply if:

(a) an event of default under the finance documents in respect of the Senior Liabilities (a "***Senior Event of Default***") is continuing;

(b) each Senior Secured Agent has received notice of the relevant Senior Event of Default from the relevant Permitted Senior Financing Representative;

(c) a Senior Standstill Period (as defined below) has expired; and

(d) the relevant Senior Event of Default is continuing at the end of the Senior Standstill Period.

A "***Senior Standstill Period***" shall mean the period starting on the date that the relevant Permitted Senior Financing Representative serves an enforcement notice on each of the Senior Secured Agents until the earliest of:

(a) 179 days after such date;

(b) the date on which the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Liabilities (a "***Senior Guarantor***"), *provided* that the Permitted Senior Financing Creditors may only take the same Enforcement Action against such Senior Guarantor as is taken by the Senior Secured Parties;

(c) the date on which an insolvency event occurs in respect of any Senior Guarantor, in which case Enforcement Action is to be taken only against such Senior Guarantor;

(d) the date of the consent of the relevant Senior Secured Agents (acting on behalf of the relevant creditors); and

(e) the expiration of any other Senior Standstill Period which was outstanding at the date that the current Senior Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

Consultation

Prior to the RCF Lenders Discharge Date, if the Security Agent has received Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement), it shall promptly notify each Hedge Counterparty (as applicable) and the Senior Secured Agents (each, an "***Agent***") and such Agents will consult with each other and the Security Agent in good faith for 30 days from the earlier of (i) the date of the latest such Conflicting Enforcement Instruction and (ii) the date falling ten Business Days after the date the original Enforcement Proposal (as such term is defined in the Intercreditor Agreement) is delivered in accordance with the Intercreditor Agreement (the "***Consultation Period***").

No such consultation shall be required where the Agents are in agreement with regard to any proposed Enforcement Action, or if:

(a) any of the Transaction Security has become enforceable as a result of an insolvency event; or

(b) creditors holding more than 66 2/3% of the participations in the Super Senior Credit Liabilities (the "***Majority Super Senior Creditors***") or the creditors holding more than 50% of the participations in the Senior Secured Liabilities (the "***Majority Senior Secured Creditors***") determine in good faith (and notify each other representative agent of the Super Senior Creditors, the Senior Secured Creditors and the Permitted Senior Secured Financing Creditors, as applicable) that any delay caused by such consultation could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce any of the Transaction Security or the realization proceeds of any enforcement of the Transaction Security; or

(c) if the relevant Senior Secured Agents agree that no consultation period is required.

Following the Consultation Period (or if the Consultation Period was terminated or not required as provided for above), there shall be no further obligation to consult and the Security Agent may act in accordance with the instructions as to enforcement (an "***Enforcement***") then or previously received from the Instructing Group (as defined below) and the Instructing Group may issue instructions as to Enforcement to the Security Agent at any time thereafter.

If the Majority Super Senior Creditors or the Majority Senior Secured Creditors (acting reasonably) consider that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with the Security Enforcement Principles (as defined below), subject to the above, the relevant Senior Secured Agent shall give notice to the other representatives after which each such representative shall consult with the Security Agent for a period of 30 days (or such lesser period as the Senior Secured Agents may agree) with a view to agreeing the manner of Enforcement, *provided* that such representatives shall not be obliged to consult more than once in relation to each Enforcement.

For the purposes of Enforcement, an "***Instructing Group***" means, if prior to the Credit Facility Lender Discharge Date (as that term is defined in the Intercreditor Agreement), the Majority Super Senior Creditors and the Majority Senior Secured Creditors, *provided* that if:

(a) the Super Senior Creditor Liabilities have not been repaid in full in cash within six months of the date of the first instructions of Enforcement given to the Security Agent; or

(b) the Security Agent has not commenced any Enforcement (or any transaction in lieu thereof) or other Enforcement Action within three months of the date of the first instructions of Enforcement given to the Security Agent,

then the Security Agent shall thereafter follow any instructions that are given (at the same time or subsequently) by the Majority Super Senior Creditors (in each case provided the same comply with the Security Enforcement Principles ("***Qualifying Instructions***") to the exclusion of those given by the Majority Senior Secured Creditors (to the extent conflicting with any instructions previously given by the Majority Senior Secured Creditors) and "Instructing Group" in relation to such Enforcement shall mean the Majority Super Senior Creditors.

Subject to the foregoing, if at the end of the Consultation Period, the Security Agent has received Conflicting Enforcement Instructions then, in relation to such Enforcement, "Instructing Group" shall mean the Majority Senior Secured Creditors, *provided* that such instructions from the Majority Senior Secured Creditors are Qualifying Instructions, it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the timeframe for the realization of value from the enforcement of the Transaction Security or Distressed Disposal (as defined below) pursuant to such instructions will be determined by the Majority Senior Secured Creditors.

Security Enforcement Principles

The Intercreditor Agreement provides that Enforcement instructions must be consistent with the following principles (the "***Security Enforcement Principles***"):

(a) It shall be the primary and overriding aim of any enforcement of the Transaction Security to maximize, so far as is consistent with a prompt and expeditious realization of value from Enforcement of the Transaction Security, recovery by the Super Senior Creditors and the Senior Secured Creditors (the "***Security Enforcement Objective***").

(b) The Transaction Security will be enforced and other action as to Enforcement will be taken such that either (i) all proceeds of Enforcement are received by the Security Agent in cash for distribution in accordance with the Payments Waterfall (as defined below); or (ii) if Enforcement is at the direction of the Majority Senior Secured Creditors, sufficient proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall, the Super Senior Creditor Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise).

(c) The Enforcement Action must be prompt and expeditious it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the time frame for the realization of value from the Enforcement of the Transaction Security or Distressed Disposal will be determined by the Instructing Group, *provided* that it is consistent with the Security Enforcement Objective.

(d) On (i) a proposed Enforcement of any of the Transaction Security over assets other than shares in a member of the Holdco Group, where the aggregate book value of such assets exceeds €5,000,000 (or its equivalent); or (ii) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Holdco Group over which Transaction Security exists, the Security Agent shall, upon instruction from the Instructing Group (unless it is incompatible with enforcement proceedings in a relevant jurisdiction) appoint an accounting firm of international standing and reputation, any reputable and independent international investment bank or other reputable and independent professional services firm with experience in restructuring and enforcement, in each case as selected by the Security Agent acting reasonably

and in good faith (a "***Financial Advisor***") to opine as expert that the proceeds received from any such Enforcement are fair from a financial point of view after taking into account all relevant circumstances (the "***Financial Advisor's Opinion***").

(e) The Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement.

(f) The Financial Advisor's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other Enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met.

(g) Where the Instructing Group is the Majority Senior Secured Creditors, the Majority Senior Secured Creditors may waive the requirement for a Financial Advisor's Opinion where sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall below, the Super Senior Creditor Liabilities are repaid and discharged in full.

(h) In the event that an Enforcement of the Transaction Security is over assets and shares referred to in (d) above and such Enforcement is conducted by way of public auction, the Super Senior Creditors and the Senior Secured Creditors shall be entitled to participate in such auction on the basis of equal information and access rights as other bidders and financiers in the auction. There is no requirement in the Security Enforcement Principles summarized in this paragraph (h) that requires the Enforcement of Transaction Security to take place by way of public auction.

(i) In the absence of written notice from a Secured Party or group of Secured Parties that are not part of the relevant Instructing Group that such Secured Party/ies object to any Enforcement of the Transaction Security on the grounds that such Enforcement Action does not aim to achieve the Security Enforcement Objective (an "***Objection***"), the Security Agent is entitled to assume that such Enforcement of the Transaction Security is in accordance with the Security Enforcement Objective.

(j) If the Security Agent receives an Objection (and without prejudice to the ability of the Security Agent to rely on other advisors and/or exercise its own judgment in accordance with the Intercreditor Agreement), a Financial Advisor's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other Enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) to the effect that the particular action could reasonably be said to be aimed at achieving the Security Enforcement Objective will be conclusive evidence that the requirement of paragraph (a) above has been met.

The Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors and the Majority Senior Secured Creditors, *provided* that no additional obligations may be imposed on a member of the Holdco Group without the consent of the Issuer.

Turnover

Subject to certain exclusions set out therein, the Intercreditor Agreement also provides that if any Senior Secured Creditors, Permitted Senior Financing Creditors or Super Senior Creditors (each, a "***Primary Creditor***") receives or recovers the proceeds of any enforcement of all or part of the Transaction Security or any Distressed Disposal other than in accordance with the Payments Waterfall, then it shall:

- in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold an amount of that receipt or recovery equal to the relevant liabilities on trust for the Security Agent and separate from other assets, property or funds and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay

an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Certain further turnover obligations following receipt of non-permitted payments apply to Permitted Senior Financing Creditors and Subordinated Creditors.

Application of Proceeds/Waterfall

All amounts from time to time received or recovered by the Security Agent in connection with the realization or enforcement of all or any part of the Transaction Security (other than the Shared Security) and all amounts required to be turned over pursuant to the Intercreditor Agreement (the "***Enforcement Proceeds***") shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority (the "***Payments Waterfall***"):

(a) *first*, in discharging any sums owing to the Security Agent, any receiver or any of its delegates, on a *pro rata* and *pari passu* basis;

(b) *second*, in discharging (i) any Agent Liabilities, (ii) any Arranger Liabilities and (iii) any Trustee Liabilities, on a *pro rata* and *pari passu* basis;

(c) *third*, in or towards payment of all costs and expenses incurred by the Super Senior Creditors or Senior Secured Creditors in connection with any realization or enforcement of the Transaction Security (other than Shared Security) taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(d) *fourth*, in payment to the Super Senior Creditors for application towards the discharge of the Super Senior Creditor Liabilities on a *pro rata* basis and *pari passu*;

(e) *fifth*, in payment to the Senior Secured Creditors for application towards the discharge of the Liabilities owed to the Senior Secured Creditors on a *pro rata* basis and *pari passu*;

(f) *sixth*, after the Final Discharge Date (as defined in the Intercreditor Agreement), in payment of the balance, if any, to the relevant Debtor or any other person entitled to it.

All amounts from time to time received or recovered by the Security Agent in connection with the realization or enforcement of all or any part of the Shared Security shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

(a) *first*, in discharging any sums owing to the Security Agent, any receiver or any of its delegates, on a *pro rata* and *pari passu* basis;

(b) *second*, in discharging (i) any Agent Liabilities or (ii) Arranger Liabilities and (iii) any Trustee Liabilities, on a *pro rata* and *pari passu* basis;

(c) *third*, in payment of all costs and expenses incurred by any Super Senior Creditor or Senior Secured Creditor in connection with any realization or enforcement of the Shared Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(d) *fourth*, in payment to the Super Senior Creditors for application towards the discharge of the Super Senior Creditor Liabilities on a *pro rata* basis and *pari passu*;

(e) *fifth*, in payment to the Senior Secured Creditors for application towards the discharge of the Liabilities owed to the Senior Secured Creditors on a *pro rata* basis and *pari passu*;

(f) *sixth*, in payment of all costs and expenses incurred by any Permitted Senior Financing Creditor in connection with any realization or enforcement of the Shared Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(g) *seventh*, in payment to the Permitted Senior Financing Creditors for application towards the discharge of the Senior Liabilities on a *pro rata* basis and *pari passu* (but only to the extent that the relevant Share Security is expressed to secure those Permitted Senior Financing Liabilities and only to the extent Holdco has agreed that such Permitted Senior Financing Liabilities are to benefit from the relevant Share Security); and

(h) *eighth*, following the Final Discharge Date, the balance, if any, in payment to the relevant Debtor to the relevant Debtor or any other person entitled to it.

Release and/or Transfer of Claims and Liabilities in Respect of the Permitted Senior Financing Debt and the Senior Secured Notes and the Transaction Security

Non-distressed Disposal

The Security Agent will (at the request and cost of the relevant Debtor or Holdco) promptly release from the Transaction Security and the relevant documents:

(a) *any* Transaction Security (and/or any other claim relating to a relevant finance document (a "***Secured Debt Document***")) over any asset which is the subject of:

  (i) a disposal not prohibited by the terms of any Secured Debt Document (*provided* that, in the case of a disposal to a member of the Holdco Group, the provisions of the Indenture described under "*Description of the Notes—Security—Release of Liens*" (or any equivalent provision in any other Secured Debt Document) are, or will be, complied with by the relevant members of the Holdco Group); or

  (ii) any other transaction not prohibited by the terms of any Secured Debt Document pursuant to which that asset will cease to be held or owned by a member of the Holdco Group;

(b) *any* Transaction Security (and/or any other claim relating to a Secured Debt Document) over any document or other agreement requested in order for any member of the Holdco Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Secured Debt Document);

(c) any Transaction Security (and/or any other claim relating to a Secured Debt Document) over any asset of any member of the Holdco Group which has ceased to be a Debtor in accordance with the terms of the Secured Debt Documents; and

(d) any Transaction Security (and/or any other claim relating to a Secured Debt Document) over any other asset to the extent that such release is in accordance with the terms of the Secured Debt Documents.

In the case of a disposal of shares or other ownership interests in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) will cease to be a member of the Group or a Debtor, in each case, *provided* that such disposal or other transaction is not prohibited under a Secured Debt Document, the Security Agent will (at the request and cost of the relevant Debtor or Holdco) promptly release that Debtor and its Subsidiaries from all present and future liabilities (both actual and contingent) under the Secured Debt Documents and the respective assets of such Debtor and its Subsidiaries (and the shares in any such Debtor

and/or Subsidiary) from the Transaction Security and the Secured Debt Documents (including any claims relating to a Secured Debt Document and any guarantee or other liabilities).

When making any request for a release pursuant to the above Holdco will confirm in writing to the Security Agent that: (i) in the case of any release requested pursuant to paragraph (a) above, the relevant disposal or other action is not prohibited by the terms of any Secured Debt Document and, in the case of a disposal to a member of the Holdco Group, the provisions of the Indenture described under "*Description of the Notes—Security—Release of Liens*" (or any equivalent provision in any other Secured Debt Document) are, or will be, complied with by the relevant members of the Holdco Group; and (ii) the release requested (or relevant action needing the release) is in accordance with (or is not prohibited by) the terms of, any Secured Debt Document and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent will (at the cost and expense of the relevant Debtor but without the need for any further consent, sanction, authority or further confirmation from any Creditor or Debtor) promptly enter into and deliver such documentation and/or take such other action as Holdco (acting reasonably) will require to give effect to any release or other matter contemplated by this section.

Without prejudice to the foregoing and for the avoidance of doubt, if requested by Holdco in accordance with the terms of any of the Secured Debt Documents, the Security Agent and the other Secured Party will (at the cost of the relevant Debtor and/or Holdco) promptly execute any guarantee, security or other release and/or any amendment, supplement or other documentation relating to the Transaction Security documents as contemplated by the terms of any of the Secured Debt Documents (and the Security Agent is authorized by the Secured Parties to execute, and will promptly execute if requested by Holdco, without the need for any further any consent, sanction, authority or further confirmation from any Secured Party, any such release or document on behalf of the Secured Parties). When making any request pursuant to this paragraph, Holdco will confirm in writing to the Security Agent that such request is in accordance with the terms of a Secured Debt Document and the Security Agent will be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

In the case of any release of Transaction Security requested by the Issuer pursuant to the Revolving Credit Facility Agreement as part of a Permitted Transaction (as that term is defined in the Revolving Credit Facility Agreement) (a "***Permitted Transaction Request***"), when making that request the Issuer will confirm to the Security Agent that:

(a) such request is a Permitted Transaction Request (and absent any such statement in a request for a release the Security Agent shall be entitled to assume for all purposes that such request is not a Permitted Transaction Request); and

(b) it has determined in good faith (taking into account any applicable legal limitations and other relevant considerations in relation to that Permitted Transaction) that it is either not possible or not desirable to implement that Permitted Transaction on terms satisfactory to the Issuer by granting additional Transaction Security and/or amending the terms of the existing Transaction Security in lieu of the requested release,

and the Security Agent will be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

For the avoidance of doubt and notwithstanding anything to the contrary in the Permitted Senior Debt Documents, if any member of the Holdco Group is required to apply, or not prohibited under the Permitted Senior Debt Documents from applying, the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Senior Secured Liabilities:

(a) no such application of those proceeds will require the consent of any party or Permitted Senior Financing Creditor or will result in a direct or indirect breach of any Permitted Senior Debt Document; and

(b) any such application will discharge in full any obligation to apply those proceeds in prepayment, redemption or any other discharge or reduction of any Permitted Senior Financing Liabilities.

The above paragraph is without prejudice to any right of any member of the Holdco Group to apply any proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Permitted Senior Financing Liabilities to the extent permitted or contemplated by the Intercreditor Agreement or not prohibited by any other Secured Debt Document.

The Security Agent is irrevocably authorized to:

(a) release the Transaction Security; and

(b) release each investor (an "***Investor***"), Debtor and other member of the Group from all liabilities, undertakings and other obligations under the Secured Debt Documents,

on the Final Discharge Date (or at any time following such date on the request of Holdco), subject, in respect of the second bullet point above, to certain agency or trustee protective provisions in any of the Secured Debt Documents, which will survive the termination of the Intercreditor Agreement.

Distressed Disposal

A "***Distressed Disposal***" means a disposal of an asset of a member of the Holdco Group subject to the Transaction Security which is:

(a) being effected at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable in accordance with the terms of the relevant Transaction Security documents;

(b) being effected by enforcement of the Transaction Security in accordance with the terms of the relevant Transaction Security documents; or

(c) being effected, after the occurrence of an Acceleration Event, by a Debtor or Holdco to a person or persons which is not a member of the Holdco Group.

Where a Distressed Disposal is being effected, the Intercreditor Agreement provides that the Security Agent is authorized:

(i) to release the Transaction Security, or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security, or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of an Debtor, to release on behalf of the relevant Creditors, Debtors and Agents (a) that Debtor and any subsidiary of that Debtor from all or any part of: (x) the liabilities it may have as a principal Debtor in respect of financial indebtedness arising under the Debt Documents (whether incurred solely or jointly) (the "***Borrowing Liabilities***") (other than Borrowing Liabilities of the Issuer and the Senior Debt Issuer); (y) the liabilities under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have as or as a result of its being a guarantor or surety or giving an indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Senior Secured Debt Documents or the Permitted Senior Debt Documents (as each such term is defined in the Intercreditor Agreement) (the "***Guarantee Liabilities***") and (z) any trading and other liabilities (not being Borrowing Liabilities or Guarantee Liabilities) it may have to any Agent (other than any Hedge Counterparty), Arranger (as such term is defined in the Intercreditor Agreement), any Intra-Group Lender or any Debtor (the "***Other Liabilities***"); (b) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and (c) any other claim of an Investor, an Intra-Group Lender, or other Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release on behalf of the relevant Creditors, Debtors and Agents (a) that holding company and any subsidiary of that holding company from all or any part of its Borrowing Liabilities (other than Borrowing Liabilities of the Issuer or the Senior Debt Issuer), Guarantee Liabilities and Other Liabilities; (b) any Transaction Security granted by that holding company or any subsidiary of that holding company over any of its assets; and (c) any other claim of any Investor, Intra-Group Lender or another Debtor over the assets of that holding company or of any subsidiary of that holding company;

(iv) if the asset which is disposed of consists of shares in the capital of a Debtor or a holding company of a Debtor and the Security Agent decides to dispose of all or any part of (y) all present and future moneys, debts, liabilities and obligations due at any time of any Debtor or any holding company of such Debtor or any subsidiary of such Debtor or holding company owed to any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly with any other person or in any other capacity, together with any additional liabilities (the "***Liabilities***") (other than Borrowing Liabilities of the Issuer or the Senior Debt Issuer); or (z) any liabilities owed by that Debtor to any other Debtor (whether actual or contingent and whether incurred solely or jointly) (the "***Debtor Liabilities***") (A) if the Security Agent does not intend that any transferee of those Liabilities or Debtor Liabilities will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtor Liabilities *provided* that notwithstanding any other provision of any Debt Document, the transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and (B) if the Security Agent does intend that any transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of (I) all (and not part only) of the Liabilities owed to the Primary Creditors; and (II) all or part of any other Liabilities and the Debtor Liabilities, on behalf of, in each case the relevant creditors and Debtors; and

(v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "***Disposed Entity***") and the Security Agent decides to transfer to another Debtor all or part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of (x) the Intra-Group Liabilities; (y) the Holdco Liabilities; or (z) the Debtor Liabilities, to execute and deliver or enter into any agreement to (A) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities on behalf of the relevant Intra-Group Lenders, the Holdco Lender and relevant Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and (B) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities on behalf of the receiving entity or receiving entities to which the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities are to be transferred.

If a Distressed Disposal is being effected such that Shared Security or any guarantees in respect of the Permitted Senior Financing Debt will be released or Permitted Senior Financing Debt will be disposed of, it is a condition to the release that either:

(a) each Permitted Senior Financing Representative has approved the release and/or disposal (as applicable) (acting on the instructions of the required percentage of Permitted Senior Financing Creditors in respect of which it is the Permitted Senior Financing Representative under the relevant Permitted Senior Debt Documents); or

(b) where shares or assets of a Senior Guarantor or assets of the Senior Debt Issuer are sold:

  (i) the proceeds of such sale or disposal are in cash (or substantially in cash); and

  (ii) all present or future obligations owed to the Super Senior Creditors and Senior Secured Creditors under the applicable Secured Debt Documents (the "***Senior Secured Debt***

Documents") and the Hedging Agreements by a member of the Holdco Group all of whose shares are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released concurrently with such sale, provided that if each Senior Secured Agent (acting reasonably and in good faith):

- determines that the Super Senior Creditors and the Senior Secured Creditors (excluding in each case for these purposes the Hedge Counterparties) will recover a greater amount if any such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released and discharged; and
- serves a written notice on the Security Agent confirming the same,

the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(c) such sale or disposal is made:

(i) pursuant to a public auction; or

(ii) where a Financial Adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement and the circumstances giving rise to such sale or disposal, provided that the liability of such Financial Adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any Financial Adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

Application of Proceeds of a Distressed Disposal

The net proceeds of a Distressed Disposal (and the net proceeds of any disposal of Liabilities or Debtor Liabilities) will be paid to the Security Agent for application in accordance with the provisions set forth under "*—Application of Proceeds/Waterfall*" as if those proceeds were the proceeds of an enforcement of the Transaction Security.

Voting and Amendments

Voting in respect of the Revolving Credit Facility, the Senior Secured Notes and/or Permitted Senior Secured Financing Debt will be in accordance with the relevant documents.

Except for amendments of a minor, technical or administrative nature which may be effected by the Security Agent and subject to the paragraph below and certain customary exceptions contained in the Intercreditor Agreement, amendments to or waivers and consents under the Intercreditor Agreement require the written consent of:

if the relevant amendment or waiver (the "***Proposed Amendment***") is prohibited by the Revolving Credit Facility Agreement, the RCF Facility Agent in accordance with that agreement;

if any Senior Secured Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Secured Notes Indenture, the Senior Secured Notes Trustee;

if any Permitted Senior Secured Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Secured Financing Agreement, the Permitted Senior Secured Financing Representative in respect of that Permitted Senior Secured Financing Debt in accordance with that agreement;

if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Debt Document, the Permitted Senior Financing Representative (as defined in the Intercreditor Agreement) in respect of that Permitted Senior Financing Debt in accordance with that document;

if a Hedge Counterparty is providing hedging to a Debtor under a Hedging Agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty and is an amendment or waiver which is expressed to require the consent of that Hedge Counterparty under the applicable Hedging Agreement, as notified by Holdco to the Security Agent at the time of the relevant amendment or waiver);

the Investors; and Holdco.

An amendment, waiver or consent which only affects secured parties under one Debt Document and does not materially and adversely affect the interests of other creditors, will require only the written agreement from the affected Secured Parties.

Other than when any such amendments, waivers or consents would adversely affect the nature of the Charged Property or the manner in which enforcement proceeds are applied, the Security Agent may, if authorized by an Instructing Group, and if Holdco consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Transaction Security documents which shall be binding on each party to the Intercreditor Agreement.

An amendment, waiver or consent which adversely relates to the express rights or obligations of an Agent, an Arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that Agent, that Arranger or the Security Agent (as the case may be) at such time.

The terms of the immediately preceding paragraph do not apply to any release of Transaction Security, claim or Liabilities or to any consent which the Security Agent gives in accordance with certain clauses of the Intercreditor Agreement.

Option to Purchase

Following an acceleration event under the Revolving Credit Facility Agreement, the Indenture, in relation to any Permitted Senior Secured Financing Debt or in relation to any Permitted Senior Financing Debt (an "***Acceleration Event***"), by giving 10 days' notice to the Security Agent, the holders of the Senior Secured Notes or the Permitted Senior Secured Financing Liabilities may require the transfer to them of all, but not part, of the rights, benefits and obligations in respect of the Credit Facility Lender Liabilities (as such term is defined in the Intercreditor Agreement), subject to certain conditions (including but not limited to full payment of all Credit Facility Lender Liabilities, cash cover, and associated costs and expenses, and provision of certain indemnities).

Following an Acceleration Event or the enforcement of any Transaction Security and after a Senior Secured Acceleration Event (as defined in the Intercreditor Agreement), a simple majority of the Permitted Senior Financing Creditors may, by giving 10 days' notice to the Security Agent, require the transfer to them of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Liabilities, *provided* that certain conditions are met.

Hedging

All scheduled payments arising under a Hedging Agreement are permitted payments for the purposes of the Intercreditor Agreement.

The Intercreditor Agreement contains customary provisions in relation to the circumstances in which a Priority Hedge Counterparty and a Non-Priority Hedge Counterparty may take Enforcement Action in relation to its hedging.

General

The Intercreditor Agreement contains provisions dealing with:

close-out rights for the Priority Hedge Counterparties and the Non-Priority Hedge Counterparties;

permitted payments (including without limitation, the repayment of Investor Liabilities and the payment of permitted distributions in each case to the extent not prohibited under the terms of the Revolving Credit Facility Agreement, the Senior Secured Notes Indenture or the finance documents relating to the Permitted Senior Secured Financing Debt or the Permitted Senior Financing Debt);

incurrence of Permitted Senior Secured Financing Debt or Permitted Senior Financing Debt that will allow certain creditors and agents with respect to such Permitted Senior Secured Financing Debt or Permitted Senior Financing Debt, as the case may be, to accede to the Intercreditor Agreement and benefit from, and be subject to, the provisions of the Intercreditor Agreement so long as not prohibited under the Revolving Credit Facility Agreement, the Indenture or, the financing documents relating to the Permitted Senior Financing Debt; and

customary protections for the Security Agent, any Permitted Senior Financing Representative and the Trustee of the Notes.

The Intercreditor Agreement is governed by English law and the courts of England have exclusive jurisdiction to settle any disputes arising from it.

DESCRIPTION OF THE NOTES

You will find definitions of certain capitalized terms used in this "*Description of the Notes*" under the heading "*Certain Definitions*." For purposes of this "*Description of the Notes*," references to the "*Issuer*" are to PrestigeBidCo GmbH, and its successors, only and not to any of its Subsidiaries. References to "we" or "us" or the "Group" are to the Issuer and its Subsidiaries, taken as a whole.

The Issuer will issue €260 million aggregate principal amount of % Senior Secured Notes due 2023. The Notes will be issued under an indenture to be dated as of , 2016 (the "***Indenture***"), between, the Issuer, PrestigeBidco Holding GmbH ("***Holdco***"), Citibank, N.A., London Branch, as trustee (the "***Trustee***"), Citibank, N.A., London Branch, as paying agent, Citibank, N.A., London Branch, as transfer agent (the "***Transfer Agent***"), Citibank, N.A., London Branch, as registrar (the "***Registrar***"), and UniCredit Bank AG, London Branch, as security agent (the "***Security Agent***"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Indenture and the Notes and refers to the Security Documents and the Intercreditor Agreement. It does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Security Documents and the Intercreditor Agreement because they, and not this description, define your rights as Holders of the Notes. Copies of the Indenture, the form of Note, the Security Documents and the Intercreditor Agreement are available as set forth in this Offering Memorandum under the caption "*Listing and General Information*."

Upon satisfaction of the conditions to the release of the amounts deposited in the Escrow Account, the gross proceeds from the Offering will be used, together with the equity contribution from the Permira Funds and the S&B Investors, to (i) pay the Purchase Price under the Acquisition Agreement, (ii) repay the Existing Credit Facility and (iii) pay the related fees and expenses, each as set forth in this Offering Memorandum under the caption "*Use of Proceeds*." Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the Initial Purchasers will, concurrently with the closing of the offering of the Notes on the Issue Date, deposit the gross proceeds of the offering of the Notes into an escrow account (the "***Escrow Account***") pursuant to the terms of an escrow deed (the "***Escrow Agreement***") dated on or about the Issue Date among the Issuer, the Trustee and UniCredit Bank AG, London Branch, as escrow agent (the "***Escrow Agent***").

If the Acquisition is not consummated or the other conditions to the release of the Escrowed Property (as defined below), as more fully described below under the caption "*—Escrow of Proceeds; Special Mandatory Redemption*," have not been satisfied on or prior to April 30, 2017 (the "*Escrow Longstop Date*"), or upon the occurrence of certain other events, the Notes will be redeemed at a price equal to 100% of the initial issue price of the Notes plus accrued and unpaid interest from the Issue Date to the Special Mandatory Redemption Date (as defined below) and Additional Amounts, if any. See "*—Escrow of Proceeds; Special Mandatory Redemption*."

Upon the initial issuance of the Notes, the Notes will be obligations of the Issuer and will not be guaranteed. Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), Schustermann & Borenstein Holding GmbH (the "***Target***"), Schustermann & Borenstein Beteiligungs GmbH, Schustermann & Borenstein GmbH, Schustermann & Borenstein Logistik GmbH and Best Secret GmbH will guarantee the Notes on a senior basis.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below). The terms of the Intercreditor Agreement are important to understanding relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the U.S. Securities Act and are subject to certain transfer restrictions.

As of the Issue Date, all of our Subsidiaries will be "Restricted Subsidiaries" for purposes of the Indenture. However, under the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

The Notes

The Notes will:

- be general senior obligations of the Issuer, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including the obligations of the Issuer under the Revolving Credit Facility and certain Hedging Obligations;
- rank senior in right of payment to any existing and future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- be effectively subordinated to any existing or future Indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;
- be guaranteed by the Guarantors as described under "*—The Note Guarantees*";
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors;
- mature on , 2023; and
- be represented by one or more registered notes in global registered form, but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-Entry, Delivery and Form*").

All of the operations of the Issuer will be conducted through the Target and its subsidiaries (the "***Target Group***") and, therefore, the Issuer will depend on the cash flow of the Target Group to meet its obligations, including its obligations under the Notes. Under applicable local regulations, cash and cash equivalents held by the Target Group can only be upstreamed to their direct or indirect parent entities, including to the Issuer for purposes of servicing the Notes, to the extent that sufficient cumulative distributable profits and cumulative reserves exist within these legal entities and that they continue to meet the relevant minimum capital requirements. As of September 30, 2016, after giving *pro forma* effect to the Transactions as if they had occurred on that date, the Issuer and its consolidated Subsidiaries would have had €260 million of secured Indebtedness. In addition, there would have been €35 million available for drawing under the Revolving Credit Facility.

The Note Guarantees

General

As of the Issue Date, the Notes will not be guaranteed. The Notes will be guaranteed within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016) by the Target, Schustermann & Borenstein Beteiligungs GmbH, Schustermann & Borenstein GmbH, Schustermann & Borenstein Logistik GmbH and Best Secret GmbH (the "***Initial Guarantors***"). In addition, if required by the covenant described under "*—Certain*

Covenants—Limitation on Additional Guarantees," subject to the Intercreditor Agreement and the Agreed Security Principles, certain other Restricted Subsidiaries may provide a Note Guarantee in the future (the "***Additional Guarantors***" and, together with the Initial Guarantors, the "***Guarantors***"). The Note Guarantees will be joint and several obligations of the Guarantors.

The Note Guarantee of each Guarantor will:

- be a general senior obligation of that Guarantor, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Note Guarantee (including Indebtedness Incurred under the Revolving Credit Facility and certain Hedging Obligations);
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Note Guarantee;
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of such Guarantor that are not Guarantors, including obligations to trade creditors.

The obligations of a Guarantor under its Note Guarantee will be limited as necessary to prevent the relevant Note Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, "thin capitalization" rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by reference to the net assets and legal capital of the relevant Guarantor. Additionally, the Note Guarantees will be subject to certain corporate law procedures being complied with. The Note Guarantees will be further limited as required under the Agreed Security Principles which apply to and restrict the granting of guarantees and security in favor of obligations under the Revolving Credit Facility and the Notes where, among other things, any such grant would be restricted by general statutory or other legal limitations or requirements and may be precluded if the cost of such grant is disproportionate to the benefit to the creditors, including the Holders, of obtaining the applicable guarantee. By virtue of these limitations, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee.

At the time the last of the Initial Guarantors provides its Note Guarantee, the Guarantors will represent, subject to the Agreed Security Principles, (i) 98% of the EBITDA (disregarding the EBITDA of any member of the Group that generates negative EBITDA) and (ii) 97% of the assets of the Group (each on an unconsolidated basis). Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Note Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than the Guarantors) and minority stockholders of non-Guarantor Restricted Subsidiaries (if any). Although the Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Note Guarantees Release

The Note Guarantee of a Guarantor will terminate and release:

- upon a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company), if the sale or other disposition does not violate the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;
- upon the sale or disposition (including by way of consolidation or merger) of all or substantially all the assets of the Guarantor (other than to the Issuer or any of its Restricted Subsidiaries), if the sale or other disposition does not violate the Indenture;
- upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";
- upon the release of the Guarantor's Note Guarantee under any Indebtedness that triggered such Guarantor's obligation to guarantee the Notes under the covenant described in "*—Certain Covenants—Limitation on Additional Guarantees*";
- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- as described under "*—Amendments and Waivers*";
- in connection with the implementation of a Permitted Reorganization; or
- with respect to an entity that is not the successor Guarantor, as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation—The Guarantors*."

The Trustee and the Security Agent shall take all necessary actions reasonably requested in writing by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee and the Security Agent without the consent of or liability to the Holders or any other action or consent on the part of the Trustee or the Security Agent.

Principal, Maturity and Interest

On the Issue Date, the Issuer will issue €260 million in aggregate principal amount of Notes ("*this series of Notes*"). This series of Notes will mature on , 2023. This series of Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Interest on this series of Notes will accrue at the rate of % *per annum*. Interest on this series of Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash semi-annually in arrears on and , commencing on , 2017;
- be payable to the holder of record of such Notes on and immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on overdue principal, interest, premium or Additional Amounts will accrue at a rate that is 1% higher than the rate of interest otherwise applicable to this series of Notes.

If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*," the Issuer is permitted to issue additional Notes of the same or different series, which shall have terms substantially identical to this series of Notes except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee ("***Additional Notes***"):

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than in denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed;

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes; and

(9) any relevant limitation language with respect to Note Guarantees and Security Documents.

All series of Additional Notes will be treated, along with all other Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for any applicable series. Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "*Notes*" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes may be designated to be of the same series as the Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to the Notes initially issued on the Issue Date, and shall be deemed to form one series therewith, and references to this series of Notes shall be deemed to include the Notes initially issued on the Issue Date as well as any such Additional Notes.

Methods of Receiving Payments on the Notes

Principal, interest and premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the registered Holder thereof (being the common depositary or its nominee for Euroclear and Clearstream).

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities ("*Definitive Registered Notes*") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in the City of London. In addition, interest on the Definitive Registered Notes may be paid, at the option of the Issuer, by check mailed to the address of the Holder entitled thereto as shown on the register of Holders of Notes for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes*" below.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes in the City of London (including the initial Paying Agent). The initial Paying Agent will be Citibank, N.A., London Branch (the "***Paying Agent***").

The Issuer will also maintain a registrar (the "***Registrar***") and a transfer agent (the "***Transfer Agent***"). The initial Registrar will be Citibank, N.A., London Branch and the initial Transfer Agent will be Citibank, N.A., London Branch. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Notes on behalf of the Issuer. A register of the Notes shall be maintained at the registered office of the Issuer. In case of inconsistency between the register of the Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Issuer shall prevail.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of the Notes. However, for so long as the Notes are listed on the Official List of the Channel Islands Securities Exchange Authority and the rules of the Channel Islands Securities Exchange Authority so require, the Issuer will notify the Channel Islands Securities Exchange Authority of any change of Paying Agent, Registrar or Transfer Agent. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Transfer and Exchange

The Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- each series of Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "***144A Global Notes***"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream; and

- each series of Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "***Regulation S Global Notes***" and, together with the 144A Global Notes, the "***Global Notes***"). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("***Book-Entry Interests***") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "***144A Book-Entry Interests***") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the

"*Regulation S Book-Entry Interests*") denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount, and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and the Transfer Agent are not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the applicable Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of the applicable Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Note as the owner thereof for all purposes.

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with, or prior to, the closing of this offering of Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the Initial Purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of this offering

of the Notes sold on the Issue Date into the Escrow Account. The Escrow Account, together with the Escrowed Property (as defined below), will be pledged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Notes, pursuant to an escrow charge dated the Issue Date between the Issuer, the Escrow Agent and the Trustee (the "***Escrow Charge***"). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds released in accordance with the Escrow Agreement) are referred to, collectively, as the "***Escrowed Property***."

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall rely, without further investigation, to the effect that:

- the Acquisition will be consummated on the terms set forth in the Acquisition Agreement, promptly following release of the Escrowed Property, except for any changes, waivers or other modifications that will not, individually or when taken as a whole, have a materially adverse effect on the holders of the Notes;
- immediately after consummation of the Acquisition, the Issuer will own, directly or indirectly, the entire share capital of the Target (subject to notarization of the share transfer if required); and
- as of the Completion Date, there is no Event of Default under clause (5) of the first paragraph under the heading titled "*Events of Default*" below with respect to the Issuer.

Upon the Release, the balance of the Escrow Account shall be reduced to zero, and the Escrowed Property shall be released in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) the Issuer notifies the Escrow Agent that in the reasonable judgment of the Issuer, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Issuer notifies the Escrow Agent that the Acquisition Agreement has terminated at any time prior to the Escrow Longstop Date, or (d) an Event of Default arises under clause (5) of the first paragraph under the heading titled "*Events of Default*" below with respect to the Issuer on or prior to the Escrow Longstop Date (the date of any such event being the "***Special Termination Date***"), the Issuer will redeem all of the Notes (the "***Special Mandatory Redemption***") at a price (the "***Special Mandatory Redemption Price***") equal to 100% of the aggregate issue price of the Notes, plus accrued but unpaid interest from the Issue Date to the Special Mandatory Redemption Date (as defined below) and Additional Amounts, if any.

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than two Business Days following the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "***Special Mandatory Redemption Date***"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, PTG Topco S.à r.l. will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Notes, pursuant to a guarantee it will provide and certain of the Permira Funds have committed to provide the required funds to PTG Topco S.à r.l. in the event of a Special Mandatory Redemption. See "*Risk Factors—Risks Related to the Transactions—The Acquisition may not be completed and you may not obtain the return that you expect on the Notes*."

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest over the Escrow Account and the Escrowed Property. Receipt by the Trustee of either an Officer's Certificate for the release or a notice

of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Channel Islands Securities Exchange Authority and the rules of the Channel Islands Securities Exchange Authority so require, the Issuer will notify the Channel Islands Securities Exchange Authority that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

Security

General

On the Issue Date, the Notes will be secured by a first ranking security interest in the Escrowed Property (the "***Issue Date Collateral***").

On or about the Completion Date, subject to the terms of the Security Documents and the Agreed Security Principles, the Notes will be secured by first-priority security interests ranking *pari passu* with the security interests securing the Revolving Credit Facility and certain hedging obligations (collectively, the "***Super Senior Obligations***") (subject to the provisions of the Intercreditor Agreement) over:

- the entire share capital of the Issuer (see "*Risk Factors—Risks related to the Notes—Certain collateral will not initially secure the Notes.*");
- the entire share capital of the Target;
- the Issuer's rights under the Acquisition Agreement;
- certain bank accounts of the Issuer; and
- the Issuer's present and future receivables owed by any member of the Target Group.

Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), the Notes will be secured, subject to the terms of the Security Documents and the Agreed Security Principles, the Notes will be secured by first-priority security interests ranking *pari passu* with the Super Senior Obligations (subject to the provisions of the Intercreditor Agreement) in (i) the entire share capital of the Guarantors (other than S&B Holding) held by members of the Target Group; (ii) all present and future intragroup receivables and insurance receivables of the Guarantors; (iii) certain of the Guarantors' bank accounts and (iv) certain moveable assets and inventory owned by the Guarantors.

As described above, the Collateral will also secure the liabilities under the Revolving Credit Facility, certain Hedging Obligations and any Additional Notes and may also secure certain future Indebtedness. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the Holders of the Notes. No appraisals of the Collateral have been made in connection with this issuance of Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all.

Notwithstanding the provisions of the covenant described below under "*—Certain Covenants—Limitation on Liens*," certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles, including (but not limited to) if:

- providing such security or guarantee would be prohibited by general legal and statutory limitations, such as regulatory restrictions, financial assistance, corporate benefit, capital maintenance, fraudulent preference, "interest stripping," "controlled foreign corporation," transfer

pricing or "thin capitalization" rules, tax restrictions, retention of title claims and similar principles; *provided* that the Issuer or the relevant Restricted Subsidiary, as applicable, shall use commercially reasonable endeavors to overcome any such limitation;

- providing such security or guarantee would require the consent of a supervisory board, works council, regulator or regulatory board (or equivalent), or another external body or person, unless such consent has been received; *provided* that reasonable endeavors have been used by the Issuer or the relevant Restricted Subsidiary, as applicable, to obtain the relevant consent;
- (subject to certain exceptions) the cost of providing such security or guarantee (including adverse effects on taxes, interest deductibility and stamp duty, notarization and registration fees) is disproportionate to the benefit accruing to the holders;
- the assets are subject to third-party arrangements which may prevent those assets from being secured (or are assets which, if secured, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of either the Issuer or any of the Restricted Subsidiaries in respect of those assets or require such entity to take any action materially adverse to the interests of the Issuer and the Restricted Subsidiaries or any member thereof); *provided* that reasonable endeavors to obtain consent to charging any such assets shall be used by the Issuer or such Restricted Subsidiary, as applicable, in certain circumstances;
- providing such security or guarantee would not be within the legal capacity of the Issuer or the relevant Restricted Subsidiary, or if the same would conflict with the fiduciary duties of those directors or contravene any legal prohibition, *bona fide* contractual restriction or regulatory condition or would, despite market standard limitation language, result in (or in a material risk of) personal or criminal liability on the part of any officer; *provided* that the Issuer or the relevant Restricted Subsidiary, as applicable, shall use reasonable endeavors to overcome any such obstacle;
- providing such security or guarantee would have a material adverse effect on the ability of the relevant security provider to conduct its operations and business in the ordinary course (as otherwise permitted by the relevant finance documents); and
- the assets are those of any joint venture or similar arrangement or any minority interest.

For further information regarding limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, see "*Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*."

Priority

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (the "***Security Interests***" and each, a "***Security Interest***") as between (a) the lenders under the Revolving Credit Facility, (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Security Agent and the Holders of the Notes under the Indenture and (d) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, is established by the terms of the Intercreditor Agreement, the Security Documents and the security documents relating to the Revolving Credit Facility and such Hedging Obligations, which provide, among other things, that the obligations under the Revolving Credit Facility, certain Hedging Obligations and the Notes are secured equally and ratably by first priority Security Interests; however, under the terms of the Intercreditor Agreement, the Holders of the Notes will only receive proceeds from the enforcement of the Collateral after certain super senior priority obligations including (i) obligations under the Revolving Credit Facility and (ii) certain priority Hedging Obligations have been paid in full. In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*Description of Certain Financing*

Arrangements—Intercreditor Agreement," "*—Release of Liens*," "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*."

Security Documents

Under the Security Documents, Holdco, the Issuer and certain of the Guarantors have granted, or will grant, security over the Collateral to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Notes, the Note Guarantees and the Indenture. The Security Documents have been, or will be, entered into by the relevant security provider and the Security Agent as agent for the secured parties. When entering into the Security Documents, the Security Agent has acted in its own name, but for the benefit of the secured parties (including itself, the Trustee and the holders of Notes from time to time). Under the Intercreditor Agreement, the Security Agent will also act as an agent of the lenders under the Revolving Credit Facility and the counterparties under certain Hedging Obligations.

The Indenture and the Intercreditor Agreement provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the holders of the Notes. As a consequence of such contractual provisions, holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the enforcement of the Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Notes and the Note Guarantees, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Notes, the Note Guarantees and the Indenture have been discharged. However, the Security Interests with respect to the Notes and the Indenture may be released under certain circumstances as provided under "*—Release of Liens*."

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement were successful, the Holders may not be able to recover any amounts under the Security Documents.

Subject to the terms of the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, Holdco, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate the property and assets constituting Collateral and to collect, invest and dispose of any income therefrom (including any and all dividends, distributions or similar cash and non-cash payments in respect of Capital Stock of the Guarantors that is part of the Collateral).

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Revolving Credit Facility or certain hedge counterparties. The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

The creditors under the Revolving Credit Facility and the counterparties to Hedging Obligations secured by the Collateral will appoint the Security Agent to act as their respective agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. The creditors under the Revolving Credit Facility and the counterparties to Hedging Obligations secured by the Collateral and the Trustee have authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it

under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the relevant Security Agent on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that it will be subject to the provisions of the Intercreditor Agreement and that the Issuer and the Trustee will be authorized (without any further consent of the Holders of the Notes) to enter into the Intercreditor Agreement and to give effect to its provisions.

The Indenture will also provide that each Holder of the Notes, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*."

Release of Liens

Holdco, the Issuer and its Subsidiaries will be entitled to release the Security Interests in respect of the Collateral under any one or more of the following circumstances:

(1) other than the existing Security Interest in respect of shares of Capital Stock of the Issuer, in connection with any sale or other disposition of Collateral to a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" or is otherwise permitted in accordance with the Indenture;

(2) in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and Waivers*";

(4) upon payment in full of principal, interest and all other obligations on the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary;

(6) in connection with the implementation of a Permitted Reorganization;

(7) in connection with the granting of Liens on such property or assets, which may include Collateral, or the sale or transfer of such property or assets, which may include Collateral, in each case pursuant to a Qualified Receivables Financing;

(8) in connection with any disposal of Collateral to the Issuer or a Restricted Subsidiary; *provided* that such release is followed by an immediate retaking of a Lien of at least equivalent ranking over the

same assets in a manner consistent with, and pursuant to applicable formalities under, the covenant described under "*—Certain Covenants—Impairment of Security Interest*";

(9) only with respect to the Security Interests in respect of the Capital Stock of the Issuer to be offered, within a reasonable time to facilitate an Initial Public Offering in which the Issuer is the IPO Entity; *provided* that such Security Interests so released shall be promptly granted or re-granted, as applicable, in favor of the Notes in the event that such Capital Stock is not sold or the Initial Public Offering does not complete for any reason; or

(10) as otherwise permitted in accordance with the Indenture.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*—Certain Covenants—Impairment of Security Interest*."

The Security Agent and the Trustee will take all necessary action reasonably requested in writing by the Issuer to effectuate any release of Collateral securing the Notes and the Note Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release).

Optional Redemption

Except as described below and except as described under "*—Redemption for Taxation Reasons*" and above under "*—Escrow of Proceeds; Special Mandatory Redemption,"* this series of Notes is not redeemable until , 2019.

On and after , 2019, the Issuer may otherwise redeem all or, from time to time, part of this series of Notes upon not less than 10 nor more than 60 days' written notice (except as permitted under "*—Selection and Notice—*" below), at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Redemption Price
2019	%
2020	%
2021 and thereafter	100.000%

Prior to , 2019, the Issuer may on any one or more occasions redeem in the aggregate up to 40% of the original principal amount of this series of Notes (including the original principal amount of any Additional Notes of the same series), upon not less than 10 or more than 60 days' notice, with funds in an aggregate amount (the "***Redemption Amount***") not exceeding the Net Cash Proceeds of one or more Equity Offerings (excluding the Equity Contribution) at a redemption price (expressed as a percentage of principal amount) of % as of the date of the applicable redemption notice, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 60% of the original principal amount of this series of Notes (including the original principal amount of any Additional Notes of the same series) issued under the Indenture remain outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

In addition, prior to , 2019, the Issuer may redeem all or, from time to time, a part of this series of Notes upon not less than 10 nor more than 60 days' notice (except as permitted under "*—Selection and Notice—*" below), at a redemption price equal to 100% of the principal amount of this series of Notes, plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption upon Certain Tender Offers

In connection with any tender offer for, or other offer to purchase, all of the Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not validly withdrawn by such holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' notice following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption.

General

We may repurchase the Notes at any time and from time to time in the open market or otherwise. Notice of redemption will be provided as set forth under "*—Selection and Notice*."

If the Issuer effects an optional redemption of Notes, it will, for so long as Notes are listed on any securities exchange and the rules of such an exchange so require, inform the exchange of such optional redemption and confirm the aggregate principal amount of Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

In connection with any redemption of Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

Sinking Fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of any series of Notes are to be redeemed at any time, the Paying Agent or the Registrar will select Notes for redemption on a *pro rata* basis or in accordance with the procedures of Clearstream or Euroclear (as applicable), unless otherwise required by law or applicable stock exchange or depository requirements. Neither the Paying Agent nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

For so long as the Notes are listed on the Official List of the Channel Islands Securities Exchange Authority and the rules of the Channel Islands Securities Exchange Authority so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Channel Islands Securities Exchange Authority and in addition for such publication, not less than 10 nor more than 60 days prior to the redemption date (except as permitted below), mail such notice to Holders of the Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar with a copy to the Trustee and the Paying Agent. In the case of Global Notes, such notice of redemption may also be sent in accordance with the rules and procedures of the Clearstream

or Euroclear (as applicable). On and after the redemption date, interest ceases to accrue on the Notes or the part of the Notes called for redemption.

If any series of Notes is to be redeemed in part only, the notice of redemption that relates to that series of Notes shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice may, for the avoidance of doubt, state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was sent, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed.

Redemption for Taxation Reasons

The Issuer may redeem any series of Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice to the Holders of the relevant series of Notes with a copy to the Trustee and the Paying Agent (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "***Tax Redemption Date***") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "—*Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice)

(each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"), a Payor (as defined below) is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts with respect to the Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be publicly announced and become effective on or after the Issue Date (or if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendment occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be

obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that the Payor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes/Additional Amounts

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "***Payor***") in respect of the Notes or with respect to any Note Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Note is made by or on behalf of the Payor or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction in which a Payor is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax

(each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"), will at any time be required by law to be made from any payments made by or on behalf of the Payor or the relevant Paying Agent with respect to any Note or any Note Guarantee, as applicable, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such additional amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Note Guarantee, as applicable, in the absence of such withholding or deduction (the "***Additional Amounts***"); *provided, however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture, a Note Guarantee, the Intercreditor Agreement, any Additional Intercreditor Agreement or a Security Document;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request by the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration

or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction of, all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent that such Taxes were imposed or withheld as a result of the presentation of the Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment under or with respect to the Notes or any Note Guarantee;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(6) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to any European Union directive implementing the conclusions of the ECOFIN meeting of November 26 and 27, 2000 regarding the taxation of savings income, or any law implementing or complying with or introduced in order to conform to, such directive;

(7) any Taxes imposed or withheld in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Taxes by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(8) any Taxes that are required to be deducted or withheld pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "*Code*"), or otherwise imposed or withheld pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto; or

(9) any combination of the items (1) through (8) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner directly held such Notes.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld to each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the relevant Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Note or any Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall

be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of the Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and indemnify the Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, registration, enforcement of, or receipt of payments with respect to any Notes, any Note Guarantee, the Indenture, the Security Documents or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Notes after this issuance of Notes and limited solely in the case of taxes attributable to the receipt of any payments with respect thereto, to any such taxes imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (1) through (3) and (5) through (8) or any combination thereof).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and any transfer by a Holder or beneficial owner, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes (or any Note Guarantee) is made by or on behalf of such Payor, or any political subdivision or governmental authority thereof or therein having the power to tax.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading "*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof, if applicable; *provided* that Notes of €100,000 or less may only be redeemed in whole and not in part) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obligated to repurchase any series of Notes as described under this heading, "*Change of Control*," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes of such series and given notice of redemption as described under "—*Optional Redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes and given notice of redemption as described under "—*Optional Redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "*Change of Control Offer*") to each Holder of the Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of

Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer.

A Holder willing to tender Notes into the Change of Control Offer shall notify its account manager of its election, who shall in turn notify the Paying Agent and the Trustee of such Holder's election. Once such tender has been accepted by the Issuer and notified to the Paying Agent, the Paying Agent shall promptly credit the bank account of such Holder the Change of Control Payment for such Notes so tendered and deduct the corresponding amount of such Notes from such Holder's Euroclear or Clearstream (as applicable) account.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. Holders' right to require the Issuer to repurchase Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations

and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness at the option of each lender under the Revolving Credit Facility.

Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of "Change of Control" includes a disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

In addition, the definition of "Change of Control" expressly permits a third party to obtain control of the Issuer in a transaction which is a Specified Change of Control Event without any obligation to make a Change of Control Offer.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding principal amount of the Notes.

Certain Covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof), (1) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would have been at least 2.0 to 1.0 and (2) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio for the Issuer and its Restricted Subsidiaries would have been no greater than 5.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("*Permitted Debt*"):

(1) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) the greater of €50 million and 95.4% of Consolidated EBITDA *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the

aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted to be Incurred by another provision of this covenant; *provided* that, if the Indebtedness being guaranteed is subordinated to the Notes or a Note Guarantee, then the guarantee must be subordinated to the Notes or such Note Guarantee to the same extent as the Indebtedness being guaranteed; or (b) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is a Restricted Subsidiary that is not a Guarantor, such Indebtedness is unsecured and (i) except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Restricted Subsidiaries and (ii) to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)) expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary and any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;

(4) (a) Indebtedness represented by the Notes (other than any Additional Notes) and the related Note Guarantees;

(b) any Indebtedness of the Issuer and its Restricted Subsidiaries (other than Indebtedness Incurred under the Revolving Credit Facility or Indebtedness described in clauses (1), (2), (3) or (4)(a) of this paragraph) outstanding on the Issue Date or with respect to the Target and its Subsidiaries outstanding on the Completion Date after giving *pro forma* effect to the Transactions;

(c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4)(a), (4)(b) and (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant; and

(d) Management Advances;

(5) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which any Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the

related Incurrence of Indebtedness, either (x) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (1) of the first paragraph of this covenant or (y) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness;

(6) Indebtedness under Currency Agreements and Interest Rate Agreements not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time the greater of €15 million and 28.6% of Consolidated EBITDA;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added tax ("***VAT***") or other tax guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental requirement, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement; *provided, however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary treasury and/or cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer, the collection of cheques and direct debits, cash pooling and other cash management arrangements, in each case, in the ordinary course of business;

(9) Indebtedness arising from the Acquisition Agreement and Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that, in connection with a disposition, the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(d) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €20 million and 38.2% of Consolidated EBITDA;

(12) Indebtedness Incurred in a Qualified Receivables Financing;

(13) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution or an Excluded Contribution) of the Issuer, in each case, subsequent to the Issue Date other than the Equity Contribution; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*" in reliance thereon; and

(14) Indebtedness of the Issuer or any Restricted Subsidiary Incurred under local overdraft and other local Credit Facilities and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding the greater of €10 million and 19.1% of Consolidated EBITDA;

provided, however, that no more than the greater of €15 million and 28.6% of Consolidated EBITDA of Indebtedness at any time outstanding may be Incurred by a Restricted Subsidiary which is not a Guarantor pursuant to clauses (11) and (14) under the second paragraph of this covenant.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness, other than Indebtedness which will continue to be secured on the Collateral and which benefits from super senior priority status pursuant to clause (b)(iii) of the definition of Permitted Collateral Liens, and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding under the Revolving Credit Facility on the Issue Date shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (13) or (14) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(7) for the purposes of determining "Consolidated EBITDA" in relation to clause (1) of the second paragraph of this covenant, Consolidated EBITDA shall be measured at the option of the Issuer on the most recent date on which new commitments are obtained or the date on which new Indebtedness is Incurred (in the case of revolving facilities) or the date on which new Indebtedness is Incurred (in the case of term facilities) and for the period of the most recent four consecutive fiscal quarters ending prior to such date for which such internal consolidated financial statements of the Issuer are available; and

(8) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of German GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in German GAAP will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "*—Limitation on Indebtedness*." The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "*—Limitation on Indebtedness*," the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower euro equivalent), in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have

been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of Refinancing Indebtedness; (b) the euro equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Neither the Issuer nor any Guarantor will Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee, if any, on substantially identical terms; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:

   (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding; and

   (b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding

(other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "***Restricted Payment***"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10), (11), (15) or (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, *minus* 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (v) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (w) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (x) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions or Parent Debt Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (*plus* the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary upon such conversion or exchange); but excluding (w) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Issuer, (x) Net Cash Proceeds

to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions or Parent Debt Contributions;

(iv) (a) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) or (b) upon the full and unconditional release of a Restricted Investment that is a Guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person after the Issue Date, an amount equal to the amount of such Guarantee;

(v) in the event that an Unrestricted Subsidiary is designated as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of the amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "Permitted Investment"; and

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in any of the foregoing clauses (iv), (v) or (vi); *provided further* that notwithstanding the foregoing, any amounts (such amounts, the "***Excluded Amounts***") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of Net Cash Proceeds or property or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control pursuant to the definition thereof, (2) the purpose of, or the effect of, the receipt of such Net Cash Proceeds or property or assets or marketable securities was to reduce the Consolidated Leverage Ratio so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such net cash proceeds or property or assets or marketable securities and (3) no Change of Control Offer is made in connection with such Change of Control in accordance with the requirements of the Indenture.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by an officer of the Issuer, or, if such fair market value exceeds the greater of €10 million and 19.1% of Consolidated EBITDA, by the Board of Directors of the Issuer.

The foregoing provisions will not prohibit any of the following (collectively, "***Permitted Payments***"):

(1) any Restricted Payment made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or a Parent Debt Contribution) of the Issuer; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of

property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness: (a) from Net Available Cash to the extent permitted under "*— Limitation on Sales of Assets and Subsidiary Stock*," but only (i) if the Issuer shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; (b) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Issuer shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within, or redemption or repurchase consummated within, 60 days after the date of declaration or the giving of the redemption or repayment notice if at such date of declaration or notice such dividend or redemption or repayment, as the case may be, would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent or Special Purpose Vehicle to permit any Parent or Special Purpose Vehicle to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (x) €5 million, *plus* €2 million multiplied by the number of calendar

years that have commenced since the Issue Date, plus (y) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof) plus (z) the net cash proceeds from key man life insurance policies, to the extent such Net Cash Proceeds or net cash proceeds in (y) and (z) are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant and are not Excluded Contributions or Parent Debt Contributions;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

  (a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes; or

  (b) amounts constituting or to be used for purposes of making payments of fees and expenses Incurred (i) in connection with the Transactions or (ii) to the extent specified in clauses (2), (3), (5) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions or a Parent Debt Contribution) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (i) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.25 to 1.0 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that in the case of this clause (ii) after giving *pro forma* effect to such loans, advances, dividends and distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.5 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €15 million and 28.6% of Consolidated EBITDA;

(12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent in lieu of the issuance of fractional shares of such Capital Stock; *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or a Parent Debt Contribution or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any Restricted Payment; *provided* that, on the date of any such Restricted Payment, the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 3.00 to 1.0 on a *pro forma* basis after giving effect thereto;

(18) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares); *provided, however*, that the total aggregate amount of Restricted Payments made under this clause (18) does not exceed €5 million in any calendar year (with unused amounts in any calendar year being carried over in the next two succeeding calendar years);

(19) dividends, loans, distributions, advances or other payments by the Issuer or any of its Restricted Subsidiaries to or on behalf of the direct parent of the Issuer to service the substantially concurrent payment of regularly scheduled interest amounts due under any Senior Notes; *provided* that the net cash proceeds of such Indebtedness or of any Indebtedness for which such Indebtedness constitutes Refinancing Indebtedness have been contributed to the Issuer and such Indebtedness has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any of its Restricted Subsidiaries Incurred in accordance with the covenant described under "*—Limitation on Indebtedness*"; and

(20) any dividends, distributions or other payments to any Parent or Unrestricted Subsidiary to the extent that such dividends, distributions or payments are made in order to carry out group contributions under the tax laws or regulations of an applicable jurisdiction up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis or on a

consolidated basis if the Issuer and its Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliates or unitary basis on behalf of an affiliate group consisting only of the Issuer and its Restricted Subsidiaries.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Issuer acting in good faith.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Note Guarantee in the case of Liens of Guarantors) are directly secured, subject to the Agreed Security Principles (but without regard to any Agreed Security Principles limiting the types or locations of assets that may be pledged to secure the Notes and the Note Guarantees under the Indenture), equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;

(b) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility) and any other agreement or instrument, in each case, in effect at or entered into on the Issue Date (including, without limitation, the Acquisition Agreement), (b) the Indenture, the Notes, the Intercreditor Agreement, the Security Documents or any related security documents or (c) any other agreement or instrument with respect to the Issuer and its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries), in each case, in effect on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company (as defined under "*—Merger and Consolidation*"), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument that extends, renews, refinances or replaces any of the encumbrances or restrictions referred to in clauses (1) or (2) of this paragraph or this clause (3) (an "***Initial Agreement***") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(4) any encumbrance or restriction:

  (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

  (b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or

  (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (c) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority or any governmental licenses,

concessions, franchises or permits, including restrictions or encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers or suppliers, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements or policies entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements or Interest Rate Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if (A) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than (i) the encumbrances and restrictions contained in the Revolving Credit Facility, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Issuer) or (B) the Issuer determines at the time of the Incurrence of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes or (b) that constitutes an Additional Intercreditor Agreement;

(12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or an Officer of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing; or

(13) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*."

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the assets sold (as determined by the Board of Directors of the Issuer); and

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(a) cash (including any net cash proceeds received from the conversion, within 180 days of such Asset Disposition, of securities, notes or other obligations received in consideration of such Asset Disposition);

(b) Cash Equivalents;

(c) the assumption by the purchaser of (x) any liabilities of the Issuer or its Restricted Subsidiaries recorded on the Issuer's consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary are released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(d) Replacement Assets;

(e) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(g) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of €10 million and 19.1% of Consolidated EBITDA (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(h) a combination of the consideration specified in clauses (a) through (g) of this clause (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash of the Asset Disposition, within 365 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Issuer or such Restricted Subsidiary to:

(1) (i) prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" or any Refinancing Indebtedness in respect thereof; *provided, however*, that, in connection with any prepayment, repayment, purchase or redemption of term Indebtedness Incurred pursuant to such clause (1), the Issuer or such Restricted Subsidiary will retire such term Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed; (ii) unless included in the preceding clause (1)(i), prepay, repay, purchase or redeem this series of Notes, any other series of Notes and/or Indebtedness (other than Subordinated Indebtedness or Indebtedness owed to the Issuer or any Restricted Subsidiary) that is secured by a Lien on the Collateral on a *pari passu* basis with the Notes, with respect to such other Indebtedness, at a price of no more than the principal amount of such applicable Indebtedness, plus accrued and unpaid interest, Additional Amounts and applicable prepayment or redemption premium, if any, to the date of such prepayment, repayment, purchase or redemption and with respect to any series of Notes, at a price of no less than 100% of the principal amount of the applicable series of Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of such prepayment, repayment, purchase or redemption; or (iii) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary); *provided* that the Issuer shall prepay, repay, purchase or redeem Indebtedness (other than the Notes) pursuant to clause (ii) only if the Issuer makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Indebtedness (other than the Notes);

(2) purchase any series of Notes pursuant to an offer to all Holders of such series of Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) or by making an Asset Disposition Offer to all Holders of the Notes (in accordance with the procedures set out below);

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) consummate any combination of the foregoing; or

(8) enter into a binding commitment to apply the Net Available Cash pursuant to clause (1), (3), (4), (5) or (6) of this paragraph or a combination thereof; *provided* that a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period, if the investment has not been consummated by that date,

provided, however, if the assets disposed of constitute Collateral or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Collateral, the Issuer shall pledge or shall cause the applicable Restricted Subsidiary to pledge any Capital Stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the Issue Date) acquired with the Net Available Cash from such disposition referred to in this covenant in favor of the Notes on a first-priority basis, subject to the Agreed Security Principles.

The amount of such Net Available Cash not so used as set forth in this paragraph constitutes "*Excess Proceeds*." Pending the final application of any such Net Available Cash, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Indenture. On the 366th day after an Asset Disposition or such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds €15 million, the Issuer will be required to make within 30 Business Days thereof an offer (an "***Asset Disposition Offer***") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness that is secured by a Lien on the Collateral on a *pari passu* basis with the Notes, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any such Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, Additional Amounts and applicable prepayment or redemption premium, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof (if applicable).

To the extent that the aggregate amount of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and such other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and such Pari Passu Indebtedness to be repaid or purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and such Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their euro equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, insofar as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "***Asset Disposition Offer Period***"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "***Asset Disposition Purchase Date***"), the Issuer will purchase the principal amount of Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the "***Asset Disposition Offer Amount***") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer. On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof (if applicable). The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Paying Agent shall deliver to the Holders of Notes the purchase price of Notes validly tendered and not withdrawn and arrange for the deduction of the appropriate amounts of Notes from such Holders' accounts with Euroclear or Clearstream (as applicable). Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "***Affiliate Transaction***") involving aggregate value in excess of €5 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction on an arm's-length basis at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €12.5 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*," any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under "*—Limitation on Restricted*

Payments") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2) and (11) of the definition thereof);

(2) any issuance, transfer or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), between or among Restricted Subsidiaries or between or among the Issuer or any Restricted Subsidiary and any Receivables Subsidiary in connection with a Qualified Receivables Financing;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) (i) the Transactions, (ii) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate (other than an Unrestricted Subsidiary) of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding and entering into any proceeds loan in respect of the

proceeds of any issuance of Senior Notes; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding or proceeds loans are approved by a majority of the members of the Board of Directors of the Issuer in their reasonable determination and (b) any amendment, waiver or other transaction, including satisfying payment obligations, with respect to any Subordinated Shareholder Funding or proceeds loan in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;

(11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed €2 million per year and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital market transactions, acquisitions or divestitures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by a majority of the Board of Directors of the Issuer in good faith;

(12) any transactions for which the Issuer or a Restricted Subsidiary delivers a written letter or opinion to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(13) pledges of Capital Stock of Unrestricted Subsidiaries;

(14) any transaction effected as part of a Qualified Receivables Financing; and

(15) any participation in a public tender or exchange offer for securities or debt instruments issued by the Issuer or any of its Subsidiaries that are conducted on arm's-length terms and provide for the same price or exchange ratio, as the case may be, to all holders accepting such tender or exchange offer.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

(1) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ending December 31, 2016, annual reports containing: (i) an operating and financial discussion of the audited financial statements, including a discussion of the financial condition and results of operations, and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies of the Issuer; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (other than the Acquisition and unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years, and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; (v) a description of material operational risk factors and material subsequent events; and (vi) adjusted EBITDA for the year; and (vii) to the extent the reports of Holdco are provided hereunder pursuant to the immediately succeeding paragraph, a description of the material differences in the financial condition and

results of operations between the Issuer and Holdco; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) within 60 days following the end of the first, second and third fiscal quarters in each fiscal year of the Issuer, unaudited quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates (other than the Acquisition and *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials); (iii) an operating and financial discussion of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, adjusted EBITDA and material changes in liquidity and capital resources of the Issuer; (iv) a discussion of material changes in material debt instruments since the most recent report; (v) material subsequent events and any material changes to the operational risk factors disclosed in the most recent annual report; and (vi) to the extent the reports of Holdco are provided hereunder pursuant to the immediately succeeding paragraph, a description of the material differences in the financial condition and results of operations between the Issuer and Holdco; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer or, to the extent the immediately succeeding paragraph is applicable, Holdco, a report containing a description of such event.

The Issuer shall have the option at any time to provide the reports set forth in (1) and (2) above as if each reference to the "Issuer" (except such references in (1)(vii) and (2)(vi)) had been to "Holdco". Following an Initial Public Offering of the Capital Stock of an IPO Entity and/or the listing of such Capital Stock on a recognized European stock exchange, the requirements of clause (1), (2) and (3) above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange; *provided* that (x) the IPO Entity shall provide financial statements consistent with the requirements of clause 2(a) above for the first three quarterly periods in each fiscal year after the Issue Date pursuant to clause (2) and (y) to the extent such IPO Entity relies on such stock exchange reporting requirements to fulfill the requirements of clauses (1), (2) and (3) above, a reasonably detailed description of such material differences between the financial statements of such IPO Entity and the financial statements of the Issuer shall be included for any period after the Issue Date.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Notes copies of all reports furnished to the Trustee on the Issuer's website. All financial statement information shall be prepared in accordance with German GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of German GAAP as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in German GAAP, present earlier periods on a basis that applied to such periods. To the extent comparable prior period financial information of the Issuer does not exist, the comparable prior period financial information of the Target and its Subsidiaries may be provided in lieu thereof. With respect to the fiscal

year ended December 31, 2016, the Issuer shall provide an unconsolidated balance sheet of the Issuer as of December 31, 2016 together with financial statements in respect of the Target and its Subsidiaries. No report need include separate financial statements for any Subsidiaries of the Issuer. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles. At any time that any of the Issuer's subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

All reports provided pursuant to this "*Reports*" covenant shall be made in the English language.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC, or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Merger and Consolidation

The Issuer

The Issuer will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity, or the resulting, surviving or transferee Person (the "***Successor Company***") will be a Person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada and the Successor Company (if not the Issuer) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Issuer or the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio for the Issuer or the Successor Company for the most recently ended four full fiscal quarters for which financial statements are available immediately preceding the date on which the transaction is consummated would not be less than it was immediately prior to giving effect to such transaction; and

(4) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Indenture, and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

Without prejudice to clause (3) in the immediately preceding paragraph, any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture, but in the case of a lease of all or substantially all of its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the properties or assets of a Person.

The Guarantors

No Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) may:

(1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it unless:

A. the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor substantially concurrently with such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal;

B. (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable; and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and be continuing; and

C. the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all of the assets of a

Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture;

provided, however, that the prohibition in clauses (1), (2) and (3) above shall not apply to the extent that compliance with clauses (A) and (B)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses.

The provisions set forth in this "Merger and Consolidation" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not a Guarantor; (ii) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, and clauses (1) and (4) under the heading "*—The Issuer*" shall apply to such transaction; or (iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided, however*, that clauses (1), (2) and (4) under the heading "*—The Issuer*" or clauses (A) and (B) under the heading "*—The Guarantors*," as the case may be, shall apply to any such transaction.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "*Reversion Date*"), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

(1) "*—Limitation on Restricted Payments*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";

(4) "*—Limitation on Affiliate Transactions*";

(5) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(6) "*—Limitation on Additional Guarantees*"; and

(7) the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Issuer*,"

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer or any of its Restricted Subsidiaries properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will

constitute a Default or Event of Default. The "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*." In addition, the Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. The Issuer shall notify the Trustee in writing that the conditions set forth in the first paragraph under this caption have been satisfied; *provided* that no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Impairment of Security Interest

The Issuer and Holdco shall not, and the Issuer shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the paragraph below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interests with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Issuer and Holdco shall not, and the Issuer shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral.

Notwithstanding the foregoing, (i) the Issuer, Holdco and the Restricted Subsidiaries may Incur Permitted Collateral Liens, (ii) the Collateral may be discharged and released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement; (iii) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein; (iv) the Issuer, Holdco and the Restricted Subsidiaries may discharge and release Security Interests with respect to the Collateral in connection with the implementation of a Permitted Reorganization and (v) the Security Interests, and the related Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets); *provided, however*, that in the case of clauses (i) and (v) above, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced; unless, contemporaneously with any such action, the Issuer delivers to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an Independent Financial Advisor confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, or of Holdco and its Subsidiaries, taken as a whole (as applicable), and of the person granting such Security Interest, in each case, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee, which confirms the solvency of the person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, as so amended, extended, renewed, restated, supplemented, released, modified or replaced, are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, to which such Lien or Liens were not otherwise subject immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to

each of the Trustee and the Security Agent being indemnified and secured to its satisfaction) consent to such amendments without the need for instructions from the Holders.

Limitation on Additional Guarantees

No Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the Revolving Credit Facility, any Credit Facility or any other Public Debt, in each case, of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor on the date on which such Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Note Guarantee; *provided, however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Note Guarantee is contrary to the Agreed Security Principles or could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation other than reasonable out-of-pocket expenses. At the option of the Issuer, any Note Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Note Guarantees granted pursuant to this provision shall be released as set forth under "*—Releases of the Note Guarantees*." A Note Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction.

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer or Holdco, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any (1) Indebtedness permitted pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or clause (1), (2), (4), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" and (2) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (1), Holdco, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Note Guarantees and priority and release of the Security Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture or the Intercreditor Agreement.

The Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of

any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including, with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Officer's Certificate and an Opinion of Counsel. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and the Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*" and the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement.

The Indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein), and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the listing agent for the Notes.

Limitation on Holding Company Activities

The Issuer may not carry on any business activity, hold any assets or Incur any Indebtedness other than in connection with:

(1) the provision of administrative, strategy, legal, accounting, treasury, tax, research and development, employee-related, management, corporate guarantee and other services to its Affiliates of a type customarily provided by a holding company (including entering into and performing any rights or obligations under any Tax Sharing Agreements and acting as the head of a tax group) and the ownership of assets and incurrence of liabilities related to the provision of such services;

(2) (i) the Incurrence of any Indebtedness, Subordinated Shareholder Funding or other obligations that do not constitute Indebtedness not prohibited under the Indenture; (ii) the conduct of any activities reasonably incidental to the Incurrence of such Indebtedness, Subordinated Shareholder Funding or other obligations, including the performance of the terms and conditions thereof; and (iii) the granting of Liens not prohibited by the Indenture;

(3) activities undertaken with the purpose of fulfilling its obligations or exercising its rights under the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents, and any finance and security arrangements not prohibited by the Indenture

(including any indenture governing any Senior Notes and any related finance documents or security documents);

(4) the ownership of (i) cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities, (ii) shares of the Target, (iii) Permitted Investments, and (iv) other property and assets for the purpose of transferring such property and asset to any Parent or other Person;

(5) the management of the Issuer's and its Subsidiaries' assets and conducting activities and entering into transactions related or incidental to the establishment and/or maintenance of its or its Subsidiaries' corporate existence and any other transaction of a type customarily entered into by holding companies and their subsidiaries (including the payment of wages, Taxes and the incurrence of obligations and liabilities arising by operation of law or that are typical or incidental to the activities of a holding company);

(6) any activity reasonably relating to the servicing, purchase, redemption, amendment, exchange, refinancing or retirement of the Notes or other Indebtedness (or other items that are specifically excluded from the definition of Indebtedness) not prohibited to be Incurred under the Indenture;

(7) the entering into and performance of any rights or obligations in respect of (i) contracts and agreements with its officers, directors, employees, consultants and other providers of goods and services; (ii) subscription or purchase agreements for securities or preferred equity certificates, public offering rights agreements, voting and other shareholder agreements, engagement letters, underwriting agreements, agreements with Rating Agencies and other agreements in respect of its securities or any offering, issuance or sale thereof; (iii) engagement letters and reliance letters in respect of legal, accounting and other advice or reports received or commissioned by it, in each case, in relation to transactions which are not prohibited under the Indenture; and (iv) sale and purchase agreements in respect of any merger and acquisition activities;

(8) the listing of its Capital Stock and the issuance, offering and sale of its Capital Stock, including compliance with applicable regulatory and other obligations in connection therewith;

(9) the Acquisition and the Transactions;

(10) the sale or disposal of any Asset not prohibited by the Indenture; or

(11) the undertaking of any other activities, the holding of assets and the incurrence of liabilities which are not specifically listed in this covenant and which are (i) ancillary to or related to those listed in this covenant or (ii) not material to the Issuer and its Restricted Subsidiaries (taken as a whole).

Post-Closing Undertakings

Within 60 days of the Completion Date (or within 75 days following the Completion Date, if the Completion Date occurs on or prior to December 31, 2016), subject in the case of (i) and (ii), to the terms of the Security Documents and the Agreed Security Principles, the Issuer shall procure that the Notes will be (i) guaranteed by the by the Target, Schustermann & Borenstein Beteiligungs GmbH, Schustermann & Borenstein GmbH, Schustermann & Borenstein Logistik GmbH and Best Secret GmbH and (ii) secured by certain material assets of Holdco, the Target, Schustermann & Borenstein Beteiligungs GmbH, Schustermann & Borenstein GmbH, Schustermann & Borenstein Logistik GmbH and Best Secret GmbH.

Listing

The Issuer will use its reasonable best efforts to (i) obtain the listing of the Notes on the Official List of the Channel Islands Securities Exchange Authority and for permission to be granted to deal in the Notes on the Official List of the Channel Islands Securities Exchange Authority as promptly as practicable after the Issue Date and (ii) maintain such listing and admission to trading for so long as such Notes are outstanding; *provided* that if the Issuer is unable to obtain such listing, or if maintenance of such listing becomes unduly onerous, it will, prior to the delisting of the Notes from the

Official List of the Channel Islands Securities Exchange Authority, use its reasonable best efforts to obtain and maintain a listing of such Notes on another "recognised stock exchange" as defined in section 1005 of the Income Tax Act 2007 of the United Kingdom.

Payments for Consent

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to such amendment in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude Holders of Notes in any jurisdiction or any category of Holders of Notes where (1) the solicitation of such consent, waiver or amendment, including in connection with any tender or exchange offer, or (2) the payment of the consideration therefor could reasonably be interpreted as requiring the Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws or listing requirements (including, but not limited to, the United States federal securities laws and the laws of the European Union or any of its member states), which the Issuer in its sole discretion determines (acting in good faith) (a) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction) or (b) such solicitation would otherwise not be permitted under applicable law in such jurisdiction or with respect to such category of Holders of Notes.

Financial Calculations for Limited Condition Acquisitions

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Acquisition are entered into and such baskets or ratios shall be calculated on a pro forma basis after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio). For the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions; *provided*, further, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any Incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition.

Events of Default

Each of the following is an "Event of Default" under the Indenture:

(1) default in any payment of interest on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by Holdco (only with respect to the covenants under the heading "*—Certain Covenants—Impairment of Security Interests*" and "*—Certain Covenants—Additional Intercreditor Agreements*"), the Issuer or any Restricted Subsidiary to comply for 60 days after notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*"),

and (i) in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €20 million or more or (ii) such Indebtedness is incurred pursuant to clause (1) or (6) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and secured by Collateral that is, in each case, granted super senior priority rights with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement, and the Instructing Group (as defined in the Intercreditor Agreement or any Additional Intercreditor Agreement) has instructed the Security Agent to commence enforcement of Collateral with a fair market value in excess of €20 million in circumstances where the Security Agent is permitted to take enforcement action in accordance with such instructions;

(5) certain events of bankruptcy, insolvency or court protection of Holdco, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer or Holdco), would constitute a Significant Subsidiary (the "*bankruptcy provisions*");

(6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer or Holdco), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €20 million (exclusive of any amounts for which a solvent insurance company has acknowledged liability), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "*judgment default provision*");

(7) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) with respect to Collateral having a fair market value in excess of €5 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer, Holdco or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable, and any such Default continues for 10 days;

(8) any Note Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Note Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Note Guarantee and any such Default continues for 10 days; and

(9) failure by the Issuer to consummate a special mandatory redemption pursuant to the terms of the Escrow Agreement.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee, by notice to the Issuer, or the Holders of at least 25% in principal amount of the outstanding Notes under the Indenture, by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) under the definition of "*—Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture by notice to the Trustee may, on behalf of all Holders, waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holder has offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such security or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification or other security satisfactory to it in its sole discretion against all losses, liabilities and expenses caused by taking or not taking such action. Prior to the occurrence of an Event of Default, the Trustee will have no obligation to monitor compliance by the Issuer with the Indenture. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being so notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee determines that withholding notice is in the interests of the Holders.

The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "*Initial Default*"), then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided* that, if any amendment, supplement, other modification or waiver will only amend, supplement or waive one series of the Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes affected, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder or, if any amendment, waiver or other modification will only amend,

supplement, modify or waive one series of the Notes, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of such series of Notes affected, with respect to any such series of Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under "—*Optional Redemption*";

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in the provision of the Indenture described under "—*Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all of the security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(10) release all or substantially all of the Guarantors from their obligations under the Note Guarantees or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Notes Documents:

(1) to cure any ambiguity, omission, defect, error or inconsistency;

(2) to provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Notes Document;

(3) to add to the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) to make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Notes Documents;

(5) to make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Issuer) for the issuance of Additional Notes;

(6) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness"* or *"—Limitation on Additional Guarantees*," to add Note Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Indenture, the Security Documents or the Notes to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;

(8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor trustee or security agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders or parties to the Revolving Credit Facility Agreement, in any property which is required by the Security Documents or the Revolving Credit Facility Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with; or

(10) as provided in "*—Certain Covenants—Additional Intercreditor Agreements*."

In formulating its decision on such matters, the Trustee shall be entitled to require and rely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel. The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

For purposes of determining whether Holders of the requisite aggregate principal amount of any series of Notes have taken any action under the Indenture, the aggregate principal amount of such series of Notes will be deemed to be the euro equivalent of the aggregate principal amount of such Notes as of (i) the record date in respect of such action (if a record date has been set with respect to the taking of such action) or (ii) the date the taking of such action by Holders of the requisite aggregate principal amount of such Notes has been certified to the Trustee by the Issuer (if no such record date has been set).

Notwithstanding anything to the contrary in the paragraphs above, in order to effect an amendment authorized by clause (3) above to add a Guarantor under the Indenture, it shall only be necessary for the supplemental indenture providing for the accession of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee. Any other amendments permitted by the Indenture need only be duly authorized and executed by the Issuer and the Trustee.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly

controlling, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding; *provided* that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Notes and the Indenture ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Restricted Subsidiaries' obligations under the covenants described under "*Certain Covenants*" (other than clauses (1) and (2) under "*—Certain Covenants—Merger and Consolidation—The Issuer*") and "*Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to any Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*—Events of Default*" ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Issuer*"), (4), (5) (with respect only to the Significant Subsidiaries), (6), (7) or (8) under "*—Events of Default*."

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling received by the Issuer from, or published by, the U.S. Internal Revenue Service or change in applicable U.S. federal income tax law);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and qualifications), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with; and

(4) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be, *provided* that, if requested by the Issuer, the Trustee may distribute any amounts deposited in trust to the Holders prior to the maturity or the redemption date, as the case may be, and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (*provided* that such counsel may not be an employee of the Issuer or its Subsidiaries) each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer, Holdco or any Guarantor under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Citibank, N.A., London Branch is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee or any Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of then outstanding Notes, or may resign at any time by giving written notice to the Issuer, and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee. Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, Taxes or expenses Incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

Notices, warnings, summonses and other communications to the holders of the Notes from the Trustee shall be sent via Euroclear or Clearstream (as applicable) with a copy to the Issuer, and the listing agent, for the purpose of sending to the Channel Islands Securities Exchange Authority (to the extent required by the rules of the Channel Islands Securities Exchange Authority). Any such notice or communication shall be deemed to be given or made when sent from Euroclear or Clearstream (as applicable). The Issuer's written notifications to the holders of Notes shall be sent through Euroclear or Clearstream (as applicable) with a copy to the Trustee and the Channel Islands Securities Exchange Authority (to the extent required by the rules of the Channel Islands Securities Exchange Authority).

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed 10 years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with this series of Notes and the related Note Guarantees, including damages. Any amount received or recovered in a currency other than euro (in the case of this series of Notes), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order,

claim or proof for a liquidated amount in respect of any sum due under any Note or any Note Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro equivalent amount for purposes hereof that is denominated in a currency other than euro shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States. See "*Risk Factors—Risks Related to Our Structure and the Financing—Each Note Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability"* and *"Certain Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*."

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuer and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture and the Notes, and the rights and duties of the parties thereunder, shall be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition*" means the acquisition of the Target by the Issuer pursuant to the Acquisition Agreement.

"*Acquisition Agreement*" means the sale and purchase agreement dated October 24/25, 2016 between, among others, the Issuer, as purchaser, and JAP Lux Holding S.A., as seller, in relation to the acquisition of the Target Shares, as such may be amended from time to time.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any 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.

"*Agreed Security Principles*" means the agreed security principles appended to the Revolving Credit Facility Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

"*Applicable Premium*" means the greater of:

(1) 1% of the principal amount of such Note; and

(2) as of any redemption date, the excess (to the extent positive) of:

   (a) the present value at such redemption date of (i) the redemption price of such Note at , 2019 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption*" (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Note to and including such date (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

   (b) the outstanding principal amount of such Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee, Registrar, Transfer Agent or any Paying Agent.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance or transfer of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer or the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) of less than the greater of €5 million and 9.5% of Consolidated EBITDA;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment;

(9) the granting of Liens not prohibited by the covenant described above under the caption "*—Certain Covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) the licensing, sub-licensing, lease or assignment of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or otherwise in the ordinary course of business;

(15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(17) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which has been or is to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors of the Issuer shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole); *provided, further,* that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (18), does not exceed the greater of €10 million and 19.1% of Consolidated EBITDA;

(19) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, an issuance or sale by a Restricted Subsidiary of Preferred Stock or Disqualified Capital Stock that is permitted by the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*" or an issuance of Capital Stock by the Issuer pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer;

(20) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition are applied in accordance with the "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" covenant; and

(21) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"*Board of Directors*" means (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). The obligations of the "Board of Directors of the Issuer" under the Indenture may be exercised by the Board of Directors of Schustermann & Borenstein GmbH, including its successors and assigns, pursuant to a delegation of powers of the Board of Directors of the Issuer.

"*Bund Rate*" means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds or Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to , 2019; *provided*, *however*, that if the period from the redemption date to , 2019 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to , 2019 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Frankfurt, Germany, or London, United Kingdom are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligation*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of German GAAP (as in effect on the Issue Date for purposes of determining whether a lease is a capitalized lease). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with German GAAP, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government, a member state of the European Union or Switzerland or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member

state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Revolving Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named Rating Agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Japan, Norway or Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "*Asset Disposition*," the marketable securities portfolio owned by the Issuer and its Subsidiaries (including the Target and its Subsidiaries) on the Issue Date.

"*Change of Control*" means the occurrence of any of the following:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a wholly-owned Subsidiary of a Successor Parent (subject to any directors' qualifying shares or shares required by any applicable law or regulation to be held by

a person other than the Issuer or another wholly-owned Subsidiary that are held by a Person other than such Successor Parent); and

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occured if such Change of Control is also a Specified Change of Control Event.

"*Clearstream*" means Clearstream Banking, société anonyme, as currently in effect, or any successor securities clearing agency.

"*Collateral*" means any and all assets from time to time in which a security interest has been granted pursuant to any Security Document to secure the obligations under the Indenture, the Notes and/or any Note Guarantee.

"*Completion Date*" means the date of completion of the Acquisition.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization (excluding amortization of a prepaid cash charge or expense that was paid in a prior period) or impairment expense;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the Incurrence, issuance, redemption or refinancing of any Indebtedness permitted by the Indenture or any amendment, waiver, consent or modification to any document governing such Indebtedness (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or an Officer of the Issuer;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, except to the extent of dividends declared or paid on, or other cash payments in respect of, equity interests held by such third parties;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*";

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Issuer as special, extraordinary, exceptional, unusual or non-recurring items less other non-cash items of income increasing Consolidated Net Income (other than non-cash items increasing Consolidated Net Income pursuant to clauses (1) to (14) of the definition of Consolidated Net Income and

excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income;

(11) any Receivables Fees and discounts on the sale of accounts receivable in connection with any Qualified Receivables Financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period; and

(12) any change in inventory allowances.

For the purposes of determining "Consolidated EBITDA" pro forma effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries.

"*Consolidated Income Taxes*" means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries, whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of German GAAP), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a Restricted Subsidiary, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(6) the consolidated interest expense that was capitalized during such period (but excluding such interest on Subordinated Shareholder Funding);

(7) cash interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person; and

(8) interest accrued on any Indebtedness of a Parent that is Guaranteed by the Issuer or any Restricted Subsidiary to the extent (x) serviced directly or indirectly by the Issuer or any Restricted Subsidiary and (y) not already included in calculating Consolidated Interest Expense;

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase

accounting in connection with any acquisition, in each case, to the extent included in interest expense under German GAAP and (iii) any Additional Amounts with respect to the Notes included in interest expense under German GAAP or other similar tax gross up on any Indebtedness included in interest expense under German GAAP. Consolidated Interest Expense shall not include any interest expenses relating to Subordinated Shareholder Funding.

"*Consolidated Net Leverage*" means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Issuer)) less cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries as of the relevant date of calculation on a consolidated basis on the basis of German GAAP. In determining the Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included in the calculation of Consolidated Net Leverage to the extent that such cash or Cash Equivalents are the proceeds of Indebtedness Incurred on the date of determination in respect of which the calculation of the Consolidated Net Leverage Ratio is to be made.

"*Consolidated Net Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer), including in respect of anticipated cost savings, expense reductions and synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period; *provided, however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*";

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) acquisitions or Investments (each, a "Purchase") that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the Issuer or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Issuer), including in respect of anticipated cost savings, expense reductions and synergies, as if they had occurred on the first day of the four-quarter reference period; *provided* that, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect to such Purchase (including anticipated cost savings, expense reductions and synergies) as if such Purchase had occurred on the first day of such period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with German GAAP, and operations, businesses or group of assets

constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from any such disposal, as determined in good faith by a responsible accounting or financial officer of the Issuer);

(3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with German GAAP, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Net Leverage shall be treated in accordance with German GAAP; and

(7) the reasonably anticipated full run rate effect of cost savings, expense reductions and synergies (as determined in good faith by an Officer of the Issuer responsible for accounting or financial reporting) projected to result from actions taken by the Issuer or its Restricted Subsidiaries shall be included as though such cost savings, expense reductions and synergies had been achieved on the first day of the relevant period, net of the amount of actual benefits realized during such period from such actions, *provided* that such cost savings, expense reductions and synergies (A) are reasonably identifiable and factually supportable and (B) are not duplicative of any cost savings, expense reductions and synergies already included for such period.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of German GAAP; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer of the Issuer (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes and the Indenture, (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary, including the Target and its Restricted Subsidiaries, (including

pursuant to the Revolving Credit Facility Agreement or the Intercreditor Agreement), and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions permitted under the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries,*" except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than a Guarantor), to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale and lease-back transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity-based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(12) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down;

(13) consolidated depreciation and amortization expense to the extent in excess of net capital expenditures for such period, and Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Senior Secured Net Leverage*" means the sum of the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by an Officer or the Board of Directors of the Issuer)) *less* cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries, as of the relevant date of calculation on a consolidated basis on the basis of German GAAP. In determining the Consolidated Senior Secured Net Leverage Ratio, no cash or Cash Equivalents shall be included in the calculation of Consolidated Senior Secured Net Leverage to the extent that such cash or Cash Equivalents are the proceeds of Indebtedness Incurred on the date of determination in respect of which the calculation of the Consolidated Senior Secured Net Leverage Ratio is to be made.

"*Consolidated Senior Secured Net Leverage Ratio*" means, as of any date of determination, the ratio of (x) the Consolidated Senior Secured Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds: (a) for the purchase or payment of any such primary obligation; or (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Revolving Credit Facility or any other commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Credit Facility or one or

more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Note Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Designated Preference Shares*" means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*—Certain Covenants—Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or

is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"*Equity Contribution*" means the equity contribution from the Initial Investors as described in the Offering Memorandum under the caption "*Use of Proceeds*."

"*Equity Offering*" means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions or a Parent Debt Contribution) of the Issuer or any of its Restricted Subsidiaries.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank SA/NV, as currently in effect, or any successor securities clearing agency.

"*European Government Obligations*" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "A-1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized Rating Agency on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*European Union*" means the European Union as of the Issue Date except for purposes of the definition of IFRS.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer substantially concurrently with the contribution and not constituting a Parent Debt Contribution.

"*fair market value*" wherever such term is used in this "*Description of the Notes*" or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA of the Issuer for the period of the four most recent fiscal quarters prior

to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of the Issuer for such four fiscal quarters.

In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated cost savings, expense reductions and synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) a Purchase that has been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated cost savings, expense reductions and synergies, as if they had occurred on the first day of the four-quarter reference period; *provided* that, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect to such Purchase (including anticipated cost savings, expense reductions and synergies) as if such Purchase had occurred on the first day of such period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with German GAAP, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from such disposition, as determined in good faith by a responsible accounting or financial officer of the Issuer);

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with German GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness) and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Net Leverage shall be treated in accordance with German GAAP;

(7) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with German GAAP; and

(8) the reasonably anticipated full run rate effect of cost savings, expense reductions and synergies (as determined in good faith by a responsible accounting or financial Officer) projected to result from actions taken by the Issuer or its Restricted Subsidiaries shall be included as though such cost savings, expense reductions and synergies had been achieved on the first day of the relevant period, net of the amount of actual benefits realized during such period from such actions, *provided* such cost savings, expense reductions and synergies (A) are reasonably identifiable and factually supportable and (B) are not duplicative of any costs savings, expense reductions or synergies already included for the period.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the Consolidated Interest Expense of such Person for such period; plus

(2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary, other than dividends on equity interests payable to the Issuer or a Restricted Subsidiary.

"*German GAAP*" means generally accepted accounting principles in the Federal Republic of Germany and in effect on the Issue Date, or with respect to the covenant described under "*—Covenants—Reports*", as in effect from time to time; *provided*, however, that at any time after the Issue Date, the Issuer may elect to apply IFRS for the purposes of this Description of the Notes, and from and after such election references herein to German GAAP shall be deemed to be references to IFRS and all defined terms in the Description of the Notes, and all ratios and computations based on GAAP shall be computed in conformity with IFRS, from and after any such election; *provided, further* that the Issuer may only elect to change accounting standards one time following the Issue Date.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantors*" means the Initial Guarantors and any Restricted Subsidiary that Guarantees the Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"*Holding Company*" means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

"*IFRS*" means, the International Financial Reporting Standards as endorsed by the European Union and in effect on the date that the Issuer elects to apply IFRS for the purposes of this Description of the Notes; *provided that*, for such purpose the Issuer may make an irrevocable election to apply IFRS in effect as of an earlier date or with respect to the covenant described under "*—Covenants—Reports*", as in effect from time to time.

"*Incur*" means issue, create, assume, enter into any Note Guarantee of, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer of the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person;

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "*Indebtedness*" shall not include (i) Subordinated Shareholder Funding, (ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under German GAAP as in effect on the Issue Date, (iii) prepayments of deposits received from clients or customers in the ordinary course of business, (iv) any asset retirement obligations, or (v) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date by the Issuer and its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9)) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of German GAAP. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) Contingent Obligations Incurred in the ordinary course of business, obligations under or in respect of Qualified Receivables Financings and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(2) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(3) any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes or under any Tax Sharing Agreement; and

(4) any accrued expenses and trade payables.

"*Indenture*" means the indenture entered into, among others, the Issuer, Holdco and the Trustee on the Issue Date, as amended from time to time.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third-party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Investors*" means (i) Permira VI Funds, any Affiliate of the Permira VI Funds (other than any controlling limited partner of the Permira VI Funds, if any, and any Subsidiary of such controlling limited partner, in each case to the extent not itself a member of the Permira Group) and any funds or partnerships managed or advised (directly or indirectly) by Permira VI G.P. Limited or an Affiliate thereof (other than any controlling shareholder of Permira VI G.P. Limited, if any, and any Subsidiary of such controlling shareholder, in each case, to the extent not itself a member of the Permira Group) or an entity controlled by all or substantially all of the managing directors of such fund, and, solely in their capacity as such, any limited partner of any such partnership or fund; *provided* that any portfolio company of the foregoing, other than entities of which the Permira VI Funds beneficially owns in the

aggregate a majority (or more) of the Voting Stock and which are established to solely hold, directly or indirectly, interests in the Issuer shall not constitute an "Initial Investor" and (ii) each of the S&B Investors.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer or any Parent (the "*IPO Entity*") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated , 2016, by and among, *inter alios*, the Issuer, Holdco, the Security Agent and the Trustee, as amended from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business or debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of German GAAP; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under the caption "*—Certain Covenants—Limitation on Restricted Payments*."

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or an Officer of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, Norway or Switzerland or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB–" or higher from S&P or "Baa3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"*Investment Grade Status*" shall occur when all of the Notes receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means , 2016.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Limited Condition Acquisition*" means any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of its Restricted Subsidiaries the consummation of which is not conditioned upon the availability of, or on obtaining, third-party financing; *provided* that Consolidated EBITDA, other than for purposes of calculating any ratios in connection with the Limited Condition Acquisition and the related transactions, shall not include any Consolidated EBITDA of or attributable to the target company or assets involved in any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Issuer or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving-related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this subclause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding €5 million in the aggregate outstanding at any time.

"*Management Investors*" means (i) members of the management team of the Issuer or any Restricted Subsidiary investing, or committing to invest, directly or indirectly, in the Issuer as at the Issue Date and any subsequent members of the management team of the Issuer or any Restricted Subsidiary who invest directly or indirectly in the Issuer from time to time and (ii) such entity as may hold shares

transferred by departing members of the management team of the Issuer or any Restricted Subsidiary for future redistribution to such management team.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under German GAAP (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;

(2) other than for purposes of the covenant described under "*Limitation on Sales of Assets and Subsidiary Stock*", all payments made on any Indebtedness which (a) is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or (b) which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of German GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition, including pension and other post-employment benefits liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such transaction.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

"*Note Guarantee*" means the guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"*Notes*" means the Notes issued on the Issue Date and any Additional Notes.

"*Notes Documents*" means the Notes (including Additional Notes), the Indenture, the Escrow Agreement, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"*Officer*" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any *Prokurist* (in accordance with the terms of its *Prokura*) or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person. The obligations of an "Officer of the Issuer" may be exercised by an Officer of Schustermann & Borenstein GmbH, including its successors and assigns, who has been delegated such authority by the Board of Directors of the Issuer.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of, or counsel to, the Issuer or its Subsidiaries.

"*Parent*" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Debt Contribution*" means a contribution to the equity of the Issuer or any of its Restricted Subsidiaries or the issuance or sale of Subordinated Shareholder Funding of the Issuer pursuant to which dividends or distributions may be paid pursuant to clause (19) of the fourth paragraph under "*—Limitation on Restricted Payments*."

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Issuer or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Restricted Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries, (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent, (c) any Taxes and other fees and expenses required to maintain such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent and (d) to reimburse reasonable out-of-pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed €2 million in any fiscal year;

(7) any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided, however*, that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its Subsidiaries would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries;

(8) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness; (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed; and

(9) costs and expenses equivalent to those set out in clauses (1) to (8) above with respect to a Special Purpose Vehicle.

"*Pari Passu Indebtedness*" means Indebtedness of the Issuer or any Guarantor which does not constitute Subordinated Indebtedness.

"*Paying Agent*" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"*Permira Group*" means Permira Holdings Limited or any of its Subsidiaries or any funds managed or controlled by Permira Holdings Limited or any of its Affiliates (other than any controlling limited partner of Permira Holdings Limited, if any, and any Subsidiary of such controlling limited partner).

"*Permira VI Fund*" means each of the following:

(1) Permira VI L.P.1, a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner, Permira VI G.P. L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira VI G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(2) PIL Investments LLP, a limited liability partnership incorporated in England and Wales, whose registered office is at 80 Pall Mall, London SWIY 5ES, England, acting through its nominee, Permira Nominees Limited, whose registered office is at PO Box 503, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 6DJ, Channel Islands;

(3) P6 Co-Investment SCSp, a société en commandite spéciale whose registered office and principal place of business is at 488, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg, acting through its general partner, Permira Co-Investment GP S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under Luxembourg law, whose registered office is at 488, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg; and

(4) Permira VI I.A.S. L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira VI G.P. L.P., acting by its general partner Permira VI G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands.

"*Permitted Collateral Liens*" means Liens on the Collateral:

(a) that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of "Permitted Liens" and, in each case, arising by law or that would

not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(b) to secure:

(i) the Notes (other than any Additional Notes) and any related Note Guarantees;

(ii) Indebtedness permitted to be Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(iii) Indebtedness described under clause (1) of "*—Permitted Debt*," which Indebtedness may have super senior priority status in respect of the proceeds from the enforcement of the Collateral, not materially less favorable to the Holders than that accorded to the Revolving Credit Facility pursuant to the Intercreditor Agreement as in effect on the Issue Date;

(iv) Indebtedness described under clause (2) of "*—Permitted Debt*," to the extent Incurred by the Issuer or a Guarantor and to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;

(v) Indebtedness described under clause (5) of "*—Permitted Debt*" and that is Incurred by the Issuer or a Guarantor; *provided* that, at the time of the acquisition or other transaction pursuant to which such Indebtedness was Incurred and after giving effect to the Incurrence of such Indebtedness on a *pro forma* basis, (a) the Issuer would have been able to Incur €1.00 of additional Senior Secured Indebtedness pursuant to clause (2) of the first paragraph of the covenant entitled "*—Limitation on Indebtedness*" or (b) the Consolidated Senior Secured Net Leverage Ratio for the Issuer and the Restricted Subsidiaries would not be greater than it was immediately prior to giving *pro forma* effect to such acquisition or other transaction and to the Incurrence of such Indebtedness;

(vi) Indebtedness described under clause (6) of "*—Permitted Debt*" and Hedging Obligations in connection with any Senior Notes; *provided* that to the extent permitted by the Intercreditor Agreement, Hedging Obligations Incurred in compliance with the covenant entitled "*—Limitation on Indebtedness*" that are not subordinated in right of payment to the Notes may have super senior priority status in respect of the proceeds from the enforcement of the Collateral, not materially less favorable to the Holders than that accorded to the Revolving Credit Facility pursuant to the Intercreditor Agreement as in effect on the Issue Date;

(vii) Indebtedness described under clauses (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of "*—Permitted Debt*", in the case of clauses (7) and (11), of the Issuer or a Restricted Subsidiary, and in the case of clause (13), of the Issuer or a Guarantor; *provided* that for Indebtedness Incurred pursuant to clause (13) thereof, at the time of the transaction pursuant to which such Indebtedness was Incurred and after giving effect to the Incurrence of such Indebtedness on a *pro forma* basis, the Issuer would have been able to Incur €1.00 of additional Senior Secured Indebtedness pursuant to clause (2) of the first paragraph of the covenant entitled "*—Limitation on Indebtedness*";

(viii) solely with respect to Collateral securing any Senior Notes or Guarantees in respect thereof, Indebtedness issued or borrowed by any issuer of Senior Notes and the Guarantees in respect thereof; *provided* that such Liens rank junior to the Liens on the same Collateral securing the Notes and the Note Guarantees; and

(ix) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) to (viii);

provided, further, that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided, further* that subject to the Agreed Security Principles (but

without regard to any Agreed Security Principles limiting the types or locations of assets that may be pledged to secure the Notes and the Notes Guarantees under the Indenture), all property and assets (including, without limitation, the Collateral) of the Issuer or any Restricted Subsidiary securing such Indebtedness (including any Guarantees thereof) or Refinancing Indebtedness secure the Notes and related Note Guarantees and the Indenture on a senior or *pari passu* basis (including by application of payment order, turnover or equalization provisions substantially consistent with the corresponding provisions set forth in the Intercreditor Agreement or any Additional Intercreditor Agreement), except to the extent provided in clauses (iii) and (vi) above.

"*Permitted Holders*" means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (5) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing or any Persons mentioned in the following sentence are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies owned by such group. Any person or group whose acquisition of beneficial ownership constitutes (1) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (2) a Change of Control which is also a Specified Change of Control Event will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the Issuer or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and Investments in connection with any Qualified Receivables Financing;

(5) Investments in payroll, travel, relocation, entertainment and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement, including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments by the Issuer and its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) in existence on, or made pursuant to legally binding commitments in existence on,

the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (a) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(10) Currency Agreements and Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €20 million and 38.2% of Consolidated EBITDA; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Guarantees not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(16) Investments in loans under the Revolving Credit Facility, in the Notes and any Additional Notes or in any other Indebtedness of the Issuer and its Restricted Subsidiaries;

(17) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of its Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger and Consolidation*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(18) Investments of cash held on behalf of merchants or other business counterparties in the ordinary course of business in bank deposits, time deposit accounts, certificates of deposit, bankers' acceptances, money market deposits, money market deposit accounts, bills of exchange, commercial paper, governmental obligations, investment funds, money market funds or other securities;

(19) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in each case, in the ordinary course of business and in accordance with the Indenture; and

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation, performance and other similar deposits, in each case, in the ordinary course of business.

"*Permitted Liens*" means, with respect to any Person:

(1) after the date on which all of the Collateral and Note Guarantees specified in the covenant under the heading "*Certain Covenants—Post-Closing Undertakings*" are granted, Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance-related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to German GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing Hedging Obligations permitted under the Indenture relating to Indebtedness permitted to be Incurred under the Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness

secured by such Liens is otherwise permitted to be Incurred under clause (7) of the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*" and (b) any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions or customary standard terms relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from New York Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens (a) existing on, or provided for or required to be granted under written agreements existing on, the Issue Date or (b) with respect to the Target and its Restricted Subsidiares existing on, or provided for or required to be granted under written agreements existing on, the Completion Date after giving *pro forma* effect to the Transactions;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Guarantor;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interest, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens created or arising in connection with a Qualified Receivables Financing;

(22) (a) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) Liens on cash set aside at the time

of the incurrence of any Indebtedness or government securities purchased with such cash, in either case, to the extent such cash or government securities pre-fund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(26) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(27) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(28) (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes, (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Indenture, (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement and (d) Liens securing Indebtedness incurred under clause (1) of the second paragraph of the covenant entitled "*—Limitation on Indebtedness*" to the extent the Agreed Security Principles would permit such Lien to be granted to such Indebtedness and not to the Notes;

(29) Liens provided that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (29) does not exceed €20 million;

(30) Liens on receivables securing Indebtedness described under clause (12) of "*—Permitted Debt*";

(31) Liens securing Indebtedness described under clause (14) of "*—Permitted Debt*";

(32) Liens created or subsisting in order to secure any pension liabilities or partial retirement liabilities (*Altersteilzeitverpflichtungen*) incurred in order to comply with the requirements of section 8a of the German Partial Retirement Act (*Altersteilzeitgesetz*) or pursuant to section 7e of the Fourth Book of the German Social Security Code ("*SGB IV*"); and

(33) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (32); *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets.

"*Permitted Reorganization*" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables among the Issuer and its Restricted Subsidiaries in connection therewith (a "*Reorganization*") that is made on a solvent basis; *provided* that: (a) all of the business and assets of the Issuer or such Restricted Subsidiaries remain owned by the Issuer or its Restricted Subsidiaries, (b) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries, (c) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral and (d) the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default is continuing or would arise as a result of such Reorganization.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar Persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any Receivables Financing that meets the following conditions: (1) the Board of Directors or an Officer of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer), (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Issuer) and may include Standard Securitization Undertakings and (4) is non-recourse to the Issuer or any Restricted Subsidiary (other than a Receivables Subsidiary) except to the extent of any Standard Securitization Undertaking.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Issuer as a replacement agency.

"*Receivable*" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit.

"*Receivables Assets*" means any Receivables of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such Receivable, all contracts and all guarantees or other obligations in respect of such Receivable, proceeds collected on such Receivable and other assets which are customarily transferred or in respect of which security interest are customarily

granted in connection with asset securitization transactions and any related Hedging Obligations, in each case, whether now existing or arising in the future.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries (i) may sell, convey or otherwise transfer (which, for the avoidance of doubt, shall include any synthetic transfer) any Receivables Assets to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries) or (b) any other Person (in the case of a transfer by a Receivables Subsidiary) or (ii) may grant a security interest in any Receivables Assets.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Subsidiary of the Issuer or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer or any of its Subsidiaries, in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets, which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any Restricted Subsidiary has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the maturity date of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, further, however, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

"*Related Person*" with respect to any Permitted Holder, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or controlling partner or controlling member of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor,

provided, however, that a Related Person with respect to any Permitted Holder shall not include (x) a controlling partner, member, interest holder, equity holder or limited partner of the Permira VI Funds, if any, and any Subsidiary of such controlling partner, member, interest holder, equity holder or limited partner, in each case to the extent not itself a member of the Permira Group and (y) any controlling partner, member, interest holder, equity holder or shareholder of Permira VI G.P. Limited, if any, and any Subsidiary of such controlling partner, member, interest holder, equity holder or shareholder, in each case to the extent not itself a member of the Permira Group.

"*Related Taxes*" means:

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross

receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such taxes are in fact paid) by any Parent by virtue of its:

(a) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any Restricted Subsidiary);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Issuer or any Restricted Subsidiary;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any Restricted Subsidiary; or

(e) having made or received any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to "*—Certain Covenants—Limitation on Restricted Payments*;" or

(2) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries.

"*Replacement Assets*" means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the Issuer's business or in that of the Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) as of the Issue Date or any and all other businesses that in the good faith judgment of the Board of Directors or any Officer of the Issuer are related thereto.

"*Representative*" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Revolving Credit Facility*" means the revolving credit facility made available pursuant to the Revolving Credit Facility Agreement.

"*Revolving Credit Facility Agreement*" means the revolving credit facility agreement dated , 2016 among, *inter alios*, the Issuer, as borrower, and Barclays Bank PLC, Goldman Sachs Bank USA and UniCredit Bank AG, London Branch, as arrangers, as the same may be further amended from time to time.

"*S&B Investors*" means each of Anat Fuchs-Borenstein, Daniel Borenstein, Benno Borenstein, Josef Amir Borenstein, Daniel Borenstein, Daniel Schustermann, and Marian Schikora.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

"*Senior Notes*" means any Indebtedness of the direct parent of the Issuer designated as "Permitted Senior Financing Debt" under the Intercreditor Agreement or any Additional Intercreditor Agreement.

"*Senior Secured Indebtedness*" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that is secured by a first-priority Lien on the Collateral and that is Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or clauses (1), (4)(a), (4)(b), (5), (7), (11), (13) or (14) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and any Refinancing Indebtedness in respect thereof.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) or any Associates on the Issue Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Special Purpose Vehicle*" means an entity established by any Parent for the purpose of maintaining an equity incentive or compensation plan for Management Investors.

"*Specified Change of Control Event*" means the occurence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that immediately prior to the occurence of such event and immediately thereafter and giving *pro forma* effect thereto, the Consolidated Net Leverage Ratio of the Issuer and its Subsidiaries would have been less than (x) 5.0 to 1.0 if the event occurs within the first 24 months of the Issue Date, and (y) 4.5 to 1.0 thereafter; *provided further* that when calculating the Consolidated Net Leverage Ratio of the Issuer and its Subsidiaries for the purposes of this definition, the Issuer shall be entitled at its option to make such calculations as it would if making calculations of baskets or ratios in connection with a Limited Condition Acquisition, and the date of determination of the Consolidated Net Leverage Ratio of the Issuer and its Subsidiaries shall, upon such election by the Issuer, be the date of the definitive agreements in respect of such event with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio after giving effect to such event and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability for such event to qualify as a Specified Change of Control Event. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to

the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations, including those described in "*—Change of Control*" and the covenant under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or any Note Guarantee pursuant to a written agreement, including the Guarantees of any Senior Notes.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to six months after the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to six months after the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the six-month anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to six months after the Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Holdco Liabilities" (as defined therein).

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or

controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which: (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise; and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person 100% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another wholly-owned Subsidiary) of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) 100% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another wholly-owned Subsidiary) of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Target*" means Schustermann & Borenstein Holding GmbH.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in: (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Japan, Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or (b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by: (a) any lender under the Revolving Credit Facility; (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (1)(a) above; or (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A-" by S&P or "A-3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries) with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Japan, Switzerland or Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB–" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long-term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds (a) complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended, or (b) rated "AAA" by S&P or "Aaa" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization).

"*Transactions*" has the meaning assigned to such term in the Offering Memorandum under the heading "*The Transactions*."

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger,

consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Issuer in such Subsidiary comply with "*—Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least €1.00 of additional Indebtedness under clause (1) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "***Rule 144A Global Notes***"). The Notes sold outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "***Regulation S Global Notes***" and, together with the Rule 144A Global Notes, the "***Global Notes***"). The Global Notes will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes (the "***Rule 144A Book-Entry Interests***") and ownership of interests in the Regulation S Global Notes (the "***Regulation S Book-Entry Interests***" and, together with the Rule 144A Book-Entry Interests, the "***Book-Entry Interests***") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, the Notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or "Holders" of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. Accordingly, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we nor the Trustee nor any of our or their agents will have any responsibility, or be liable, for any aspect of the records, or for payments made, relating to the Book-Entry Interests.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream, at the request of the holders of the Notes, reserves the right to exchange the Global Notes for definitive registered Notes in certificated form (the "***Definitive Registered Notes***"), and to distribute such Definitive Registered Notes to their participants.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

(1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the Indenture.

Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that the Issuer issues or causes to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event described in clauses (1) and (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or the Issuer, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, the Issuer will issue and the Trustee or an authenticating agent appointed by the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and the Issuer to protect the Issuer, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer in its discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

To the extent permitted by law, each of the Issuer, the Trustee, the Registrar, the Transfer Agent and the Paying Agent shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Registrar, and such registration is a means of evidencing title to the Notes.

The Issuer will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream.

Redemption of Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, or their respective nominees, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of its Notes are to be redeemed at any

time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; *provided*, however, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent. The Paying Agent will, in turn make said payments to or to the order of the common depositary or its nominee for Euroclear and Clearstream. Euroclear and/or Clearstream will distribute such payments to participants in accordance with their respective customary procedures. The Issuer will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes—Withholding Taxes/Additional Amounts.*" If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Notes—Withholding Taxes/Additional Amounts*" above, the Issuer will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, each of the Issuer, the Trustee, the Security Agent, the Registrar, the Transfer Agent and the Paying Agent will treat the registered holders of the Global Notes (for example, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Security Agent, the Registrar, the Transfer Agent and the Paying Agent or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- Euroclear, Clearstream or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the relevant Global Notes will be paid to holders of interests to such Notes through Euroclear and/or Clearstream in euro.

Transfers

Transfers between participants in Euroclear and/or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the relevant Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the Initial Purchasers are responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream

systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed and admitted to trading on the Exchange. The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common code numbers for the Notes are set out under "*Listing and General Information*." Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee, the Security Agent, the Registrar, the Transfer Agent or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TAXATION

Certain German Tax Considerations

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Offering Memorandum, which are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE, LOCAL OR CHURCH TAXES, UNDER THE TAX LAWS OF GERMANY AND ANY COUNTRY OF WHICH THEY ARE RESIDENT OR WHOSE TAX LAWS APPLY TO THEM FOR OTHER REASONS.

Withholding Tax

For German tax residents (i.e. persons whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany), interest payments will be subject to German withholding tax (*Kapitalertragsteuer*) if the Notes are held in custody with or administrated by a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "***Disbursing Agent***", *auszahlende Stelle*). The withholding tax rate is 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%). For individual holders of Notes subject to church tax, an electronic information system for church withholding tax purposes applies, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the holders will be assessed for church tax.

The same treatment applies to capital gains (*i.e.*, the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal and the cost of acquisition) and interest accrued on the Notes ("***Accrued Interest***," *Stückzinsen*) derived by an individual holder who is a German tax resident irrespective of any holding period provided that the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. If interest coupons or interest claims are disposed of separately (i.e., without the Notes), the proceeds from the disposition are subject to withholding tax. The same also applies to proceeds from the redemption of interest coupons or collection of interest claims if the Notes have been disposed of separately.

To the extent that the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition, upon their disposal, redemption, repayment or assignment withholding tax applies at a rate of 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%, plus church tax, if applicable) on 30% of the disposal proceeds (plus Accrued Interest, if any), unless the current Disbursing Agent has been provided with evidence of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Union, the European Economic Area or in the countries/territories Luxembourg, Austria, Swiss Confederation, Principality of Liechtenstein, Republic of San Marino, Principality of Monaco, Principality of Andorra, Curacao and Sint Maarten. If the withholding tax on a disposal, redemption, repayment or assignment of the Notes has been calculated on the basis of 30% of the disposal proceeds (rather than from the actual gain), a German tax resident individual holder may, and in case the actual gain is higher than 30% of the disposal proceeds must, also apply for an assessment on the basis of its actual acquisition costs.

In computing any German withholding tax, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realized by the individual holder of the Notes via the

Disbursing Agent (e.g., losses from the sale of other capital investments with the exception of shares). The Disbursing Agent also deducts Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions, the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder in the custodial account with the Disbursing Agent.

Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take a maximum annual allowance (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) into account when computing the amount of tax to be withheld from the gross payment to be made by the Disbursing Agent. No withholding tax will be deducted if the holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent tax authorities.

German withholding tax will generally not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporate holder who is a German resident (including via a commercial partnership, as the case may be, and provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax authorities) while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and losses incurred). The same may apply where the Notes form part of a trade or business (of an individual or of a commercial partnership) subject to further requirements being met.

Non-residents of Germany are, in general, not subject to German withholding tax on investment income and the solidarity surcharge thereon. However, where the interest or capital gain is subject to German taxation (as outlined below under "*—Taxation of Current Income and Capital Gains—Non-Tax Residents*") and the Notes are held in a custodial account with a Disbursing Agent, withholding tax will be levied under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty (*Doppelbesteuerungsabkommen*).

Taxation of Current Income and Capital Gains

Tax Residents

This subsection "—Tax Residents" refers to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Income derived from capital investments under the Notes held by an individual holder who is tax resident in Germany is in general subject to German income tax at a flat-tax rate of 25% (plus solidarity surcharge and church tax, if applicable, thereon) (*Abgeltungsteuer*) if the Notes are held as private investment (*Privatvermögen*). Individual holders who are tax resident in Germany are entitled to a maximum annual allowance (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly), whereby actually incurred higher expenses directly attributable to a capital investment are not deductible.

The personal income tax liability of an individual holder who is tax resident in Germany on income from capital investments under the Notes will, in principle, be satisfied by the tax withheld (as described under "—Withholding Tax" above). To the extent that withholding tax has not been levied, such as in the case of Notes kept in custody abroad or of no Disbursing Agent being involved in the payment process or if the withholding tax on disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than the actual gain), the individual holder must include its interest income and capital gains derived from the Notes in its annual tax return and will then also be taxed at a rate of 25% (plus solidarity surcharge and, where applicable, church tax thereon). Further, an individual holder may apply for a taxation of all investment income of a given year at its

lower individual tax rate based upon an assessment to tax with any amounts over-withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted. Losses incurred with respect to the Notes may only be offset with investment income of the individual holder realized in the same or following assessment periods.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated January 18, 2016 (as most recently amended on June 16, 2016), a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent that the waiver does not qualify as a hidden capital contribution, shall not be treated as a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver are not tax-deductible if the Notes are held as private investment (*Privatvermögen*). The same rules should apply according to that tax decree, if the Notes expire worthless so that losses may not be tax- deductible at all. Losses suffered from a sale of Notes will only be recognized according to the view of the tax authorities if the proceeds received in the sale exceed the respective transaction costs.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property, the withholding tax, if any, will not satisfy the personal or corporate income tax liability. Rather, the income is subject to individual or corporate income tax (plus solidarity surcharge and, where applicable, church tax). Where Notes form part of a trade or business, interest (including Accrued Interest) and capital gains must be taken into account as income. The respective holder must include income and related (business) expenses in the annual tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited as advance payment against the personal or corporate income tax liability of the holder or, to the extent exceeding this personal or corporate income tax liability, be refunded. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax (*Gewerbesteuer*). The trade tax liability depends on the municipal trade tax factor (*Gewerbesteuerhebesatz*) applicable to the investor. If the holder is an individual or an individual partner of a partnership, the trade tax may generally be completely or partly credited against the personal income tax pursuant to a lump-sum tax credit method.

Non-Tax Residents

This subsection "—*Non-Tax Residents*" refers to persons who are not tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, and place of effective management and control is not located in Germany).

Interest and capital gains (which include Accrued Interest) from the disposal, redemption, repayment or assignment of the Notes received by holders who are not tax-resident in Germany are generally not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German source income.

Inheritance and Gift Tax

A gratuitous transfer of Notes by reason of death or as a gift will be subject to German inheritance or gift tax if the decedent or donor or the heir, donee or other beneficiary is at the time of the transfer a resident or deemed to be a resident of Germany. If neither the holder nor the recipient is a resident or deemed to be a resident of Germany at the time of the transfer, no German inheritance or gift taxes will be levied unless the Notes are attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

Certain EU Tax Considerations

The proposed Financial Transactions Tax (FTT)

On February 14, 2013, the European Commission published a proposal for a Directive for a common financial transactions tax ("***FTT***") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (excluding Estonia, as Estonia has since stated that it will not participate, "***Participating Member States***").

The proposed FTT has a very broad scope and could, if introduced in the form proposed on February 14, 2013, apply to certain dealings in the Notes (including secondary market transactions) under certain circumstances.

Under the February 14, 2013 proposal, the FTT could apply under certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a Participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. In December 2015, a joint statement was issued by the Participating Member States, initially indicating an intention to make decisions on remaining open issued by the end of June 2016. However, failing an agreement on such issues, the Participating Member States indicated during the ECOFIN meeting of June 17, 2016 that work and discussions would continue during the second half of 2016. In October 2016, the EU Commission has been given the mandate to draft a FTT, however, such legal text has not been published and will still be subject to discussions and political agreement. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the "***Code***"), Treasury regulations issued thereunder (the "***Treasury Regulations***"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion is limited to consequences relevant to a U.S. holder (as defined below), except for the discussion on Additional Notes (as defined below) and on FATCA (as defined under "*—Foreign Account Tax Compliance Act*"). This discussion does not address the impact of the U.S. federal Medicare tax on net investment income or the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. No rulings from the U.S. Internal Revenue Service (the "***IRS***") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies,

traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities (or investors in such entities), persons liable for alternative minimum tax and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their "issue price" (the first price at which a substantial amount of the Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income, and state, local, non-U.S. or other tax laws.

Payments of Stated Interest

Payments of stated interest on a Note (including additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in certain cases, general category income.

A U.S. holder that uses the cash method of accounting for tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A cash basis U.S. holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposal of the foreign currency received.

A U.S. holder that uses the accrual method of accounting for tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the foreign currency accrued for such year determined by translating such amount into U.S. dollars at the average spot rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments held by the electing U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and cannot be changed without the consent of the IRS) to

translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. holder of Notes that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, on the date such interest is received, equal to the difference between the U.S. dollar value of such payment, determined at the spot rate on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S.-source and generally will not be treated as an adjustment to interest income or expense.

Any non-U.S. withholding tax paid by a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

Original Issue Discount

The Notes may be issued with original issue discount ("***OID***") for U.S. federal income tax purposes. In such event, U.S. holders generally will be required to include such OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. holders will generally include any OID in income in advance of the receipt of cash attributable to such income.

The Notes will be treated as issued with OID if the stated principal amount exceeds the issue price (as defined above) by an amount equal to or more than a statutorily defined de minimis amount (generally, 0.0025 multiplied by the stated principal amount and the number of complete years to maturity from the issue date).

In the event that the Notes are issued with OID, the amount of OID includible in income by a U.S. holder is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion thereof in which such U.S. holder holds the Note. A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The accrual period of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period is the excess of (i) the product of the Note's "adjusted issue price" at the beginning of such accrual period and its "yield to maturity," determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period, over (ii) the amount of stated interest allocable to such accrual period. The adjusted issue price of a Note at the start of any accrual period generally is equal to its issue price, increased by the accrued OID for each prior accrual period. The yield to maturity of a Note is the discount rate that, when used in computing the present value of all principal and interest payments to be made under the Note, produces an amount equal to the issue price of the Note.

OID generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in certain cases, general category income.

OID, if any, on the Notes will be determined for any accrual period in foreign currency and then translated into U.S. dollars in accordance with either of the two alternative methods described above in the third paragraph under "*—Payments of Stated Interest*."

A U.S. holder will recognize exchange gain or loss when OID is paid (including, upon the disposition of a Note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference, if any, between the U.S. dollar value of the foreign currency payment received, determined based on the spot rate on the date such payment is received, and the

U.S. dollar value of the accrued OID, as determined in the manner described above. For these purposes, all receipts on a Note other than stated interest will be viewed first, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first; and second, as receipts of principal. Exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S. source and generally will not be treated as an adjustment to interest income or expense.

Sale, Exchange, Retirement or other Taxable Disposition of Notes

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. holder, increased by any OID previously accrued by such U.S. holder with respect to such Note. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date. If the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Note at the spot rate on the settlement date of the purchase.

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid stated interest, which will be taxable as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described above) and the U.S. holder's adjusted tax basis in the Note. The amount realized on the sale, exchange, retirement or other taxable disposition of a Note for an amount of foreign currency will generally be the U.S. dollar value of that amount based on the spot rate on the date payment is received or the Note is disposed of. If the Note is traded on an established securities market, an accrual basis taxpayer may elect to determine the U.S. dollar value of the amount realized on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual basis U.S. holder that does not make the special election will recognize exchange gain or loss to the extent that there are exchange rate fluctuations between the sale date and the settlement date, and such gain or loss generally will constitute ordinary income or loss.

Gain or loss recognized by a U.S. holder upon the sale, exchange, retirement or other taxable disposition of a Note that is attributable to changes in currency exchange rates will be ordinary income or loss and, with respect to the principal thereof, will generally be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date of the sale, exchange, retirement or other taxable disposition, and the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date the U.S. holder acquired the Note. The exchange gain or loss with respect to principal and with respect to accrued and unpaid stated interest and, if any, accrued OID (which will be treated as discussed above under "*—Payments of Stated Interest*," or "*—Original Issue Discount*," as applicable) will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder in excess of foreign currency gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of the sale, exchange, retirement or other taxable disposition. In the case of an individual U.S. holder, any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Additional Notes

The Issuer may issue additional notes ("***Additional Notes***") as described under "*Description of the Notes*." These Additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the Additional Notes may be considered to have OID (or a greater amount of OID) which may adversely affect the market value of the original Notes if the Additional Notes are not otherwise distinguishable from the original Notes.

Tax Return Disclosure Requirement

Treasury Regulations issued under the Code meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note to the extent that any such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of an applicable threshold amount. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Information Reporting and Backup Withholding

In general, payments of interest (including the accrual of OID, if any) and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. holders who are individuals that hold an interest in "specified foreign financial assets" (which may include the Notes) are required to report information relating to such assets, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

Foreign Account Tax Compliance Act

Pursuant to sections 1471 through 1474 of the Code (provisions commonly known as "***FATCA***"), a "foreign financial institution" may be required to withhold U.S. tax on certain passthru payments made after December 31, 2018 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are filed generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. However, if Additional Notes are issued after the expiration of the grandfather period, have the same CUSIP or ISIN as the original Notes issued hereby, and are subject to withholding under FATCA, then withholding agents may treat all the notes, including the Notes issued hereby, as subject to withholding under FATCA. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such

agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the Notes by employee benefit plans that are subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, and entities whose underlying assets are considered to include "plan assets" of such employee benefit plans, plans, accounts or arrangements (pursuant to Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor) (each, an "***ERISA Plan***"). Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code; however, such plans may be subject to non-U.S., federal, state, or local laws or regulations that are substantially similar to Title I of ERISA or Section 4975 of the Code ("***Similar Laws***") or which otherwise affect their ability to invest in the Notes. Any fiduciary of such a governmental, church or non-U.S. plan considering an investment in the Notes (together with ERISA Plans, "***Plans***") should determine the need for, and, if necessary, the availability of, any exemptive relief under such laws or regulations.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of an ERISA Plan and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation with respect to the assets of such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. Such transactions are referred to as "prohibited transactions" and include, without limitation, (1) a direct or indirect extension of credit to a party in interest or to a disqualified person, (2) the sale or exchange of any property between an ERISA Plan and a party in interest or a disqualified person, or (3) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any plan assets.

A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition, holding and/or disposition of Notes by an ERISA Plan with respect to which we, the Initial Purchasers, the Trustee, the agents and our and their respective affiliates are considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Similar Laws governing the investment and management of the assets of governmental plans, certain church plans and non-U.S. plans which are not subject to ERISA and the Code may contain fiduciary responsibility and prohibited transaction requirements similar to those under Title I of ERISA and

Section 4975 of the Code. Accordingly, fiduciaries of such Plans, in consultation with their counsel, should consider the impact of Similar Laws on investments in the Notes and the considerations discussed above, to the extent applicable.

Because of the foregoing, the Notes should not be purchased or held by any person investing "plan assets" of any Plan, unless such acquisition, holding and subsequent disposition will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws. Accordingly, by acceptance of a Note, each purchaser and subsequent transferee will be deemed to have represented and agreed that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes or an interest therein constitutes assets of any Plan or (ii) the acquisition, holding and disposition by such purchaser or transferee of the Notes or an interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The foregoing discussion is necessarily general in nature, is not intended to be all-inclusive, and should not be construed as legal advice or a legal opinion. Further, no assurance can be given that future legislation, administrative rulings, court decisions or regulatory action will not modify the conclusions set forth in this discussion. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes (and holding the Notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable.

PLAN OF DISTRIBUTION

The Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Notes. Each of the sales will be made pursuant to a purchase agreement among the Issuer and the Initial Purchasers to be dated the date of the final offering memorandum (the "***Purchase Agreement***").

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase the Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all the Notes if they purchase any of them.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of the final offering memorandum. After the initial offering of the Notes, the Initial Purchasers may change the prices at which the Notes are offered and any other selling terms at any time without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates, including in respect of sales into the United States. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel and our counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the Offering may be terminated.

The Purchase Agreement provides that we will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. We have agreed not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any debt securities of, or guaranteed by, the Issuer and (as of the Completion Date) the Target or any of its subsidiaries that are substantially similar to the Notes during the period from the date of the Purchase Agreement until the date falling days after the date of the final offering memorandum without the prior written consent of the Initial Purchasers.

The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A and in offshore transactions in reliance on Regulation S. Resales of the Notes are restricted as described under "*Important Information*" and "*Transfer Restrictions*."

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States, Germany and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any

such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See "*Notice to Prospective U.S. Investors*" and "*Notice to Certain European Investors*."

The Issuer and the Guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the U.S. Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes and the Note Guarantees are a new issue of securities for which there currently is no market. Application has been made to list the Notes on the Exchange for the listing of and permission to deal in the Notes on the Official List of the Exchange, however, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk Factors—Risks Related to the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.*"

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be ten business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T + "). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the following business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

In connection with the Offering, the Stabilizing Manager, or a person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also over-allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and

may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk factors—Risks Related to the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.*"

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the Offering is made and, if commenced, may be discontinued at any time at the sole discretion of the Initial Purchasers. If these activities are commenced, they must end no later than the earlier of 30 days after the date of issuance of the Notes and 30 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business, for which they have received or may receive customary fees and commissions. In particular Barclays Bank PLC has advised Permira on the acquisition of the Target. The Initial Purchasers or certain of their respective affiliates are lenders under the Revolving Credit Facility Agreement and have committed to finance a portion of the purchase price for the Acquisition. UniCredit Bank AG, London Branch, is acting as Security Agent and Facility Agent for the Revolving Credit Facility and as Security Agent for the Notes. The Initial Purchasers or their respective affiliates may also receive allocations of the Notes.

In the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us or our affiliates, they may routinely hedge their credit exposure to us or our affiliates in a manner consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and short positions in such securities and instruments.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes and the Note Guarantees offered hereby.

The Notes and the Note Guarantees are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgments, representations to and agreements with the Issuer and the Initial Purchasers:

(1) You understand and acknowledge that:

(a) the Notes have not been registered under the U.S. Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the U.S. Securities Act or any other securities laws; and

(b) unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraphs 5 and 6 below.

(2) You acknowledge that this Offering Memorandum relates to an offering that is exempt from registration under the U.S. Securities Act or any other applicable securities laws and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities.

(3) You represent that you are not an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Issuer, that you are not acting on our behalf and that either:

(a) you are a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and are purchasing Notes for your own account or for the account of another qualified institutional buyer, and you are aware that the Initial Purchasers are selling the Notes to you in reliance on Rule 144A; or

(b) you are purchasing Notes in an offshore transaction in accordance with Regulation S.

(4) You acknowledge that none of the Issuer, the Guarantors, the Initial Purchasers or any person representing the Issuer, the Guarantors or the Initial Purchasers has made any representation to you with respect to the Issuer, the Guarantors or the Offering, other than the information contained in this Offering Memorandum. Accordingly, you acknowledge that no representation or warranty is made by the Initial Purchasers or any person representing the Initial Purchasers as to the accuracy or completeness of such materials. You represent that you are relying only on this Offering Memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning the S&B Group and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from the Group and the Initial Purchasers.

(5) You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from registration under the U.S. Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the Resale Restriction Period (as defined below), the Notes may be offered, sold or otherwise transferred only:

(a) to the Issuer, the Guarantors or any subsidiaries thereof;

(b) under a registration statement that has been declared effective under the U.S. Securities Act;

(c) for so long as the Notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales that occur outside the United States within the meaning of Regulation S under the U.S. Securities Act; and

(e) under any other available exemption from the registration requirements of the U.S. Securities Act,

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control and to compliance with any applicable state securities laws and any applicable local laws and regulations.

You also acknowledge that to the extent that you hold the Notes through an interest in a global note, the Resale Restriction Period (as defined below) may continue until one year after the Issuer, or any affiliate of the Issuer, was the owner of such Note or an interest in such Global Note, and so may continue indefinitely.

(6) You also acknowledge that:

(a) the above restrictions on resale will apply from the Issue Date until the date that is one year (in the case of Rule 144A Notes) after the later of the Issue Date, the closing date of the issuance of any additional Notes and the last date that we or any of our affiliates was the owner of the Notes or any predecessor of the Notes (the "***Resale Restriction Period***"), and will not apply after the Resale Restriction Period ends;

(b) if a holder of Notes proposes to resell or transfer Notes under clause (5)(e) above before the Resale Restriction Period ends, the seller must deliver to the Issuer and the Trustee a letter from the purchaser in the form set forth in the Indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is acquiring the Notes not for distribution in violation of the U.S. Securities Act;

(c) the Issuer, the Registrar and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under clauses (5)(c), (d) and (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer, the Registrar and the Trustee; and

(d) each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

[IN THE CASE OF RULE 144A NOTES:] THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE

ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (X) PURSUANT TO CLAUSES (C), (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (Y) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE, (2) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND AND (3) REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A).

BY ITS ACQUISITION OF THIS SECURITY, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE AND HOLD THIS SECURITY OR INTEREST THEREIN CONSTITUTES ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), ANY PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" (PURSUANT TO SECTION 3(42) OF ERISA AND REGULATIONS PROMULGATED UNDER ERISA BY THE U.S. DEPARTMENT OF LABOR) OF SUCH EMPLOYEE BENEFIT PLANS, PLANS, ACCOUNTS OR ARRANGEMENTS OR A GOVERNMENTAL PLAN, CHURCH PLAN OR NON-U.S. PLAN, SUBJECT TO PROVISIONS UNDER ANY FEDERAL, STATE, LOCAL, NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS") OR (2) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(8) You represent and warrant that either (i) no portion of the assets used by you to acquire and hold such Notes or interest therein constitutes assets of any "employee benefit plan" subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended, ("***ERISA***"), any plan, individual retirement account or other arrangement subject to Section 4975 of the Code, an entity whose underlying assets are considered to include "plan assets" (pursuant to Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor) of such employee benefit plans, plans, accounts or arrangements or a governmental plan, church plan or non-U.S. plan, subject to provisions under any federal, state, local, non-U.S. laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "***Similar Laws***") or (ii) the acquisition, holding and disposition of this security or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

(9) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions set forth therein have been complied with.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes are no longer accurate, you will promptly notify the Issuer and the Initial Purchasers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors or any of the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*."

LEGAL MATTERS

Certain legal matters relating to the validity of the Notes, the Note Guarantees and certain other legal matters are being passed upon for us by Latham & Watkins (London) LLP, with respect to matters of U.S. federal and New York state law and the laws of England and Wales and by Latham & Watkins LLP, with respect to matters of German law. Certain legal matters relating to the Offering will be passed upon for the Initial Purchasers by Cravath, Swaine & Moore LLP, with respect to matters of U.S. federal and New York state law and by Allen & Overy LLP, with respect to matters of German law and the laws of England and Wales.

INDEPENDENT AUDITORS

Our German language audited consolidated financial statements as of and for the years ended December 31, 2013, 2014 and 2015 have been audited in accordance with Section 317 HGB, and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (*Institut der Wirtschaftsprüfer*) by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("***EY***"), independent auditors, within the meaning of the German Law Regulating the Profession of Public Auditors (*Wirtschaftsprüferordnung*). English language translations of the above-mentioned German language consolidated financial statements (labeled as the "Audited Consolidated Financial Statements") and the respective audit opinions are included elsewhere in this Offering Memorandum.

Each of the respective audit opinions of EY on the Audited Consolidated Financial Statements refers to the respective Audited Consolidated Financial Statements and the respective group management report as a whole. The group management reports are not reprinted in this Offering Memorandum.

The examination of and the audit opinion upon such group management report are required under German commercial law and performed in accordance with German auditing standards. This examination was not made in accordance with generally accepted auditing or attestation standards in the United States of America. Accordingly, EY does not express any opinion on this information or on the consolidated financial statements included in this Offering Memorandum, in each case in accordance with U.S. generally accepted auditing standards or U.S. attestation standards.

EY (and its legal predecessors) have held office since 1919 and are a German audit firm registered with the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

AVAILABLE INFORMATION

Each purchaser of Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes or the Note Guarantees offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either us or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any such request with respect to the Notes should be directed to PrestigeBidCo GmbH, Mark-Twain-Straße 4, 81245 Munich, Germany.

We are currently not subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture, we will agree to furnish periodic information to the holders of the Notes. See "*Description of the Notes—Certain Covenants—Reports.*" Copies of the Indenture (which includes the form of the Notes) and the Intercreditor Agreement may also be obtained by request to the Issuer.

So long as the Notes are admitted to listing on the Official List of the Exchange, and the rules and regulations of such stock exchange so require, copies of such information will also be available for review during the normal business hours on any business day at the specified office of the Listing Sponsor in Jersey, Channel Islands.

Documents for Inspection

The financial year of the Issuer ends on December 31 of each year, and the Issuer shall publish stand-alone audited accounts each year within the applicable timeframe (the "***Stand-Alone Accounts***").

From the date of the listing of the Notes (or, in the case of the Issuer Accounts, the publication thereof) and for so long as the Notes remain outstanding, the following documents will be obtainable free of charge, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

(1) the articles of association of the Issuer; and

(2) the Stand-Alone Accounts.

For a period of 14 days from:

(1) the date of listing, this Offering Memorandum; and

(2) the date of issue, any supplemental listing document if and when issued by the Issuer in accordance with the Listing Rules of the Exchange,

will be obtainable free of charge, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer.

In addition, from the date of the listing of the Notes and for so long as the Notes remain outstanding, the Indenture, the Intercreditor Agreement and the Note Guarantees may be inspected free of charge during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Listing Sponsor by the holders of Notes and any person authorised by a holder of Notes (including, without limitation, a proposed transferee of any Notes).

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a company with limited liability (*Gesellschaft mit beschränkter Haftung*) established under the laws of the Federal Republic of Germany. The majority of the Issuer's and the Guarantors' managing directors, officers and other executives are expected to be neither residents nor citizens of the United States. Furthermore the Issuer's and the Guarantors' assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, the Issuer or the Guarantors or to enforce against them, the Issuer or the Guarantors judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws despite the fact that, pursuant to the terms of the Indenture, the Issuer and the Guarantors have appointed, or will appoint, an agent for the service of process in New York.

Germany

We have been advised by our German counsel that there is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable, either in whole or in part, in Germany. A conclusive judgment by a U.S. federal or state court, however, may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozeßordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of the U.S. judgment by a German court is conditional upon a number of factors, including the following:

- U.S. courts could take jurisdiction of the case in accordance with the principles of jurisdictional competence according to German law;
- the document commencing the proceedings was duly served and made known to the defendant in a timely manner that allowed for adequate defense, or in case of non-compliance with such requirement, (i) the defendant does not invoke such non-compliance or (ii) has nevertheless appeared in the proceedings;
- the judgment is not contrary to (i) any judgment which became *res judicata* rendered by a German court or (ii) any judgment which became *res judicata* rendered by a foreign court which is recognized in Germany and the procedure leading to the applicable judgment does not contradict any such judgment under (i) and (ii) or a proceeding previously commenced in Germany;
- the effects of its recognition will not be in conflict with material principles of German law, including, without limitation, fundamental rights under the constitution of the Federal Republic of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are considered to be in conflict with material principles of German law;
- the reciprocity of enforcement of judgments is guaranteed; and
- the judgment became *res judicata* in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an *exequatur* decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in

civil and commercial matters obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditors' rights generally. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

Furthermore, German civil procedure differs substantially from U.S. civil procedure in a number of aspects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

If the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuer or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

CERTAIN LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE NOTE GUARANTEES AND THE COLLATERAL AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The validity and enforceability of the Collateral will be subject to certain limitations on enforcement and may be limited under applicable law or subject to certain defenses that may limit its validity and enforceability. The following is a brief description of limitations on the validity and enforceability of the Note Guarantees and the Collateral and of certain insolvency law considerations in the jurisdictions in which Note Guarantees or Collateral are being provided. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes, the Note Guarantees or other security interests. Proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Note Guarantees and the security interest in the Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. Please see "Risk Factors—Risks Related to Our Structure and the Financing," "Risk Factors—Risks Related to the Notes" and "Risk Factors—Risks Related to Our Financial Profile." If additional collateral is required to be granted in the future pursuant to the Indenture, such collateral will also be subject to limitations and enforceability and validity, which may differ from those discussed below.

European Union

The Issuer and the Guarantors are organized under the laws of member states of the European Union.

Pursuant to Council Regulation (EC) No. 1346/2000 on insolvency proceedings, as amended from time to time (the "***EU Insolvency Regulation***"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the member state (other than Denmark) where the company concerned has its "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "center of main interests" is a question of fact on which the courts of the different member states may have differing and even conflicting views. Furthermore, "center of main interests" is not a static concept and may change from time to time. Although under Article 3(1) of the EU Insolvency Regulation there is a rebuttable presumption that a company would have its "center of main interests" in the member state in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "center of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." The European Court of Justice has ruled in a recent judgment that a debtor company's center of main interests must be determined by attaching greater importance to the place of the company's central administration, as may be established by objective factors which are ascertainable by third parties. Where the bodies responsible for the management and supervision of a company are in the same place as its registered office and the management decisions of the company are taken, in a manner that is ascertainable by third parties, in that place, the presumption, that the center of the company's main interests is located in that place, is irrebuttable. Where a company's central administration is, however, not in the same place as its registered office, the presence of company assets and existence of contracts for the financial exploitation of those assets in a member state other than that in which the registered office is situated cannot be regarded as sufficient factors to rebut the above-mentioned presumption, unless a comprehensive assessment of all relevant factors makes it possible to establish, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other member state. The factors to be taken into account include, in particular, all places in which the debtor company pursues economic activities and all those in which it holds assets, in so far as they are ascertainable by third parties.

If the center of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation, with these proceedings governed by the *lex fori concursus, i.e.* the local laws of the court opening such main insolvency proceeding. Insolvency proceedings opened in one member state under the EU Insolvency Regulation are to be recognized in the other member states (other than Denmark), although secondary proceedings may be opened in another member state. If the "center of main interests" of a debtor is in one member state (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another member state (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" (within the meaning of and as defined in Article 2(h) of the EU Insolvency Regulation) in the territory of such other member state. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other member state. If the company does not have an establishment in any other member state, no court of any other member state has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

The EU Insolvency Regulation has been replaced by the Regulation (EU) 2015/848 of the European Parliament and of the Council dated May 20, 2015 (the "***New EU Insolvency Regulation***") which became effective as of June 26, 2015, and which will be applicable to insolvency proceedings opened after June 26, 2017. The EU Insolvency Regulation remains applicable to insolvency proceedings opened before that date.

The New EU Insolvency Regulation includes, among others, specifications regarding the identification of the center of main interests. Pursuant to Article 3(1) of the New EU Insolvency Regulation, in the case of a company or legal person, the center of main interests is presumed to be located in the country of the registered office in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another member state within the three-month period prior to the request for the opening of insolvency proceedings. Specifically, the presumption of the center of main interests being at the place of the registered office should be rebuttable if the company's central administration is located in another member state than the one where it has its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and the center of the management of its interests is located in that other member state. In this regard, special consideration should be given to creditors and their perception as to where a debtor conducts the administration of its interests. In the event of a shift in the center of main interests, this may require informing the creditors of the new location from which the debtor is carrying out its activities in due course (e.g. by drawing attention to the change of address in commercial correspondence or otherwise making the new location public through other appropriate means). Another change under the New EU Insolvency Regulation focuses on the definition of "establishment" as a prerequisite to open "territorial proceedings" (secondary proceedings). From June 26, 2017 onwards, "establishment" will mean any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets.

Germany

Insolvency

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor and/or a creditor files a petition for the opening of insolvency proceedings (*Antrag auf Eröffnung des Insolvenzverfahrens*). Insolvency proceedings must be initiated by the debtor and can be initiated by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or in the event of illiquidity (*Zahlungsunfähigkeit*).

A debtor is over-indebted when its liabilities exceed the value of its assets unless, based on the prevailing circumstances, a continuation of the business is predominantly likely (*überwiegend wahrscheinlich*).

A company is considered to be illiquid if it is unable to pay its debt when they fall due. In addition, only the debtor can file for the opening of insolvency proceedings in case of impending illiquidity (*drohende Zahlungsunfähigkeit*), if there is the imminent risk for the company of being unable to pay its debt as and when they fall due, whereas impending illiquidity does not give rise to an obligation for the management of the debtor to file for insolvency proceedings.

If a GmbH (*Gesellschaft mit beschränkter Haftung*), a stock corporation (*Aktiengesellschaft*) or any other company not having an individual as a personally liable shareholder gets into a situation of illiquidity and/or over-indebtedness, the managing director(s) or under certain circumstances the shareholders of such company must file a petition for the opening of insolvency proceedings without undue delay but in any event no later than three weeks after such company has become illiquid and/or over-indebted. The management of a debtor can be exposed to criminal sanctions as well as damage claims in the event that filings for insolvency are delayed or not made at all.

If a company faces imminent illiquidity and/or is over-indebted it may also file for a preliminary protection scheme (*Schutzschirmverfahren*) unless—from a third-party perspective—there is no reasonable chance of a successful restructuring. In such case and upon request of the debtor, the court will appoint a preliminary custodian (*vorläufiger Sachwalter*) and prohibit enforcement measures (other than with respect to immoveable assets). It may also implement other preliminary measures to protect the debtor from creditor enforcement actions for up to three months. During that period, the debtor must prepare an insolvency plan which will ideally be implemented in formal "debtor-in-possession" proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

The insolvency proceedings are court-controlled, and, upon receipt of the insolvency petition, the insolvency court may take preliminary protective measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. As part of such protective measures the court may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary administrator depend on the decision of the court. The duties of the preliminary administrator may be, in particular, to safeguard and preserve the debtor's property and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Depending on the decision of the court, even the right to manage and dispose of the business and assets of the debtor may pass to the preliminary insolvency administrator. This only applies, where the debtor has not applied for so-called self-administration (*Eigenverwaltung*), in which event the court will only appoint a preliminary custodian (*vorläufiger Sachwalter*), who will supervise the management of the affairs by the debtor. During preliminary insolvency proceedings, a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) generally will be appointed by the court if the debtor satisfies two of the following three requirements:

- a balance sheet total in excess of €6,000,000 (after deducting an equity shortfall if the debtor is over-indebted);
- revenue of at least €12,000,000 in the 12 months prior to the last day of the financial year preceding the filing; and/or
- 50 or more employees on an annual-average basis.

The requirements apply to the entity subject to the proceedings without taking into account the assets of other group companies. The preliminary creditors' committee will be able to participate in certain important decisions taken during the preliminary insolvency proceedings. It will, for example, have the power to influence the following: the selection of a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or an insolvency administrator (*Insolvenzverwalter*), orders for "self-administration"

proceedings (*Anordnung der Eigenverwaltung*), and the appointment of a preliminary custodian (*vorläufiger Sachwalter*). The court opens formal insolvency proceedings (*Insolvenzeröffnung*) if certain formal requirements are met (in particular, but not limited to, evidence being provided of an existing cause of insolvency) and there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open main insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of the insolvency proceedings, an insolvency administrator (*Insolvenzverwalter*) is usually appointed by the court who has full administrative and disposal authority over the debtor's assets unless debtor-in-possession (*Eigenverwaltung*) are ordered. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's operations or may deem it necessary to wind down the debtor. Satisfaction of these liabilities as preferential debts of the estate (*Masseverbindlichkeiten*) will be preferred to any insolvency liabilities created by the debtor prior to the opening of insolvency proceedings.

For the holders of the Notes, the most important consequences of such opening of formal insolvency proceedings against a company subject to the German insolvency regime would be the following:

- the right to administer and dispose of assets of the German subsidiary of the Issuer would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate, unless debtor-in-possession proceedings (*Eigenverwaltung*) are ordered;
- if the court does not order debtor-in-possession proceedings (*Eigenverwaltung*), disposals effected by management of the German subsidiary of the Issuer after the opening of formal insolvency proceedings are null and void by operation of law;
- if, during the final month preceding the date of filing for insolvency proceedings, a creditor in the insolvency proceedings acquires through execution (*e.g.*, attachment) a security interest in part of the Issuer's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings; and
- claims against the German subsidiary of the Issuer may generally only be pursued in accordance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*).

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights (*Wahlrecht des Insolvenzverwalters*) applicable under statutory law. This may also relate to agreements that are not governed by German law.

Any person that has a right to segregation (*Aussonderung*), *i.e.*, the relevant asset of this person does not constitute part of the insolvency estate, does not participate in the insolvency proceedings; the claim for segregation must be enforced in the course of ordinary court proceedings against the insolvency administrator.

All other creditors, whether secured or unsecured (unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*) as opposed to a preferential right (*Absonderungsrecht*)) who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors is—in principle—subject to an automatic stay once the insolvency proceedings have been opened (and, if so ordered by a court, also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). Unsecured creditors may file their claims in the insolvency proceedings and

will be paid on a pro rata basis from the insolvency estate (to the extent sufficient assets are available). Certain secured creditors have preferential rights regarding the enforcement of their security interests, but German insolvency law imposes certain restrictions on their ability to enforce their security interests outside the insolvency proceedings and in many cases the insolvency administrator will have the sole right to enforce the security. Whether or not a secured creditor remains entitled, after the initiation of insolvency proceedings, to enforce security granted to it by the relevant debtor depends on the type of security.

The insolvency administrator generally has the sole right (i) to realize any moveable assets within its possession which are subject to preferential rights (*Absonderungsrechte*) (*e.g.*, pledges over movable assets and rights (*Mobiliarpfandrechte*) transfer by way of security (*Sicherungsübereignung*)) as well as (ii) to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). If such enforcement right is vested in the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds (plus VAT (if any)), are paid to the creditor holding the relevant security interest in the relevant collateral up to an amount equal to its secured claims. The unencumbered assets of the debtor serve to satisfy the costs of the insolvency proceeding (*Massekosten*) first and afterwards the preferred creditors of the insolvency estate (*Massegläubiger*). Typically, liabilities resulting from acts of the insolvency administrator after commencement of formal insolvency proceedings constitute liabilities of the insolvency estate. Thereafter, all other claims (insolvency claims (*Insolvenzforderungen*)), in particular claims of unsecured creditors, will be satisfied on a pro rata basis if and to the extent there is cash remaining in the insolvency estate (*Insolvenzmasse*). A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules.

Under German insolvency laws, it is possible to implement a debt-to-equity swap through an insolvency plan. However, it will not be possible to force a creditor into a debt-to-equity swap with regards to the debt owed to it by the debtor if it does not consent to such swap. Creditors secured by pledges over shares in subsidiaries of the debtor are entitled to preferential satisfaction with regard to the proceeds realized in an enforcement process which has to be effected by means of a public auction outside the insolvency process. However, in the absence of authoritative case law, it is uncertain whether the secured creditors are entitled to initiate the enforcement process in respect of the pledged shares on their own or, as far as the pledged assets are part of any insolvency estate, whether the insolvency administrator has standing to realize the pledges on behalf of and for the benefit of the secured creditors. Even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the secured creditor retains the right of preferred satisfaction with regard to the disposal proceeds (*Absonderungsrecht*). Consequently, the enforcement proceeds minus certain contributory charges as described above are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts will be allocated to the insolvency estate (*Insolvenzmasse*) and would, after deduction of the costs of the insolvency proceedings (as described above) and after satisfaction of certain preferential liabilities be distributed among the non-preferential unsecured creditors, including, to the extent their claims exceed the enforcement proceeds of the security interests, the holders of the Notes. If a German subsidiary or a subsidiary subject to German insolvency proceedings grants security over its assets to creditors other than the holders of the Notes, such security may result in a preferred treatment of creditors secured by such security. The proceeds resulting from such collateral securing creditors other than the holders of the Notes may not be sufficient to satisfy the holders of the Notes under the Note Guarantees granted by the German Guarantors after satisfaction of such secured creditors.

The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator from using a moveable asset that is subject to this right. The insolvency administrator, however, must compensate the creditor for any loss of value resulting from such use. It may take several years before an insolvency dividend, if any, is distributed to unsecured creditors. An

alternative distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and requires, in principle, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In the case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (*i.e.*, there is no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and *vis-à-vis* each entity have to be dealt with separately. A draft act to facilitate the mastering of group insolvencies (*Entwurf eines Gesetzes zur Erleichterung der Bewältigung von Konzerninsolvenzen*) is under discussion in Germany. However, according to this draft act it is mainly intended to provide for coordination of and cooperation between insolvency proceedings of group companies. The draft does not provide for a consolidation of the insolvency proceedings of the insolvent group companies, or a consolidation of the assets and liabilities of a group of companies or pooling of claims among the respective entities of a group, but rather stipulates four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may be competent for each group entity insolvency proceedings; (ii) the appointment of a single person as insolvency administrator for all group companies is facilitated; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*). It is currently unclear if and when, and whether in its current or modified form, this bill might be adopted by the German parliament.

German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors. Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

Limitation on Enforcement

S&B Holding, S&B Beteiligungs, S&B GmbH, S&B Logistik and BS GmbH (the "***German Guarantors***") are incorporated in Germany in the form of a company with limited liability (*Gesellschaft mit beschränkter Haftung* or *GmbH*) ("***GmbH***") and any security (including a guarantee) granted by such a GmbH is subject to certain provision of the Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung—GmbHG*) ("***GmbHG***").

As a general rule, sections 30 and 31 of the GmbHG ("***Sections 30 and 31***") prohibit a GmbH from disbursing its assets to its (direct or indirect) shareholders to the extent that the amount of the GmbH's net assets determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*) (*i.e.*, assets minus liabilities and liability reserves) is or would fall below, or increases or would increase an existing shortfall of, the amount of its stated share capital (*Begründung oder Vertiefung einer Unterbilanz*). Guarantees and any other security granted by a GmbH in order to secure the liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to secure the liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31 and to protect management from personal liability, it is standard market practice for credit agreements, indentures, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees or security interest agree to enforce the

guarantees or security interest against the German subsidiary only to the extent that such enforcement would not result in the GmbH's net assets falling below, or increasing an existing shortfall of, its stated share capital (provided that the determination and calculation of such shortfall is subject to certain adjustments and exemptions). Accordingly, any security and Guarantee provided by a (direct or indirect) subsidiary of the Issuer in the legal form of a GmbH (incorporated or established in Germany) will contain such limitation language in the manner described. This could lead to a situation in which the respective Guarantee or security granted by a GmbH cannot be enforced at all.

Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (*i.e.*, a situation where a shareholder deprives a German company with limited liability of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security interest granted by a German (direct or indirect) subsidiary of the Issuer. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero.

German capital maintenance, liquidity maintenance and financial assistance rules are subject to evolving case law. Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of German (direct or indirect) subsidiaries of the Issuer to make payment on the Notes, of the subsidiaries to make payments on the guarantees, of the secured parties to enforce the collateral or of the beneficiaries of the guarantees to enforce the guarantees.

Notwithstanding that the incurrence of the Note Guarantees by (German) direct or indirect subsidiaries of the Issuer should, as of today, not result in any illiquidity (*Zahlungsunfähigkeit*) of such German Guarantor, the enforcement of the Note Guarantees and security interests granted by such German Guarantors may be excluded, according to certain provisions contained in the limitation language, if any high court decisions (*höchstrichterliche Entscheidung*) of a German Higher Regional Court (*Oberlandesgericht*) or the German Federal Court of Justice (*Bundesgerichtshof*) holding that the granting of a guarantee and/or security to secure any obligation of an affiliated company within the meaning of Section 15 AktG of such guarantor and/or security grantor (other than any of its direct or indirect subsidiaries) in comparable circumstances may nevertheless in case of the enforcement of such guarantee and/or security trigger any personal liability of the relevant German Guarantor's managing directors pursuant to section 64 sentence 3 GmbHG.

The limitations set out above apply mutatis mutandis if the Guarantee or security is granted by a German Guarantor incorporated or established in Germany as a limited liability partnership (*Kommanditgesellschaft*) with a general partner (*Komplementär*) organized in the legal form of (i) a GmbH (*Gesellschaft mit beschränkter Haftung*); (ii) an AG; or (iii) an entrepreneurs company with limited liability (*Unternehmergesellschaft (haftungsbeschränkt)*), in relation to such general partner (*Komplementär*).

Parallel Debt; Security Interests

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such security interests cannot be held for the benefit of a third party by a pledgee which does not itself hold the secured claim. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the Security Agent under German law, the Intercreditor Agreement provides for the creation of a "parallel debt." Pursuant to such parallel debt, the Security Agent becomes the holder of a claim equal to the sum of any amounts payable by any obligors under, in particular, the Notes and the Indenture (the "***Parallel Debt Obligation***"). The pledges governed by German law will directly and exclusively (to the extent the Notes are concerned) secure the Parallel Debt Obligation, rather than secure the obligations under the Notes or the holders of the Notes directly. The Parallel Debt Obligation is in the same amount and payable at the same time as the obligations of the Issuer and the Security Providers under the Notes and the Note Guarantees (the "***Principal Obligations***"), and any payment in respect of the Principal

Obligations will discharge the corresponding Parallel Debt Obligation and any payment in respect of the Parallel Debt Obligation will discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the parallel debt, a claim against the Issuer and the Security Providers for the full principal amount of the Notes, there are no published court decisions confirming the validity of the parallel debt structure and of the pledges granted under German law to secure such parallel debt, and hence there is no certainty that German courts will uphold such pledges. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent.

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the security agent the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (*i.e*., the right to request the court to impose a stay on proceedings initiated by other creditors).

Hardening Periods and Fraudulent Transfer

In the event of insolvency proceedings with respect to a company, which would be based on and governed by the insolvency laws of Germany, the security interests granted as well as a guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

On the basis of these rules, an insolvency administrator may challenge (*anfechten*) transactions which are deemed detrimental to insolvency creditors and which were effected prior to the commencement of insolvency proceedings, subject to specific periods. Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest (including guarantees). The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the commencement of insolvency proceedings. If the Notes, the Note Guarantees or the security were avoided, holders of the Notes would only have a general unsecured claim in insolvency proceedings in the amount of their original investment and the holders of the Notes would be under an obligation to repay the amounts received by the insolvency estate or to waive such Guarantee or security interest.

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which terms also include the provision of security or the repayment of debt) may be avoided in the following cases:

- any act (*Rechtshandlung*) granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction for a debt (*Befriedigung*) if such act was taken (i) during the last three months prior to the filing of the petition for the opening of insolvency proceedings, provided that the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor knew of such illiquidity (or of the circumstances that imperatively suggested that the debtor was illiquid) at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings, if the creditor knew of the debtor's illiquidity or the filing of such petition (or of circumstances that imperatively suggested such illiquidity or filing);

- any act (*Rechtshandlung*) granting an insolvency creditor, or enabling an insolvency creditor, to obtain security or satisfaction for a debt to which such creditor was not entitled, or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction, if (i) such act was taken during the last month prior to the filing of the petition for the opening of insolvency proceedings or after such filing, (ii) such act was taken during the second or third month prior to the filing of the petition and the debtor was illiquid at

such time, or (iii) such act was taken during the second or third month prior to the filing of the petition for the opening of insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that imperatively suggested such detrimental effect);

- a transaction (*Rechtsgeschäft*) by the debtor that is directly detrimental to the insolvency creditors or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, if it was entered into (i) during the three months prior to the filing of the petition for the opening of insolvency proceedings and the debtor was illiquid at the time of such transaction and the counterparty to such transaction knew of the illiquidity at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings and the counterparty to such transaction knew of either the debtor's illiquidity or such filing at the time of the transaction;

- any act (*Rechtshandlung*) by the debtor without (adequate) consideration (*e.g*., whereby a debtor grants security or a guarantee for or has paid a third-party debt, which might be regarded as having been granted or paid gratuitously (*unentgeltlich*)), if it was effected in the four years prior to the filing of the petition for the opening of insolvency proceedings;

- any act (*Rechtshandlung*) performed by the debtor during the ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after the filing, if the debtor acted with the intent to prejudice its insolvency creditors and the other party knew of such intention at the time of such act;

- any non-gratuitous contract concluded between the debtor and a related party of the debtor which directly operates to the detriment of the creditors can be avoided unless such contract was concluded more than two years prior to the filing for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors; in terms of corporate entities, the term "related party" includes, subject to certain limitations, members of the management or Advisory board, shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons that are spouses, relatives or members of the household of any of the foregoing persons;

- any act (*Rechtshandlung*) that provides security or satisfaction for a shareholder loan (*Gesellschafterdarlehen*) made to the debtor or a similar claim if (i) in case of the provision of security, the act took place during the ten years prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition, or (ii) in the case of satisfaction, the act took place during the last year prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition; and

- any act (*Rechtshandlung*) whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter, and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor was unable to pay its debt generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's imminent illiquidity and that the transaction prejudiced the debtor's creditors. With respect to a "related party," there is a general statutory presumption that such party had "knowledge." Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order (*Vollstreckungstitel*) but has failed to obtain satisfaction of its enforceable claims

by a levy of execution, under certain circumstances, has the right to void certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). The conditions for avoidance under the German Code on Avoidance differ to a certain extent from the above-described rules under the German Insolvency Code and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing, funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

The German legislature is currently discussing a draft amendment concerning the statutory avoidance provisions in the German Insolvency Code (*Insolvenzordnung*). Amendments are envisaged with regards to, among others, the provisions for avoidance claims in connection with willful intent, for cash transactions (*Bargeschäfte*) and the interest rates on avoidance claims. It is also intended to privilege creditors which have obtained coverage of their claims on the basis of a valid enforcement order. It is currently unclear if and when, and whether in its current or modified form, this bill might be adopted by the German parliament.

LISTING AND GENERAL INFORMATION

Listing

Application will be made to the Exchange for the listing of and permission to deal in the Notes on the Official List of the Exchange. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained.

Neither the admission of the Notes to the Official List of the Exchange nor the approval of this Offering Memorandum pursuant to the listing requirements of the Exchange shall constitute a warranty or representation by the Exchange as to the competence of the service providers to, or any other party connected with, the Issuer, the adequacy and accuracy of information contained in this Offering Memorandum or the suitability of the Issuer for investment or for any other purpose.

The Notes are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

A copy of this Offering Memorandum will be available for inspection at the offices of Mourant Ozannes Securities Limited, Jersey Branch, during normal business hours for a period of 14 days following the listing of the Notes on the Official List of the Exchange.

Clearing Information

The Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set out below.

	ISIN	Common Code
Rule 144A Global Notes		
Regulation S Global Notes		

Issuer and Guarantor Information

The Issuer

The Issuer was incorporated as a company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany on July 19, 2016, and is registered with the commercial register at the local court of Munich under number HRB 227078 and the name "PrestigeBidCo GmbH". The Issuer's registered office is at Mark-Twain-Straße 4, 81245 Munich, Germany.

The Issuer's financial year ends on December 31.

Guarantors

The Notes will be guaranteed by the following Guarantors, which are fully consolidated subsidiaries of the Target.

Schustermann & Borenstein Holding GmbH, a German company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany, is registered with the commercial register at the local court of Munich under number HRB 199965, and has its corporate seat at Ingolstädter Straße 40, 80807 Munich, Germany.

Schustermann & Borenstein Beteiligungs GmbH, a German company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany, is registered with the commercial register at the local court of Munich under number HRB 199966, and has its corporate seat at Ingolstädter Straße 40, 80807 Munich, Germany.

Schustermann & Borenstein GmbH, a German company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany, is registered with the commercial register at the local court of Munich under number HRB 56240, and has its corporate seat at Ingolstädter Straße 40, 80807 Munich, Germany.

Best Secret GmbH, a German company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany, is registered with the commercial register at the local court of Munich under number HRB 168445, and has its corporate seat at Margaretha-Ley-Ring 10, 85609 Dornach, Germany.

Schustermann & Borenstein Logistik GmbH, a German company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany, is registered with the commercial register at the local court of Munich under number HRB 222060, and has its corporate seat at Parsdorfer Straße 13, 85586 Poing, Germany.

Resolutions, Authorizations and Approvals by Virtue of which the Notes Have Been Issued

The Issuer has obtained all necessary consents, approvals and authorizations (if any) in connection with the issue of the Notes. The issue of the Notes was approved by resolutions of the shareholder of the Issuer passed in December 2016.

No Material Adverse Change in the Issuer's Financial Position

Except as disclosed elsewhere in this Offering Memorandum, there has been no material adverse changes to: (a) the Issuer; or (b) the Issuer's group structure; or (c) the Issuer's business or accounting policies; or (d) the financial or trading position of the Issuer, since the end of the period covered by the Issuer's last published financial statements.

Litigation

Neither the Issuer nor any of the Guarantors is involved, or has been involved during the 12 months preceding the date of this offering memorandum, in any litigation, arbitration, governmental or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on our results of operations, condition (financial or other) or general affairs and, so far as each is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

Except as otherwise provided in this Offering Memorandum, we do not intend to provide post issue information regarding the Notes.

Statement

Subject as set out below, the Issuer accepts responsibility for the information contained in this Offering Memorandum and, to the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in the Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Memorandum (the "***Listing Document***") includes particulars given in compliance with the Listing Rules of the Exchange for the purpose of giving information with regard to the Notes and comprises this Offering Memorandum.

The Listing Sponsor is acting for the Issuer and for no one else in connection with the issue and listing of the Notes and will not be responsible to anyone other than the Issuer. The Listing Sponsor has not separately verified the information contained in this Offering Memorandum, accordingly the Listing Sponsor does not make any representation or recommendation and does not give any warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes or their distribution and the Listing Sponsor accepts no responsibility or liability therefor. The Listing Sponsor neither undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Listing Sponsor.

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FINANCIAL INFORMATION

The following English-language consolidated financial statements of Schustermann & Borenstein Holding GmbH are translations of the respective German-language consolidated financial statements of Schustermann & Borenstein Holding GmbH.

Schustermann & Borenstein Holding GmbH, Munich

Unaudited Condensed Consolidated Interim Financial Statements (German GAAP)

Nine months ended September 30, 2016

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 30 September 2016

	30 Sep 2016 EUR	31 Dec 2015 EUR
ASSETS		
A. Fixed assets		
I. Intangible assets		
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	148,341,240.93	159,492,727.45
2. Goodwill	10,982,785.48	19,968,700.93
3. Prepayments	11,259.63	206,198.41
	159,335,286.04	**179,667,626.79**
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	20,484,489.95	21,094,745.11
2. Plant and machinery	12,907,491.26	2,667,372.11
3. Other equipment, furniture and fixtures	5,382,254.55	5,828,478.79
4. Prepayments and assets under construction	1,417,239.31	8,848,577.67
	40,191,475.07	**38,439,173.68**
III. Financial assets		
Loans to affiliates	0.00	20,545.12
	0.00	**20,545.12**
	199,526,761.11	**218,127,345.59**
B. Current assets		
I. Inventories		
1. Merchandise	87,913,023.07	66,939,092.42
2. Prepayments	5,140,769.10	4,156,196.88
	93,053,792.17	**71,095,289.30**
II. Receivables and other assets		
1. Trade receivables	1,268,913.53	1,068,866.49
2. Other assets	7,674,029.79	5,597,249.21
	8,942,943.32	**6,666,115.70**
III. Cash on hand, bank balances and checks	**12,137,640.42**	**36,921,678.59**
	114,134,375.91	**114,683,083.59**
C. Prepaid expenses	**2,575,244.87**	**3,589,017.36**
thereof debt discount: EUR 1,390,000.00 (prior year: EUR 1,920,000.00)		
D. Capital deficit	**15,346,342.84**	**0.00**
	331,582,724.73	**336,399,446.54**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 30 September 2016 (Continued)

	30 Sep 2016 EUR	31 Dec 2015 EUR
EQUITY AND LIABILITIES		
A. Equity		
I. Subscribed capital	100,083.00	100,083.00
II. Capital reserves	60,431,927.15	60,431,927.15
III. Equity difference from currency translation	21,211.65	0.00
IV. Loss carryforward	(49,942,382.88)	(35,849,652.25)
V. Net loss for the year	(25,957,181.76)	(14,092,730.63)
VI. Capital deficit	15,346,342.84	0.00
	0.00	**10,589,627.27**
B. Negative consolidation difference	**408,036.43**	**0.00**
C. Provisions		
1. Tax provisions	3,964,924.82	2,591,593.82
2. Other provisions	11,856,918.92	9,222,681.72
	15,821,843.74	**11,814,275.54**
D. Liabilities		
1. Liabilities to banks	168,050,000.00	181,760,000.00
2. Prepayments received on account of orders	1,382,794.41	1,413,314.77
3. Trade payables	21,018,064.48	9,269,629.92
4. Liabilities to shareholders	75,365,237.19	70,232,873.56
5. Other liabilities	5,982,425.19	3,802,091.09
thereof for taxes: EUR 3,478,247.87 (prior year: EUR 2,631,158.90)		
thereof for social security: EUR 214,198.27 (prior year: EUR 81,342.92)		
	271,798,521.27	**266,477,909.34**
E. Deferred income	**0.00**	**412.39**
F. Deferred tax liabilities	**43,554,323.28**	**47,517,222.00**
	331,582,724.73	**336,399,446.54**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated income statement

	1 Jan 2016 to 30 Sep 2016 EUR		1 Jan 2015 to 30 Sep 2015 EUR	
1. Revenue		242,011,540.88		203,916,662.29
2. Other operating income		936,734.66		859,646.20
3. Total operating performance		242,948,275.54		204,776,308.49
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	(134,109,127.27)		(109,542,819.10)	
b) Cost of purchased services	(319,183.05)	(134,428,310.32)	(687,083.90)	(110,229,903.00)
5. **Gross profit**		**108,519,965.22**		**94,546,405.49**
6. Personnel expenses				
a) Wages and salaries	(36,291,785.20)		(29,473,413.74)	
b) Social security, pension and other benefit costs thereof for old-age pensions: EUR 67,984.39 (prior year period: EUR 65,376.26)	(6,400,825.23)	(42,692,610.43)	(5,177,813.71)	(34,651,227.45)
7. Amortization, depreciation and write-downs				
a) of intangible assets and property, plant and equipment	(21,380,493.01)		(19,322,960.67)	
b) of goodwill capitalized from acquisition accounting	(8,985,915.45)	(30,366,408.46)	(8,985,915.45)	(28,308,876.12)
8. Other operating expenses		(53,721,711.67)		(44,846,770.27)
9. Other interest and similar income		12,026.22		5,909.21
10. Interest and similar expenses thereof to affiliates: EUR 1,113,564.07 (prior year period: EUR 5,263,613.27)		(10,105,808.62)		(12,812,020.14)
11. **Financial result**		**(10,093,782.40)**		**(12,806,110.93)**
12. Income taxes thereof income from the reversal of deferred taxes: EUR 4,907,802.70 (prior year period: EUR 4,851,784.80)		2,409,172.96		4,464,567.51
13. **Earnings after taxes**		**(25,945,374.78)**		**(21,602,011.77)**
14. Other taxes		(11,806.98)		(12,582.97)
15. **Net loss for the period**		**(25,957,181.76)**		**(21,614,594.74)**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated cash flow statement

		1 Jan 2016 to 30 Sep 2016 EUR k	1 Jan 2015 to 30 Sep 2015 EUR k
	Net loss for the period	**(25,957)**	**(21,615)**
+	Write-downs of fixed assets	30,366	28,309
+	Increase in other provisions	2,056	4,240
+	Other non-cash expenses and income	504	620
-	Increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(14,397)	(12,914)
-/+	Decrease/increase in trade payables and other liabilities that cannot be allocated to investing or financing activities	10,136	2,900
-/+	Gain/loss from the disposal of fixed assets	76	(25)
+	Interest result	10,094	12,806
+/-	Income tax expense/income	(2,409)	(4,465)
-	Income tax payments	(3,438)	(4,914)
=	**Cash flow from operating activities**	**7,031**	**4,943**
+	Cash received from disposals of property, plant and equipment	220	50
-	Cash paid for investments in property, plant and equipment	(5,325)	(15,127)
-	Cash paid for investments in intangible assets	(2,133)	(3,028)
+	Cash received from disposals of fixed financial assets	41	0
-	Cash paid for investments in fixed financial assets	(20)	0
-	Cash paid for additions to the basis of consolidation	(8,020)	0
-	Cash equivalents assumed in the acquisition of subsidiaries	2,662	0
+	Interest received	12	6
=	**Cash flow from investing activities**	**(12,564)**	**(18,100)**
+	Cash received from equity contributions from shareholders	0	70
+	Cash received from loans	3,440	93,000
-	Cash repayments of loans	(17,605)	(96,395)
-	Interest paid	(5,096)	(3,845)
=	**Cash flow from financing activities**	**(19,261)**	**(7,170)**
	Change in cash and cash equivalents	**(24,794)**	**(20,328)**
	Addition		
+/-	Exchange rate differences	10	0
	Cash and cash equivalents at the beginning of the period	36,922	35,331
	Cash and cash equivalents at the end of the period	**12,138**	**15,004**
	Composition of cash and cash equivalents at the end of the period		
	Cash	5,913	9,537
	Cash equivalents	6,224	5,467
		12,138	**15,004**

Schustermann & Borenstein Holding GmbH, Munich

Notes to the consolidated interim financial statements from 1 January to 30 September 2016

I. Preparation and classification requirements

The consolidated interim financial statements of Schustermann & Borenstein Holding GmbH were prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung": German Limited Liability Companies Act]. The BilRUG ["Bilanzrichtlinie-Umsetzungsgesetz": German Act to Implement the EU Accounting Directive] was adopted in the reporting year. The application of the BilRUG has effects on account of the redefinition of revenue, other operating income, cost of materials and other operating expenses. The prior-year figures have been restated accordingly.

The companies included in the consolidated interim financial statements prepared their interim financial statements as of the balance sheet date of the parent company (30 September 2016). The consolidated interim financial statements were prepared in euros.

The classification of the consolidated balance sheet and the consolidated income statement, which were prepared in accordance with the total cost method, complies in its basic form with Secs. 266 and 275 HGB. The Company made use of options to shift certain disclosures to the notes to the interim financial statements. The consolidated cash flow statement corresponds to the German Accounting Standard (GAS 21; indirect method). The consolidated statement of changes in equity is based on GAS 7.

II. Basis of consolidation

Consolidated subsidiaries

Name	Registered office	Share in capital %
Schustermann & Borenstein Beteiligungs GmbH	Munich	100
Schustermann & Borenstein GmbH (indirect)	Munich	100
Best Secret GmbH (indirect)	Aschheim	100
S & B Outlet GmbH (indirect)	Munich	100
Schustermann & Borenstein Wien GmbH, Vienna (indirect)	Vienna (Austria)	100
Schustermann & Borenstein Logistik GmbH (indirect)	Poing	100
Swiss Online Shopping AG (indirect)	Langenthal (Switzerland)	100

Schustermann & Borenstein Holding GmbH is entered in the commercial register at Munich local court under HRB 199965. Schustermann & Borenstein GmbH is entered in the commercial register at Munich local court under HRB 56240. Schustermann & Borenstein Beteiligungs GmbH is entered in the commercial register at Munich local court under HRB 199966. Best Secret GmbH is entered in the commercial register at Munich local court under HRB 168445. S & B Outlet GmbH is entered in the commercial register at Munich local court under HRB 174586. Schustermann & Borenstein Wien GmbH is entered in the commercial register at Vienna local court under FN 414944 m. Schustermann & Borenstein Logistik GmbH is entered in the commercial register at Munich local court under HRB 222060. Swiss Online Shopping AG is entered in the commercial register at the canton of Berne under CHE -110.027.998.

Schustermann & Borenstein Holding GmbH and its subsidiary Schustermann & Borenstein Beteiligungs GmbH were founded on 19 July 2012.

100% of the shares in Schustermann & Borenstein GmbH as well as its wholly owned subsidiaries Best Secret GmbH and S & B Outlet GmbH were taken over in an asset deal effective 4 September 2012. The total expense for this was EUR 267,073k and EUR 5,556k in cash was acquired.

Schustermann & Borenstein Wien GmbH, Vienna, was founded on 19 April 2014 as a wholly owned subsidiary of Schustermann & Borenstein GmbH, Munich. Business commenced in mid-November 2014.

II. Basis of consolidation (Continued)

Schustermann & Borenstein Logistik GmbH, Poing, was founded on 3 November 2015 as a wholly owned subsidiary of Schustermann & Borenstein GmbH, Munich.

Effective as of 1 April 2016, Schustermann & Borenstein GmbH acquired all shares in Swiss Online Shopping AG, Langenthal, Switzerland. The total expense for this was EUR 8,045k (thereof cash effective EUR 8,020k) and EUR 2,662k in cash was acquired.

Schustermann & Borenstein GmbH operates in the area of textile wholesale and retail trade. Its subsidiary Best Secret GmbH is an e-commerce textile retailer that sells its goods to a closed shopping community. S & B Outlet GmbH runs an outlet store in an outlet center in Zweibrücken. Schustermann & Borenstein Wien GmbH operates an outlet store in Vösendorf (Austria). Swiss Online Shopping AG is an e-commerce textile retailer that sells its goods to a closed shopping community in Switzerland.

III. Consolidation principles

Acquisition accounting was performed using the revaluation method by offsetting the carrying amounts of the equity investments against the Group's share in the subsidiaries' equity at the date of acquisition or initial consolidation.

Hidden reserves were identified in the respective customer base and in the respective brands during revaluation of the assets and liabilities. The difference between the purchase price and the carrying amount of equity was capitalized as goodwill after deducting the hidden reserves disclosed.

During the acquisition of Swiss Online Shopping AG, the acquired intangible assets were identified and measured in conjunction with Sec. 301 et seq. HGB. The "FashionFriends" brand and the "FashionFriends" customer relationship were determined to be significant intangible assets at the time of initial consolidation. The remaining difference between purchase price and equity was recognized on the equity and liabilities side of the balance sheet as a negative consolidation difference with equity characteristics in accordance with Sec. 301 (3) HGB and on the basis of GAS 23 in the absence of future restructuring expenses.

Debt obligations within the Group are netted, as are expenses and income from intercompany transactions. There were no intercompany profits or losses to eliminate.

First time consolidation was performed as of the date on which the subsidiaries were founded or acquired (closing date). The subsidiary Schustermann & Borenstein Wien GmbH was founded on 19 April 2014 and included in the consolidated financial statements of Schustermann & Borenstein Holding for the first time as of 31 December 2014. Schustermann & Borenstein Logistik GmbH was founded on 3 November 2015 and included in the consolidated financial statements of Schustermann & Borenstein Holding GmbH for the first time as of 31 December 2015. Swiss Online Shopping AG is included in the consolidated interim financial statements for the first time as of 30 September 2016.

IV. Accounting and valuation methods

The financial statements of Schustermann & Borenstein Holding GmbH and its subsidiaries were prepared in accordance with uniform accounting and valuation methods.

Goodwill determined in the purchase price allocation in 2012 is amortized using the straight-line method over five years.

The negative consolidation difference of Swiss Online Shopping AG is released with effect on income in accordance with Sec. 309 (2) HGB as well as on the basis of GAS 23 in a straight line over the remaining useful lives of the assets assumed.

The following intangible assets were disclosed during the revaluation and are amortized on a straight-line basis and pro rata temporis over their customary useful lives:

a) Brand: Schustermann & Borenstein (useful life: 20 years)

b) Brand: BestSecret.com (useful life: 15 years)

c) Brand: FashionFriends.com (useful life: 10 years)

d) Customer base for stationary trade (useful life: 12 years)

e) Customer base for online shopping (useful life: 8 years)

f) Customer base for FashionFriends online shopping (useful life: 6 years)

Other purchased intangible assets are recognized at acquisition cost less amortization charged pro rata temporis using the straight-line method (useful life of between three and seven years).

Property, plant and equipment are valued at acquisition or production cost less straight-line or declining-balance depreciation. The assets are depreciated over a useful life of between 9 and 17 years for outdoor facilities, 14 to 15 years for operating facilities, between 4 and 20 years for leasehold improvements, between 3 and 23 years for furniture, fixtures and office equipment, between 3 and 9 years for the vehicle fleet, and between 3 and 20 years for IT equipment in the broader sense and any associated conversions. Depreciation is recorded pro rata temporis in the year the assets are acquired. Additions to movable assets are amortized on a straight-line basis.

Low-value assets with acquisition costs not exceeding EUR 150.00 are fully expensed in the year of acquisition. A collective item was recognized for additions to assets with acquisition costs of between EUR 150.01 and EUR 1,000.00. This collective item is depreciated by one fifth each fiscal year over the useful life.

Inventories were subject to a physical inventory count and recorded in a list for the last time in the fiscal year 2015. They are valued at acquisition cost plus ancillary acquisition costs less age-related deductions (customary seasonal write-downs for slow-moving goods) of 20% to 90% taking the lower of cost or market principle into account.

Receivables and other assets are recognized at nominal value after deducting the necessary write-downs taking all identifiable risks into account.

Cash and cash equivalents are recognized at nominal value as of the balance sheet date.

Prepaid expenses mainly comprise the recognition of a difference between the issue amount and liability relating to two loans (fixed and installment loans) (exercising the option under Sec. 250 (3) HGB). The difference relating to the installment loan is released using the compound interest method and the difference relating to the fixed loan on a straight-line basis over the term of the loan.

Provisions were recognized at their settlement value for taxes yet to be assessed as well as for uncertain liabilities, taking into account all recognizable risks. The provision for take-back obligations relates to the customer's 14-day right of return. Revenue recognition is thus adjusted by recognizing an appropriate provision in the amount of the expected returns. Provisions are recognized using the net method and reported under other operating expenses.

IV. Accounting and valuation methods (Continued)

Liabilities were recorded at the settlement value.

To determine deferred taxes arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the company-specific tax rates at the time they reverse; the amounts of any resulting tax charge and benefit are not discounted. Differences due to consolidation procedures in accordance with Secs. 300 to 307 HGB are taken into account; differences arising on the first-time recognition of goodwill or a negative consolidation difference are not included. Where tax loss carryforwards acquired in connection with the acquisition of subsidiaries are expected to be offset within the next five years, the option of recognizing deferred tax assets within the process of the purchase price allocation with no effect on net income until the end of the adjustment period as defined by Sec. 301 (2) Sentence 2 HGB was exercised. Deferred tax assets and liabilities are not offset.

Receivables and liabilities in foreign currency are translated using the mean spot rate on the balance sheet date. Sec. 253 (1) Sentence 1 HGB and Sec. 252 (1) No. 4 HGB are not applicable to receivables and liabilities in foreign currency due within one year or less.

Economic hedging relationships were comprehended by creation of valuation. When it is possible to apply either the net method, under which offsetting changes in value attributable to the hedged risk are not accounted for, or the gross method, where offsetting changes in value attributable to the hedged risk of both the hedged item and the hedging instrument are accounted for, the net method is applied. Offsetting positive and negative changes in value are not recognized in the income statement.

V. Notes to the consolidated balance sheet

1. Fixed assets

The development of fixed assets in the fiscal year 2016 until 30 September 2016 is shown in the consolidated statement of changes in fixed assets.

2. Inventories

As in the prior year, inventories of EUR 93,054k (prior year: EUR 71,095k) are valued at the weighted average value in the fiscal year 2016.

3. Other assets

This item in the balance sheet contains the present value of corporate income tax assets as of 30 September 2016 (EUR 3k; prior year: EUR 7k). Of other assets, an amount of EUR 0k (prior year: EUR 347k) has a residual term of more than one year and relates to employee loans.

Other assets include anticipatory receivables of EUR 3,038k (prior year: EUR 3,924k), thereof for input tax deductible in the subsequent year of EUR 252k (prior year: EUR 789k), trade tax credit of EUR 41k (prior year: EUR 387k), corporate income tax overpayments of EUR 2,741k (prior year: EUR 2,741k) and for the aforementioned corporate income tax credit of EUR 3k (prior year: EUR 7k).

4. Cash and cash equivalents

The cash and cash equivalents in the cash flow statement comprise cash and cash equivalents (GAS 21) and correspond to the balance sheet item B. III.

V. Notes to the consolidated balance sheet (Continued)

5. Equity

The capital stock according to the articles of incorporation and bylaws of EUR 68k was increased by EUR 32k in the course of a capital increase in the past.

EUR 19,316k was contributed to the capital reserves (Sec. 272 (2) No. 1 HGB) on 4 September 2012.

Payments of EUR 41,046k were made to the capital reserves pursuant to Sec. 272 (2) No. 4 HGB on the same date.

It was resolved on 2 September 2015 to increase the capital stock by issuing 83 shares at a nominal value of EUR 1.00 each. In addition, EUR 70k was contributed to the capital reserves in accordance with Sec. 272 (2) No. 4 HGB.

As of the balance sheet date, no funds (prior year: EUR 10,490k) were available for distribution (GAS 7, paragraph 15a).

6. Treasury shares

Schustermann & Borenstein GmbH holds treasury shares with a nominal value of EUR 800,000.00 or 40% of the capital stock.

7. Provisions

Other provisions mainly contain amounts for provisions for management bonuses/other bonuses as well as provisions for employee bonuses of EUR 2,832k (prior year: EUR 2,565k), provisions for accrued vacation of EUR 1,443k (prior year: EUR 1,086k), provisions for overtime of EUR 526k (prior year: EUR 316k), take-back obligations for merchandise sold of EUR 3,405k (prior year: EUR 3,181k), costs of auditing the consolidated financial statements of EUR 118k (prior year: EUR 106k), archiving costs of EUR 107k (prior year: EUR 107k), employer's liability insurance of EUR 303k (prior year: EUR 260k) and outstanding invoices of EUR 2,670k (prior year: EUR 1,107k).

8. Liabilities

		Due in			
	Total amount EUR	**up to one year EUR**	**two to five years EUR**	**more than five years EUR**	**Secured amounts EUR**
Liabilities to banks	168,050,000.00	9,950,000.00 (prior year: EUR 18,003k)	158,100,000.00	0.00	168,050,000.00
Prepayments received on account of orders	1,382,794.41	1,382,794.41 (prior year: EUR 1,413k)	0.00	0.00	0.00
Trade payables	21,018,064.48	21,018,064.48 (prior year: EUR 9,270k)	0.00	0.00	0.00
Liabilities to shareholders	75,365,237.19	0.00	0.00	75,365,237.19 (prior year: EUR 70,233k)	0.00
Other liabilities	5,982,425.19	5,982,425.19 (prior year: EUR 3,802k)	0.00	0.00	0.00
	271,798,521.27	38,333,284.08	158,100,000.00	75,365,237.19	168,050,000.00

Normal retentions of title exist in relation to trade payables, prepayments received on account of orders and other liabilities.

Collateral in the form of the inventories, movable items of property, plant and equipment and trade receivables were used to secure the liabilities to banks. Future insurance claims were also pledged.

V. Notes to the consolidated balance sheet (Continued)

9. Liabilities to shareholders

The item includes EUR 16,348k (prior year: EUR 15,234k) to affiliates.

10. Deferred tax liabilities

As part of a purchase price allocation as of 4 September 2012, deferred tax liabilities of EUR 69,081k were recognized with no effect on income due to the disclosure of hidden reserves in intangible assets (brands and customer base) (cf. IV. Accounting and valuation methods). Deferred taxes totaling EUR 939k were recognized on the "FashionFriends" brand and customer base during the purchase price allocation of Swiss Online Shopping AG as of 1 April 2016.

Due to amortization of the disclosed hidden reserves, the deferred tax liabilities were decreased accordingly by EUR 4,908k (prior year period: EUR 4,852k) with a corresponding effect on income.

The amounts were recognized and released based on an imputed future tax rate of 29% for the German subsidiaries. A local tax rate of 21% was used for the Swiss subsidiary.

11. Other financial obligations

	As of 30 Sep 2016 EUR k	As of 31 Dec 2015 EUR k
Obligations from long-term rental and lease agreements		
– to third parties with a residual term of:		
up to one year	17,432	11,004
between two and five years	41,217	37,712
more than five years	21,379	25,509
	80,027	**74,225**

12. Contingent liabilities

As of the balance sheet date, there are contingent liabilities from a letter of indemnity of up to a maximum of EUR 25k (prior year: EUR 25k). We estimate that the probability of this guarantee being utilized to be low due to the current credit rating and payment history of the beneficiaries and are not aware of any indications to the contrary.

13. Derivative financial instruments

Two interest rate swaps for a total of EUR 64,000k were entered into from 28 September 2012 to 30 September 2015 to hedge the floating rate portion of the facility agreement (EURIBOR). The loan agreement was amended on 17 June 2015 in terms of the installments, amount of the loan in the form of an additional tranche as well as an extension of the term of the loan.

Two new interest rate swaps totaling EUR 77,600k were concluded on 11 August 2015. The terms of the interest rate swaps began on 30 September 2015. These replaced the original interest rate swaps and secure 50% of the hedged loan item (EUR 155,200k), as currency, term and amount of the cash flows of the swaps match the hedged item (critical terms match method).

The facility agreement and the interest rate swaps make up a closed position (micro-hedge). EURIBOR fluctuations thus balance themselves out in terms of timing and amount (changes in value and cash flow risk). Both the interest payments of the facility agreement and the interest payments from the interest rate swap are due quarterly. There are therefore no potential losses to recognize.

V. Notes to the consolidated balance sheet (Continued)

13. Derivative financial instruments (Continued)

	Amount EUR k	Period	Term	Floor
KBC Bank	25,600	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015	
Raiffeisen Bank (Austria)	38,400	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015	
HypoVereinsbank	38,800	3-month EURIBOR	30 Sep 2015 to 30 Jun 2017	0.00%
DZ Bank	38,800	3-month EURIBOR	30 Sep 2015 to 30 Jun 2017	0.00%

VI. Notes to the consolidated income statement

Revenue

Breakdown of revenue by business activities:

	01 Jan 2016 to 30 Sep 2016 EUR k	01 Jan 2015 to 30 Sep 2015 EUR k
Revenue from sales of merchandise	241,124	201,866
Commissions	764	1,967
Other revenue	124	84
Total revenue	**242,012**	**203,917**

Other revenue includes rental income in accordance with Sec. 277 (1) HGB. Of total revenue, around 85.2% (prior year period: 92.0%) is attributable to Germany and around 14.8% (prior year period: 8.0%) to other countries.

The individual accounts, which were previously reported under other operating income, were reclassified to revenue as a result of the first-time application of the BilRUG dated 18 June 2015 in the consolidated interim financial statements from 1 January to 30 September 2016. The key change in comparison to the prior-year presentation is attributable to the amended allocation of rental income of EUR 67k (prior year period: EUR 67k) and income from the sale of drinks from vending machines of EUR 57k (prior year period: EUR 17k), which are reported in other revenue under the new classification format.

Other operating income includes income relating to other periods of EUR 391k (prior year period: EUR 508k), mainly from the release of provisions as well as reimbursement of service charges. Income from the reversal of the negative consolidation difference of Swiss Online GmbH amounts to EUR 25k (prior year period: EUR 0k).

Extraordinary write-downs on inventories of EUR 1,777k (prior year period: EUR 0k) are reported in cost of materials.

The individual accounts, which were previously reported under other operating expenses, were reclassified to cost of materials as a result of the first-time application of the BilRUG dated 18 June 2015 in the consolidated interim financial statements from 1 January to 30 September 2016. The key change in comparison to the prior-year presentation is attributable to the amended allocation of rental expenses of EUR 67k (prior year period: EUR 67k) and expenses from the sale of drinks from vending machines of EUR 57k (prior year period: EUR 17k), which are reported in cost of materials under the new classification format.

	01 Jan 2016 to 30 Sep 2016 EUR k	01 Jan 2015 to 30 Sep 2015 EUR k	+/– EUR k
Administrative expenses	20,976	18,872	2,104
Selling expenses	13,264	8,815	4,449
Rent and service charges	8,823	7,692	1,131
Advertising costs	4,040	2,572	1,468
Other	6,619	6,896	(277)
Total	**53,722**	**44,847**	**8,875**

Other operating expenses contain expenses relating to other periods of EUR 19k (prior year period: EUR 0k).

VI. Notes to the consolidated income statement (Continued)

The income taxes in 2016 until 30 September 2016 result from:

Income tax expense	EUR k	(2,499)
Income from the reversal of deferred tax liabilities	EUR k	4,908
Income taxes	EUR k	2,409

The income taxes in 2015 until 30 September 2015 result from:

Income tax expense	EUR k	(387)
Income from the reversal of deferred tax liabilities	EUR k	4,852
Income taxes	EUR k	4,465

VII. Other notes

1. Employees

	Average 01 Jan to 30 Sep 2016	Average 01 Jan to 31 Dec 2015
Schustermann & Borenstein GmbH	719	939
Best Secret GmbH	138	454
S&B Outlet GmbH	7	6
S&B Logistik GmbH	583	0
Schustermann & Borenstein Wien GmbH	109	69
Swiss Online Shopping AG	75	–
	1,631	1,468

Of the average number of 1,631 employees, 1,109 are employed on a permanent basis (prior year: 941) and 522 are temporary employees (prior year: 527).

2. Management

The members of management in the reporting period were:

- Mr. Daniel Schustermann, Bachelor of Arts, businessman, Munich
- Mr. Sascha Krines, Dipl. Kaufmann (business administration graduate), Ingolstadt
- Mr. Josef Amir Borenstein, business consultant, Munich
- Mr. Marian Schikora, business consultant, Munich

3. Advisory board

Appointed to the advisory board were:

- Mr. Benno Borenstein, business consultant, Munich
- Mr. Werner Paschke, business consultant, Luxembourg
- Dr. Konrad Hilbers, business consultant, Teufen (Switzerland)
- Mr. Errikos Pitsos, business consultant, Meggen (Switzerland)

4. Total remuneration of the corporate bodies

Total remuneration for management amounted to EUR 2,048k in 2016 until 30 September 2016 (prior year period: EUR 1,681k).

Total remuneration for the advisory board was EUR 13k (prior year period: EUR 97k).

VII. Other notes (Continued)

5. Auditor's fees

As of 30 September 2016, provision was recognized for pro rata expenses for auditor's fees for the audit of the consolidated financial statements as of 31 December 2016 of EUR 94 k (prior year: EUR 75 k). Expenses for tax advisory services came to EUR 133k (prior year period: EUR 188k) as well as other services of EUR 302k (prior year period: EUR 425k).

6. Group affiliation

Schustermann & Borenstein Holding GmbH, Munich, prepares consolidated financial statements and a group management report in accordance with German GAAP for the smallest group of companies. These are published in the *Bundesanzeiger* [German Federal Gazette] and have an exempting effect for the subsidiaries.

JAP Lux Holding S.A. in Luxembourg prepares consolidated financial statements and a group management report for the largest group of companies.

7. Cash flow statement

The cash flow statement was prepared in accordance with GAS 21.

Munich, 30 November 2016

Sascha Krines	**Daniel Schustermann**
Josef Amir Borenstein	**Marian Schikora**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in fixed assets from 1 January 2016 to 30 September 2016

	Acquisition and production cost							Accumulated amortization, depreciation and write-downs					Net book values	
	Additions from changes of the consolidation 1 Jan 2016 EUR	basis	Additions EUR	Reclassifications EUR	Currency Disposals EUR	translation	30 Sept 2016 EUR	1 Jan 2016 EUR	Additions EUR	Disposals EUR	Currency translation	30 Sept 2016 EUR	30 Sept 2016 EUR	1 Jan 2016 EUR
I. Intangible assets														
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	234,408,558.33	4,556,623.73	2,127,155.41	184,302.10	0.00	29,326.37	241,305,965.94	74,915,830.88	18,047,400.89	0.00	1,493.24	92,964,725.01	148,341,240.93	159,492,727.45
2. Goodwill	59,906,102.93	0.00	0.00	0.00	0.00	0.00	59,906,102.93	39,937,402.00	8,985,915.45	0.00	0.00	48,923,317.45	10,982,785.48	19,968,700.93
3. Prepayments	206,198.41	0.00	5,863.32	(184,302.10)	16,500.00	0.00	11,259.63	0.00	0.00	0.00	0.00	0.00	11,259.63	206,198.41
	294,520,859.67	**4,556,623.73**	**2,133,018.73**	**0.00**	**16,500.00**	**29,326.37**	**301,223,328.50**	**114,853,232.88**	**27,033,316.34**	**0.00**	**1,493.24**	**141,888,042.46**	**159,335,286.04**	**179,667,626.79**
II. Property, plant and equipment														
1. Land, land rights and buildings, including buildings on third-party land	24,546,048.51	0.00	546,137.71	236,499.96	0.00	0.00	25,328,686.18	3,451,303.40	1,392,892.83	0.00	0.00	4,844,196.23	20,484,489.95	21,094,745.11
2. Plant and machinery	3,348,004.69	0.00	1,234,210.17	9,820,640.63	97,480.38	0.00	14,305,375.11	680,632.58	760,156.96	42,905.69	0.00	1,397,883.85	12,907,491.26	2,667,372.11
3. Other equipment, furniture and fixtures	9,121,715.12	38,995.52	885,576.77	33,584.05	399,888.68	117.56	9,680,100.34	3,293,236.33	1,180,042.33	175,466.39	33.52	4,297,845.79	5,382,254.55	5,828,478.79
4. Prepayments and assets under construction	8,848,577.67	0.00	2,659,386.64	(10,090,724.64)	0.00	0.00	1,417,239.31	0.00	0.00	0.00	0.00	0.00	1,417,239.31	8,848,577.67
	45,864,345.99	**38,995.52**	**5,325,311.29**	**0.00**	**497,369.06**	**117.56**	**50,731,400.94**	**7,425,172.31**	**3,333,092.12**	**218,372.08**	**33.52**	**10,539,925.87**	**40,191,475.07**	**38,439,173.68**
III. Financial assets														
Loans to affiliates	20,545.12	0.00	20,000.00	0.00	40,545.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,545.12
	20,545.12	**0.00**	**20,000.00**	**0.00**	**40,545.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**20,545.12**
	340,405,750.78	**4,595,619.25**	**7,478,330.02**	**0.00**	**554,414.18**	**29,443.93**	**351,954,729.44**	**122,278,405.19**	**30,366,408.46**	**218,372.08**	**1,526.76**	**152,427,968.33**	**199,526,761.11**	**218,127,345.59**

Schustermann & Borenstein Holding GmbH, Munich

Audit Opinion
and
Audited Consolidated Financial Statements
(German GAAP)

Year ended December 31, 2015

Translation of the German-language audit opinion, which refers to the audit of the German-language consolidated financial statements and the German-language group management report of Schustermann & Borenstein Holding GmbH, Munich, as of and for the year ended December 31, 2015 as a whole.

Audit opinion

We have audited the consolidated financial statements prepared by Schustermann & Borenstein Holding GmbH, Munich, comprising the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity, and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January 2015 to 31 December 2015. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with [German] principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with [German] principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

We issue this opinion based on our audit of the consolidated financial statements, which was performed in accordance with professional standards and completed on 22 April 2016, and our supplementary audit pertaining to the amendments to the items "income taxes," "other assets", "tax provisions" and "net loss for the year" for the fiscal year 2015 as well as the related amended explanations in the consolidated financial statements and group management report. Please refer to the reasons for the amendments provided by the Company in section I. "Preparation and classification requirements" in the amended notes to the consolidated financial statements. The supplementary audit has not led to any reservations.

Munich, 22 April 2016/limited to the abovementioned amendments: 24 June 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Räpple	Hohenegg
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	*[German Public Auditor]*

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 31 December 2015

	31 Dec 2015 EUR	31 Dec 2014 EUR
ASSETS		
A. Fixed assets		
I. Intangible assets		
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	159,492,727.45	179,133,608.60
2. Goodwill	19,968,700.93	31,949,921.53
3. Prepayments	206,198.41	148,038.92
	179,667,626.79	**211,231,569.05**
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	21,094,745.11	8,610,857.09
2. Plant and machinery	2,667,372.11	2,932,761.13
3. Other equipment, furniture and fixtures	5,828,478.79	4,890,670.49
4. Prepayments and assets under construction	8,848,577.67	7,344,409.01
	38,439,173.68	**23,778,697.72**
III. Financial assets		
Loans to affiliates	20,545.12	20,013.12
	20,545.12	**20,013.12**
	218,127,345.59	**235,030,279.89**
B. Current assets		
I. Inventories		
1. Merchandise	66,939,092.42	65,665,176.68
2. Prepayments	4,156,196.88	3,046,984.97
	71,095,289.30	**68,712,161.65**
II. Receivables and other assets		
1. Trade receivables	1,068,866.49	767,763.13
2. Other assets	5,597,249.21	3,100,150.38
	6,666,115.70	**3,867,913.51**
III. Cash on hand, bank balances and checks	**36,921,678.59**	**35,331,468.92**
	114,683,083.59	**107,911,544.08**
C. Prepaid expenses	**3,589,017.36**	**3,246,014.61**
thereof debt discount: EUR 1,920,000.00 (prior year: EUR 2,720,000.00)	**336,399,446.54**	**346,187,838.58**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 31 December 2015 (Continued)

	31 Dec 2015 EUR	31 Dec 2014 EUR
EQUITY AND LIABILITIES		
A. Equity		
I. Subscribed capital	100,083.00	100,000.00
II. Capital reserves	60,431,927.15	60,362,361.15
III. Loss carryforward	(35,849,652.25)	(16,557,225.64)
IV. Net loss for the year	(14,092,730.63)	(19,292,426.61)
	10,589,627.27	**24,612,708.90**
B. Provisions		
1. Tax provisions	2,591,593.82	1,512,480.00
2. Other provisions	9,222,681.72	5,685,181.82
	11,814,275.54	**7,197,661.82**
C. Liabilities		
1. Liabilities to banks	181,760,000.00	93,680,000.00
2. Prepayments received on account of orders	1,413,314.77	1,941,383.59
3. Trade payables	9,269,629.92	8,827,718.20
4. Liabilities to shareholders	70,232,873.56	151,075,509.85
5. Other liabilities	3,802,091.09	4,866,587.82
thereof for taxes: EUR 2,631,158.90 (prior year: EUR 1,294,327.07)		
thereof for social security: EUR 81,342.92 (prior year: EUR 71,131.65)		
	266,477,909.34	**260,391,199.46**
D. Deferred income	**412.39**	**0.00**
E. Deferred tax liabilities	**47,517,222.00**	**53,986,268.40**
	336,399,446.54	**346,187,838.58**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated income statement

from 1 January 2015 to 31 December 2015

	Fiscal year 2015 EUR		Fiscal year 2014 EUR	
1. Revenue		304,313,491.31		256,707,850.96
2. Other operating income		1,003,008.89		816,920.14
3. Total operating performance		305,316,500.20		257,524,771.10
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	(153,396,703.59)		(133,797,524.75)	
b) Cost of purchased services	(821,573.72)	(154,218,277.31)	(780,780.12)	(134,578,304.87)
5. **Gross profit**		**151,098,222.89**		**122,946,466.23**
6. Personnel expenses				
a) Wages and salaries	(39,813,498.54)		(34,438,467.95)	
b) Social security, pension and other benefit costs thereof for old-age pensions: EUR 96,565.20 (prior year: EUR 57,756.73)	(7,007,652.50)	(46,821,151.04)	(6,053,684.22)	(40,492,152.17)
7. Amortization, depreciation and write-downs				
a) of intangible assets and property, plant and equipment	(26,028,349.59)		(24,838,929.16)	
b) of goodwill capitalized from acquisition accounting	(11,981,220.60)	(38,009,570.19)	(11,981,220.60)	(36,820,149.76)
8. Other operating expenses		(63,865,897.21)		(47,722,055.52)
9. Other interest and similar income		11,649.86		25,026.17
10. Interest and similar expenses thereof to shareholders: EUR 5,632,478.81 (prior year: EUR 9,188,787.91)		(16,305,030.80)		(18,025,106.32)
11. **Financial result**		**(16,293,380.94)**		**(18,000,080.15)**
12. **Result from ordinary activities**		**(13,891,776.49)**		**(20,087,971.37)**
13. Income taxes thereof income from the reversal of deferred taxes: EUR 6,469,046.40 (prior year: EUR 6,469,046.40)		(185,721.17)		810,242.23
14. Other taxes		(15,232.97)		(14,697.47)
15. **Net loss for the year**		**(14,092,730.63)**		**(19,292,426.61)**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated cash flow statement

		2015 EUR k	2014 EUR k
	Net loss for the year	**(14,093)**	**(19,292)**
+	Write-downs of fixed assets	38,010	36,820
+	Increase in other provisions	3,537	595
+	Other non-cash expenses and income	800	920
-	Increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(5,430)	(6,987)
+/-	Increase/decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	(1,151)	2,159
+	Interest result	16,294	18,000
+/-	Income tax expense/income	186	(810)
-	Income tax payments	(6,471)	(6,504)
=	**Cash flow from operating activities**	**31,682**	**24,897**
+	Cash received from disposals of property, plant and equipment	253	116
-	Cash paid for investments in property, plant and equipment	(17,772)	(11,848)
-	Cash paid for investments in intangible assets	(3,587)	(2,723)
+	Interest received	12	25
=	**Cash flow from investing activities**	**(21,094)**	**(14,430)**
+	Cash received from equity contributions from shareholders	70	0
+	Cash received from loans	93,000	8,000
-	Cash repayments of loans	(4,920)	(5,760)
-	Cash repayments of liabilities to shareholders (including accrued interest)	(91,475)	0
-	Interest paid	(5,672)	(4,291)
=	**Cash flow from financing activities**	**(8,997)**	**(2,051)**
	Change in cash and cash equivalents	**1,591**	**8,416**
+	Cash and cash equivalents at the beginning of the period	35,331	26,915
	Cash and cash equivalents at the end of the period	**36,922**	**35,331**
	Composition of cash and cash equivalents at the end of the period		
	Cash	29,883	27,967
+	Cash equivalents	7,039	7,364
		36,922	**35,331**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in equity for fiscal year 2015

	Parent company				
	Subscribed capital EUR	Capital reserves EUR	Consolidated equity earned EUR	**Equity EUR**	**Consolidated equity EUR**
As of 1 Jan 2014	100,000.00	60,362,361.15	(16,557,225.64)	43,905,135.51	43,905,135.51
Net loss for the year			(19,292,426.61)	(19,292,426.61)	(19,292,426.61)
Total comprehensive income			(19,292,426.61)	(19,292,426.61)	(19,292,426.61)
Balance sheet item as of 31 Dec 2014	100,000.00	60,362,361.15	(35,849,652.25)	24,612,708.90	24,612,708.90
As of 1 Jan 2015	100,000.00	60,362,361.15	(35,849,652.25)	24,612,708.90	24,612,708.90
Issue of shares	83.00	69,566.00		69,649.00	69,649.00
Net loss for the year			(14,092,730.63)	(14,092,730.63)	(14,092,730.63)
Total comprehensive income			(14,092,730.63)	(14,092,730.63)	(14,092,730.63)
Balance sheet item as of 31 Dec 2015	100,083.00	60,431,927.15	(49,942,382.88)	10,589,627.27	10,589,627.27

Schustermann & Borenstein Holding GmbH, Munich

Notes to the consolidated financial statements for the fiscal year from 1 January to 31 December 2015

I. Preparation and classification requirements

The consolidated financial statements of Schustermann & Borenstein Holding GmbH were prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung": German Limited Liability Companies Act].

The companies included in the consolidated financial statements prepared their financial statements as of the balance sheet date of the parent company (31 December 2015). The consolidated financial statements were prepared in euros.

The classification of the consolidated balance sheet and the consolidated income statement, which were prepared in accordance with the total cost method, complies in its basic form with Secs. 266 and 275 HGB. The Company made use of options to shift certain disclosures to the notes to the financial statements. The consolidated cash flow statement corresponds to the German Accounting Standard (GAS 21; indirect method). The consolidated statement of changes in equity is based on GAS 7.

These consolidated financial statements relate to the fiscal year from 1 January 2015 to 31 December 2015 and were approved by the Company's advisory board on 29 April 2016. The consolidated financial statements and the group management report were amended effective 24 June 2016 following a recalculation of the income tax expense. In this context, the following amendments were made:

- Increase in income tax expense by EUR 1,447k
- Decrease in other assets from tax refund claims by EUR 1,031k
- Increase in tax provisions for trade tax by EUR 416k
- Corresponding adjustment to statement of changes in equity
- Corresponding adjustment to cash flow statement
- Corresponding adjustment to disclosures and explanations in the notes to the consolidated financial statements and the group management report relating to the following items in the consolidated balance sheet and consolidated income statement:
  - Other assets
  - Equity
  - Tax provisions
  - Total assets
  - Income taxes
  - Net loss for the year

II. Basis of consolidation

Consolidated subsidiaries

Name	Registered office	Share in capital %
Schustermann & Borenstein Beteiligungs GmbH	Munich	100
Schustermann & Borenstein GmbH (indirect)	Munich	100
Best Secret GmbH (indirect)	Aschheim	100
S & B Outlet GmbH (indirect)	Munich	100
Schustermann & Borenstein Wien GmbH, Vienna (indirect)	Vienna	100
Schustermann & Borenstein Logistik GmbH (indirect)	Poing	100

Schustermann & Borenstein Holding GmbH and its subsidiary Schustermann & Borenstein Beteiligungs GmbH were founded on 19 July 2012.

II. Basis of consolidation (Continued)

100% of the shares in Schustermann & Borenstein GmbH as well as its wholly owned subsidiaries Best Secret GmbH and S & B Outlet GmbH were taken over in an asset deal effective 4 September 2012. For this, a total of EUR 267,073k was spent and EUR 5,556k in cash acquired.

Schustermann & Borenstein Wien GmbH, Vienna, was founded on 19 April 2014 as a wholly owned subsidiary of Schustermann & Borenstein GmbH, Munich. Business commenced in mid-November 2014.

Schustermann & Borenstein Logistik GmbH, Poing, was founded on 3 November 2015 as a wholly owned subsidiary of Schustermann & Borenstein GmbH, Munich.

Schustermann & Borenstein GmbH operates in the area of textile wholesale and retail trade. Its subsidiary Best Secret GmbH is an e-commerce textile retailer that sells its goods to a closed shopping community. S & B Outlet GmbH runs an outlet store in an outlet center in Zweibrücken. Schustermann & Borenstein Wien GmbH operates an outlet store in Vösendorf (Austria).

The consolidated financial statements have an exempting effect for the German subsidiaries named above in accordance with Sec. 264 (3) HGB. The exempting resolutions were published in the Bundesanzeiger [German Federal Gazette] for Best Secret GmbH on 9 November 2015, for Schustermann & Borenstein GmbH on 12 November 2015, for S & B Outlet GmbH on 13 November 2015, for Schustermann & Borenstein Beteiligungs GmbH on 16 November 2015 and for Schustermann & Borenstein Logistik GmbH on 11 January 2016.

III. Consolidation principles

Acquisition accounting was performed using the revaluation method by offsetting the carrying amounts of the equity investments against the Group's share in the subsidiaries' equity at the date of acquisition or initial consolidation.

Hidden reserves were identified in the respective customer base and in the respective brands during revaluation of the assets and liabilities. The difference between the purchase price and the carrying amount of equity was capitalized as goodwill after deducting the hidden reserves disclosed.

Debt obligations within the Group are netted, as are expenses and income from intercompany transactions. There were no intercompany profits or losses to eliminate.

First-time consolidation was performed as of the date on which the subsidiaries were founded or acquired (closing date: 4 September 2012). The subsidiary Schustermann & Borenstein Wien GmbH was founded on 19 April 2014 and included in the consolidated financial statements of Schustermann & Borenstein Holding for the first time as of 31 December 2014. Schustermann & Borenstein Logistik GmbH was founded on 3 November 2015 and included in the consolidated financial statements of Schustermann & Borenstein Holding GmbH for the first time as of 31 December 2015.

IV. Accounting and valuation methods

The financial statements of Schustermann & Borenstein Holding GmbH and its subsidiaries were prepared in accordance with uniform accounting and valuation methods.

Goodwill determined in the purchase price allocation is amortized using the straight-line method over five years.

The following intangible assets were disclosed during the revaluation and are amortized on a straight-line basis and pro rata temporis over their customary useful lives:

a) Brand: Schustermann & Borenstein (useful life: 20 years)

b) Brand: BestSecret.com (useful life: 15 years)

c) Customer base for stationary trade (useful life: 12 years)

d) Customer base for online shopping (useful life: 8 years)

IV. Accounting and valuation methods (Continued)

Other purchased intangible assets are recognized at acquisition cost less amortization charged pro rata temporis using the straight-line method (useful life of between three and seven years).

Property, plant and equipment are valued at acquisition or production cost less straight-line or declining-balance depreciation. The assets are depreciated over a useful life of between 9 and 17 years for outdoor facilities, 14 to 15 years for operating facilities, between 4 and 20 years for leasehold improvements, between 3 and 23 years for furniture, fixtures and office equipment, between 3 and 9 years for the vehicle fleet, and between 3 and 20 years for IT equipment in the broader sense and any associated conversions. Depreciation is recorded pro rata temporis in the year the assets are acquired. Additions to movable assets are amortized on a straight-line basis.

Low-value assets with acquisition costs not exceeding EUR 150.00 are fully expensed in the year of acquisition. A collective item was recognized for additions to assets with acquisition costs of between EUR 150.01 and EUR 1,000.00. This collective item is depreciated by one fifth each fiscal year over the useful life.

Inventories were subject to a physical inventory count and recorded in a list. They are valued at acquisition cost plus ancillary acquisition costs less age-related deductions (customary seasonal write-downs for slow-moving goods) of 20% to 90% taking the lower of cost or market principle into account.

Receivables and other assets are recognized at nominal value after deducting the necessary write-downs taking all identifiable risks into account.

Cash and cash equivalents are recognized at nominal value as of the balance sheet date.

Prepaid expenses mainly comprise the recognition of a difference between the issue amount and liability relating to two loans (fixed and installment loans) (exercising the option under Sec. 250 (3) HGB). The difference relating to the installment loan is released using the compound interest method and the difference relating to the fixed loan on a straight-line basis over the term of the loan.

Provisions were recognized at their settlement value for taxes yet to be assessed as well as for uncertain liabilities, taking into account all recognizable risks. The provision for take-back obligations relates to the customer's 14-day right of return. Revenue recognition is thus adjusted by recognizing an appropriate provision in the amount of the expected returns. Provisions are recognized using the net method and reported under other operating expenses.

Liabilities were recorded at the settlement value.

To determine deferred taxes arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the company-specific tax rates at the time they reverse; the amounts of any resulting tax charge and benefit are not discounted. Differences due to consolidation procedures in accordance with Secs. 300 to 307 HGB are taken into account; differences arising on the first-time recognition of goodwill or a negative consolidation difference are not included. Where tax loss carryforwards acquired in connection with the acquisition of subsidiaries are expected to be offset within the next five years, the option of recognizing deferred tax assets with no effect on net income until the end of the adjustment period as defined by Sec. 301 (2) Sentence 2 HGB in the process of purchase price allocation was exercised. Deferred tax assets and liabilities are not offset. Receivables and liabilities in foreign currency are translated using the mean spot rate on the balance sheet date. Sec. 253 (1) Sentence 1 HGB and Sec. 252 (1) No. 4 HGB are not applicable to receivables and liabilities in foreign currency due within one year or less.

The Economic hedging relationships were comprehended by the creation of valuation. When it is possible to apply either the net method, under which offsetting changes in value attributable to the hedged risk are not accounted for, or the gross method, where offsetting changes in value attributable to the hedged risk of both the hedged item and the hedging instrument are accounted for, the net method is applied. Offsetting positive and negative changes in value are not recognized in the income statement.

V. Notes to the consolidated balance sheet

1. Fixed assets

The development of fixed assets in the fiscal year 2015 is shown in the consolidated statement of changes in fixed assets (see exhibit 5, page 19).

2. Inventories

As in the prior year, inventories of EUR 71,095k (prior year: EUR 68,712k) are valued at the weighted average value in the fiscal year 2015.

3. Other assets

This item in the balance sheet contains the present value of corporate income tax assets as of 31 December 2015 (EUR 7k; prior year: EUR 11k). Of other assets, an amount of EUR 347k (prior year: EUR 193k) has a residual term of more than one year and relates to employee loans.

Other assets include anticipatory receivables of EUR 3,924k, thereof for input tax deductible in the subsequent year of EUR 789k (prior year: EUR 111k), trade tax credit of EUR 387k (prior year: EUR 363k), corporate income tax overpayments of EUR 2,741k (prior year: EUR 1,868k) and for the aforementioned corporate income tax credit of EUR 7k (prior year: EUR 11k).

4. Cash and cash equivalents

The cash and cash equivalents in the cash flow statement (see exhibit 3) comprise cash and cash equivalents (GAS 21) and correspond to the balance sheet item B. III.

5. Equity

The capital stock according to the articles of incorporation rules and bylaws of EUR 68k was increased by EUR 32k in the course of a capital increase.

EUR 19,316k was contributed to the capital reserves (Sec. 272 (2) No. 1 HGB) on 4 September 2012.

Payments of EUR 41,046k were made to the capital reserves pursuant to Sec. 272 (2) No. 4 HGB on the same date.

It was resolved on 2 September 2015 to increase the capital stock by issuing 83 shares at a nominal value of EUR 1.00 each. In addition, EUR 70k was contributed to the capital reserves in accordance with Sec. 272 (2) No. 4 HGB.

As of the balance sheet date, EUR 10,490k (prior year: EUR 24,513k) was available for distribution (GAS 7, paragraph 15a).

See exhibit 4 for the statement of changes in equity.

6. Provisions

Other provisions mainly contain amounts for provisions for management bonuses/other bonuses of EUR 1,965k (prior year: EUR 1,419k), provisions for accrued vacation of EUR 1,086k (prior year: EUR 945k), provisions for employee bonuses of EUR 600k (prior year: EUR 0k), provisions for overtime of EUR 316k (prior year: EUR 369k), take-back obligations for merchandise sold of EUR 3,181k (prior year: EUR 1,098k), costs of auditing the consolidated financial statements of EUR 106k (prior year: EUR 137k), other consulting fees of EUR 129k (prior year: EUR 152k), archiving costs of EUR 107k (prior year: EUR 107k), employer's liability insurance of EUR 260k (prior year: EUR 266k) and outstanding invoices of EUR 1,107k (prior year: EUR 848k).

V. Notes to the consolidated balance sheet (Continued)

7. Liabilities

	Total amount EUR	Due in up to one year EUR	Due in two to five years EUR	Due in more than five years EUR	Secured amounts EUR
Liabilities to banks	181,760,000.00	18,002,800.00 (prior year: EUR 6,960k)	51,757,200.00	112,000,000.00	181,760,000.00
Prepayments received on account of orders	1,413,314.77	1,413,314.77 (prior year: EUR 1,941k)	0.00	0.00	0.00
Trade payables	9,269,629.92	9,269,629.92 (prior year: EUR 8,828k)	0.00	0.00	0.00
Liabilities to shareholders	70,232,873.56	0.00 (prior year: EUR 0k)	0.00	70,232,873.56	0.00
Other liabilities	3,802,091.09	3,802,091.09 (prior year: EUR 4,867k)	0.00	0.00	0.00
	266,477,909.34	32,487,835.78	51,757,200.00	182,232,873.56	181,760,000.00

Normal retentions of title exist in relation to trade payables, prepayments received on account of orders and other liabilities.

Collateral in the form of the inventories, movable items of property, plant and equipment and trade receivables were used to secure the liabilities to banks. Future insurance claims were also pledged.

8. Liabilities to shareholders

The item includes EUR 15,234k (prior year: EUR 101,077k) to affiliates.

9. Deferred tax liabilities

As part of a purchase price allocation as of 4 September 2012, deferred tax liabilities of EUR 69,081k were recognized with no effect on income due to the disclosure of hidden reserves in intangible assets (brands and customer base) (cf. IV. Accounting and valuation methods).

Due to amortization of the disclosed hidden reserves, the deferred tax liabilities were decreased accordingly by EUR 6,469k (prior year: EUR 6,469k) with a corresponding effect on income.

The amounts were recognized and released based on an imputed future group tax rate of 31%.

10. Other financial obligations

	As of 31 Dec 2015 EUR k	As of 31 Dec 2014 EUR k
Obligations from long-term rental and lease agreements		
– to third parties with a residual term of:		
up to one year	11,004	10,641
between two and five years	37,712	37,585
more than five years	25,509	31,156
	74,225	**79,382**

Contingent liabilities

As of the balance sheet date, there are contingent liabilities from a letter of guarantee of up to a maximum of EUR 25k (prior year: EUR 25k). We estimate that the probability of this guarantee being utilized to be low due to the current credit rating and payment history of the beneficiaries. There are no other indications available which require another assessment.

V. Notes to the consolidated balance sheet (Continued)

11. Treasury shares

Schustermann & Borenstein GmbH holds treasury shares with a nominal value of EUR 800,000.00 or 40% of the capital stock.

12. Derivative financial instruments

Two interest rate swaps for a total of EUR 64,000k were entered into from 28 September 2012 to 30 September 2015 to hedge the floating rate portion of the facility agreement (EURIBOR). The loan agreement was amended on 17 June 2015 in terms of the installments, amount of the loan in the form of an additional tranche as well as an extension of the term of the loan.

Two new interest rate swaps totaling EUR 77,600k were concluded on 11 August 2015. The terms of the interest rate swaps begin on 30 September 2015. These replace the original interest rate swaps and secure 50% of the hedged loan item (EUR 155,200k), as currency, term and amount of the cash flows of the swaps match the hedged item (critical terms match method).

The facility agreement and the interest rate swaps make up a closed position (micro-hedge). EURIBOR fluctuations thus balance themselves out in terms of timing and amount (changes in value and cash flow risk). Both the interest payments of the facility agreement and the interest payments from the interest rate swap are due quarterly. There are therefore no potential losses to recognize.

	Amount EUR k	Period	Term	Floor
KBC Bank	25,600	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015	
Raiffeisen Bank (Austria)	38,400	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015	
HypoVereinsbank	38,800	3-month EURIBOR	30 Sep 2015 to 30 Jun 2017	0.00%
DZ Bank	38,800	3-month EURIBOR	30 Sep 2015 to 30 Jun 2017	0.00%

VI. Notes to the consolidated income statement

Revenue

Breakdown of revenue by business activities:

	01 Jan 2015 to 31 Dec 2015 EUR k	01 Jan 2014 to 31 Dec 2014 EUR k
Revenue from sales of merchandise	301,311	254,114
Commissions	3,002	2,594
Total revenue	**304,313**	**256,708**

Of total revenue, around 91.3% (prior year: 95.2%) is attributable to Germany and around 8.7% (prior year: 4.8%) to other countries.

Other operating income:

	01 Jan 2015 to 31 Dec 2015 EUR k	01 Jan 2014 to 31 Dec 2014 EUR k	+/– EUR k
Reversal of provisions	432	73	359
Damages	140	111	29
Rental income	89	189	(100)
Dunning fees	81	66	15
Exchange rate gains	10	29	(19)
Sundry	251	349	(98)
Total	**1,003**	**817**	**186**

Other operating income includes out-of-period income relating of EUR 434k (prior year: EUR 142k), primarily from the reversal of the provision for outstanding invoices of EUR 242k (prior year: EUR 26k) as well as management bonuses/other bonuses of EUR 62k (prior year: EUR 0k).

VI. Notes to the consolidated income statement (Continued)

Other operating expenses:

	01 Jan 2015 to 31 Dec 2015 EUR k	01 Jan 2014 to 31 Dec 2014 EUR k	+/– EUR k
Selling expenses	13,561	10,522	3,039
Administrative expenses	25,878	18,040	7,838
Rent and service charges	11,203	9,636	1,567
Advertising costs	4,252	3,325	927
Sundry	8,972	6,199	2,773
Total	**63,866**	**47,722**	**16,144**

The tax expense reported results from:

Income tax expense	EUR k	(6,655)
Income from the reversal of deferred tax liabilities	EUR k	6,469
Income taxes	EUR k	(186)

VII. Other notes

1. Employees

	Average 01 Jan 2015 to 31 Dec 2015	Average 01 Jan 2014 to 31 Dec 2014
Schustermann & Borenstein GmbH	939	919
Best Secret GmbH	454	359
S&B Outlet GmbH	6	10
Schustermann & Borenstein Wien GmbH	69	11
	1,468	1,299

Of the 1,468 employees, 941 are employed on a permanent basis (prior year: 866) and 527 are temporary employees (prior year: 433).

2. Management

The members of management in the reporting period were:

- Mr. Daniel Schustermann, Bachelor of Arts, businessman, Munich
- Mr. Sascha Krines, Dipl. Kaufmann (business administration graduate), Ingolstadt
- Mr. Josef Amir Borenstein, business consultant, Munich
- Mr. Marian Schikora, business consultant, Munich

3. Advisory board

Appointed to the advisory board were:

- Mr. Benno Borenstein, business consultant, Munich
- Mr. Werner Paschke, business consultant, Luxembourg
- Dr. Konrad Hilbers, business consultant, Teufen (Switzerland)
- Mr. Errikos Pitsos, business consultant, Meggen (Switzerland)

4. Total remuneration of the corporate bodies

Total remuneration for management amounted to EUR 2,419k in 2015 (prior year: EUR 1,958k).

Total remuneration for the advisory board was EUR 106k (prior year: EUR 109k).

VII. Other notes (Continued)

5. Auditor's fees

Expenses were incurred in the fiscal year for fees for the audit of the consolidated financial statements of EUR 106k (prior year: EUR 109k), for tax services of EUR 294k (prior year: EUR 25k) and for other services of EUR 788k (prior year: EUR 159k).

6. Group affiliation

Schustermann & Borenstein Holding GmbH, Munich, prepares consolidated financial statements and a group management report in accordance with German GAAP for the smallest group of companies. These are published in the *Bundesanzeiger* [German Federal Gazette] and have an exempting effect for the subsidiaries.

JAP Lux Holding S.A. in Luxembourg prepares consolidated financial statements and a group management report for the largest group of companies.

7. Cash flow statement

The cash flow statement was prepared in accordance with GAS 21 for the first time. The prior-year figures were restated accordingly.

Munich, 24 June 2016

Sascha Krines	**Daniel Schustermann**
Josef Amir Borenstein	**Marian Schikora**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in fixed assets from 1 January 2015 to 31 December 2015

	Acquisition and production cost						Accumulated amortization, depreciation and write-downs					Net book values	
	1 Jan 2015 EUR	Additions EUR	Adjustment EUR	Reclassifications EUR	Disposals EUR	31 Dec 2015 EUR	1 Jan 2015 EUR	Additions EUR	Adjustment EUR	Disposals EUR	31 Dec 2015 EUR	31 Dec 2015 EUR	31 Dec 2014 EUR
I. Intangible assets													
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	230,879,274.96	3,529,283.37	0.00	0.00	0.00	234,408,558.33	51,745,666.36	23,170,164.52	0.00	0.00	74,915,830.88	159,492,727.45	179,133,608.60
2. Goodwill	59,906,102.93	0.00	0.00	0.00	0.00	59,906,102.93	27,956,181.40	11,981,220.60	0.00	0.00	39,937,402.00	19,968,700.93	31,949,921.53
3. Prepayments	148,038.92	58,159.49	0.00	0.00	0.00	206,198.41	0.00	0.00	0.00	0.00	0.00	206,198.41	148,038.92
	290,933,416.81	**3,587,442.86**	**0.00**	**0.00**	**0.00**	**294,520,859.67**	**79,701,847.76**	**35,151,385.12**	**0.00**	**0.00**	**114,853,232.88**	**179,667,626.79**	**211,231,569.05**
II. Property, plant and equipment													
1. Land, land rights and buildings, including buildings on third-party land	10,802,549.52	6,820,797.51	0.00	6,922,701.48	0.00	24,546,048.51	2,191,692.43	1,259,610.97	0.00	0.00	3,451,303.40	21,094,745.11	8,610,857.09
2. Plant and machinery	3,382,561.63	150,913.47	0.00	0.00	185,470.41	3,348,004.69	449,800.50	266,352.65	0.00	35,520.57	680,632.58	2,667,372.11	2,932,761.13
3. Other equipment, furniture and fixtures	6,991,681.21	2,317,905.51	0.00	0.00	187,871.60	9,121,715.12	2,101,010.72	1,332,221.45	0.00	139,995.84	3,293,236.33	5,828,478.79	4,890,670.49
4. Prepayments and assets under construction	7,344,409.01	8,482,212.46	0.00	(6,922,701.48)	55,342.32	8,848,577.67	0.00	0.00	0.00	0.00	0.00	8,848,577.67	7,344,409.01
	28,521,201.37	**17,771,828.95**	**0.00**	**0.00**	**428,684.33**	**45,864,345.99**	**4,742,503.65**	**2,858,185.07**	**0.00**	**175,516.41**	**7,425,172.31**	**38,439,173.68**	**23,778,697.72**
III. Financial assets													
Loans to affiliates	20,013.12	532.00	0.00	0.00	0.00	20,545.12	0.00	0.00	0.00	0.00	0.00	20,545.12	20,013.12
	20,013.12	**532.00**	**0.00**	**0.00**	**0.00**	**20,545.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**20,545.12**	**20,013.12**
	319,474,631.30	**21,359,803.81**	**0.00**	**0.00**	**428,684.33**	**340,405,750.78**	**84,444,351.41**	**38,009,570.19**	**0.00**	**175,516.41**	**122,278,405.19**	**218,127,345.59**	**235,030,279.89**

Schustermann & Borenstein Holding GmbH, Munich

Audit Opinion
and
Audited Consolidated Financial Statements
(German GAAP)

Nine months ended December 31, 2014

Translation of the German-language audit opinion, which refers to the audit of the German-language consolidated financial statements and the German-language group management report of Schustermann & Borenstein Holding GmbH, Munich, as of and for the year ended December 31, 2014 as a whole.

Audit opinion

We have audited the consolidated financial statements prepared by Schustermann & Borenstein Holding GmbH, Munich, comprising the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity, and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January 2014 to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with [German] principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with [German] principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, 24 April 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Räpple	Müller
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	*[German Public Auditor]*

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 31 December 2014

	31 Dec 2014 EUR	31 Dec 2013 EUR
ASSETS		
A. Fixed assets		
I. Intangible assets		
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	179,133,608.60	198,955,146.84
2. Goodwill	31,949,921.53	43,931,142.13
3. Prepayments	148,038.92	110,018.12
	211,231,569.05	**242,996,307.09**
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	8,610,857.09	6,680,015.53
2. Plant and machinery	2,932,761.13	3,162,318.50
3. Other equipment, furniture and fixtures	4,890,670.49	4,312,728.51
4. Prepayments and assets under construction	7,344,409.01	225,114.13
	23,778,697.72	**14,380,176.67**
III. Financial assets		
Loans to affiliates	20,013.12	0.00
	20,013.12	**0.00**
	235,030,279.89	**257,376,483.76**
B. Current assets		
I. Inventories		
1. Merchandise	65,665,176.68	57,684,329.76
2. Prepayments	3,046,984.97	3,175,825.80
	68,712,161.65	**60,860,155.56**
II. Receivables and other assets		
1. Trade receivables	767,763.13	532,936.56
2. Other assets	3,100,150.38	3,831,772.88
	3,867,913.51	**4,364,709.44**
III. Cash on hand, bank balances and checks	**35,331,468.92**	**26,915,422.97**
	107,911,544.08	**92,140,287.97**
C. Prepaid expenses	**3,246,014.61**	**4,177,047.57**
thereof debt discount: EUR 2,720,000.00 (prior year: EUR 3,640,000.00)	**346,187,838.58**	**353,693,819.30**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 31 December 2014 (Continued)

	31 Dec 2014 EUR	31 Dec 2013 EUR
EQUITY AND LIABILITIES		
A. Equity		
I. Subscribed capital	100,000.00	100,000.00
II. Capital reserves	60,362,361.15	60,362,361.15
III. Loss carryforward	(16,557,225.64)	(2,051,618.04)
IV. Net loss for the year	(19,292,426.61)	(14,505,607.60)
	24,612,708.90	**43,905,135.51**
B. Provisions		
1. Tax provisions	1,512,480.00	1,982,035.61
2. Other provisions	5,685,181.82	5,090,254.71
	7,197,661.82	**7,072,290.32**
C. Liabilities		
1. Liabilities to banks	93,680,000.00	91,440,000.00
2. Prepayments received on account of orders	1,941,383.59	1,165,781.21
3. Trade payables	8,827,718.20	8,813,676.05
4. Liabilities to shareholders	151,075,509.85	137,341,372.58
5. Other liabilities	4,866,587.82	3,497,638.84
thereof for taxes: EUR 1,294,327.07 (prior year: EUR 695,124.92)		
thereof for social security: EUR 71,131.65 (prior year: EUR 9,747.12)		
	260,391,199.46	**242,258,468.68**
D. Deferred income	**0.00**	**2,609.99**
E. Deferred tax liabilities	**53,986,268.40**	**60,455,314.80**
	346,187,838.58	**353,693,819.30**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated income statement
from 1 January 2014 to 31 December 2014

	Fiscal year 1 Jan 2014 to 31 Dec 2014 EUR		Fiscal year 1 Jan 2013 to 31 Dec 2013 EUR	
1. Revenue		256,707,850.96		227,618,779.99
2. Other operating income		816,920.14		1,383,849.92
3. Total operating performance		257,524,771.10		229,002,629.91
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	(133,797,524.75)		(110,092,324.91)	
b) Cost of purchased services	(780,780.12)	(134,578,304.87)	(627,170.15)	(110,719,495.06)
5. **Gross profit**		**122,946,466.23**		**118,283,134.85**
6. Personnel expenses				
a) Wages and salaries	(34,438,467.95)		(33,580,558.74)	
b) Social security, pension and other benefit costs thereof for old-age pensions: EUR 57,756.73 (prior year: EUR 20,001.08)	(6,053,684.22)	(40,492,152.17)	(5,564,695.57)	(39,145,254.31)
7. Amortization, depreciation and write-downs				
a) of intangible assets and property, plant and equipment	(24,838,929.16)		(24,111,074.56)	
b) of goodwill capitalized from the purchase price allocation	(11,981,220.60)	(36,820,149.76)	(11,981,220.60)	(36,092,295.16)
8. Other operating expenses		(47,722,055.52)		(41,743,808.59)
9. Other interest and similar income		25,026.17		165,765.97
10. Interest and similar expenses thereof to shareholders: EUR 9,188,787.91 (prior year: EUR 8,353,443.55)		(18,025,106.32)		(17,819,260.88)
11. **Financial result**		**(18,000,080.15)**		**(17,653,494.91)**
12. **Result from ordinary activities**		**(20,087,971.37)**		**(16,351,718.12)**
13. Income taxes thereof income from the reversal of deferred taxes: EUR 6,469,046.40 (prior year: EUR 6,469,046.40)		810,242.23		1,862,422.32
14. Other taxes		(14,697.47)		(16,311.80)
15. **Net loss for the year**		**(19,292,426.61)**		**(14,505,607.60)**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated cash flow statement

		2014 EUR k	2013 EUR k
	Net loss for the Year	(19,292)	(14,506)
+	Write-downs of fixed assets	36,820	36,092
+	Increase in provisions	125	74
+/-	Other non-cash expenses and income	(5,549)	(5,429)
-	Increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(7,363)	(10,579)
+	Increase in trade payables and other liabilities that cannot be allocated to investing or financing activities	2,159	0
-	Decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	(3)	(1,267)
=	**Cash flow from operating activities**	**6,897**	**4,385**
+	Cash received from disposals of property, plant and equipment	116	0
-	Cash paid for investments in property, plant and equipment	(11,848)	(4,711)
-	Cash paid for investments in intangible assets	(2,723)	(2,426)
=	**Cash flow from investing activities**	**(14,455)**	**(7,137)**
+	Cash received from loans	8,000	0
-	Cash repayments of loans	(5,760)	(4,560)
+	Increase of liabilities to shareholders	13,734	12,487
=	**Cash flow from financing activities**	**15,974**	**7,927**
	Change in cash and cash equivalents	**8,416**	**5,175**
+	Cash and cash equivalents at beginning of the period	26,915	21,740
	Cash and cash equivalents at the end of the period	**35,331**	**26,915**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in equity for fiscal year 2014

	Parent company				
	Subscribed capital EUR	Capital reserves EUR	Consolidated equity earned EUR	**Equity EUR**	**Consolidated equity EUR**
As of 31 Dec 2013	100,000.00	60,362,361.15	(16,557,225.64)	43,905,135.51	43,905,135.51
Net loss for the year			(19,292,426.61)	(19,292,426.61)	(19,292,426.61)
Total comprehensive income	0.00	0.00	(19,292,426.61)	(19,292,426.61)	(19,292,426.61)
Balance sheet item as of 31 Dec 2014	100,000.00	60,362,361.15	(35,849,652.25)	24,612,708.90	24,612,708.90

Schustermann & Borenstein Holding GmbH, Munich

Notes to the consolidated financial statements for the fiscal year from 1 January to 31 December 2014

I. Preparation and classification requirements

The consolidated financial statements of Schustermann & Borenstein Holding GmbH were prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung": German Limited Liability Companies Act].

The companies included in the consolidated financial statements prepared their financial statements as of the balance sheet date of the parent company (31 December 2014). The consolidated financial statements were prepared in euros.

The classification of the consolidated balance sheet and the consolidated income statement, which were prepared in accordance with the total cost method, complies in its basic form with Secs. 266 and 275 HGB. The Company made use of options to shift certain disclosures to the notes to the financial statements. The consolidated cash flow statement corresponds to the German Accounting Standard (GAS 21; indirect method). The consolidated statement of changes in equity is based on GAS 7.

II. Basis of consolidation

Consolidated subsidiaries

Name	Registered office	Share in capital %
Schustermann & Borenstein Beteiligungs GmbH	Munich	100
Schustermann & Borenstein GmbH (indirect)	Munich	100
Best Secret GmbH (indirect)	Aschheim	100
S & B Outlet GmbH (indirect)	Munich	100
Schustermann & Borenstein Wien GmbH, Vienna (indirect)	Vienna	100

Schustermann & Borenstein Holding GmbH and its subsidiary Schustermann & Borenstein Beteiligungs GmbH were founded on 19 July 2012.

100% of the shares in Schustermann & Borenstein GmbH as well as its wholly owned subsidiaries Best Secret GmbH and S & B Outlet GmbH were taken over in an asset deal effective 4 September 2012. For this, a total of EUR 267,073k was spent and EUR 5,556k in cash acquired.

Schustermann & Borenstein Wien GmbH, Vienna, was founded on 19 April 2014 as a wholly owned subsidiary of Schustermann & Borenstein GmbH, Munich. Business commenced in mid-November 2014.

Schustermann & Borenstein GmbH operates in the area of textile wholesale and retail trade. Its subsidiary Best Secret GmbH is an e-commerce textile retailer that sells its goods to a closed shopping community. S & B Outlet GmbH runs an outlet store in an outlet center in Zweibrücken. Schustermann & Borenstein Wien GmbH operates an outlet store in Vösendorf (Austria).

The consolidated financial statements have an exempting effect for the German subsidiaries named above in accordance with Sec. 264 (3) HGB. The exempting resolutions were published in the *Bundesanzeiger* [German Federal Gazette] for Best Secret GmbH on 9 March 2015.

III. Consolidation principles

Acquisition accounting was performed using the revaluation method by offsetting the carrying amounts of the equity investments against the Group's share in the subsidiaries' equity at the date of acquisition or initial consolidation.

Hidden reserves were identified in the respective customer base and in the respective brands during revaluation of the assets and liabilities. The difference between the purchase price and the carrying amount of equity was capitalized as goodwill after deducting the hidden reserves disclosed.

Debt obligations within the Group are netted, as are expenses and income from intercompany transactions. There were no intercompany profits or losses to eliminate.

III. Consolidation principles (Continued)

First-time consolidation was performed as of the date on which the subsidiaries were founded or acquired (closing date: 4 September 2012). The subsidiary Schustermann & Borenstein Wien GmbH was founded on 19 April 2014 and included in the consolidated financial statements of Schustermann & Borenstein Holding for the first time as of 31 December 2014.

IV. Accounting and valuation methods

The financial statements of Schustermann & Borenstein Holding GmbH and its subsidiaries were prepared in accordance with uniform accounting and valuation methods.

Goodwill determined in the purchase price allocation is amortized using the straight-line method over five years.

The following intangible assets were disclosed during the revaluation and are amortized on a straight-line basis and pro rata temporis over their customary useful lives:

a) Brand: Schustermann & Borenstein (useful life: 20 years)

b) Brand: BestSecret.com (useful life: 15 years)

c) Customer base for stationary trade (useful life: 12 years)

d) Customer base for online shopping (useful life: 8 years)

Other purchased intangible assets are recognized at acquisition cost less amortization charged pro rata temporis using the straight-line method (useful life of between three and seven years).

Property, plant and equipment are valued at acquisition or production cost less straight-line or declining-balance depreciation. The assets are depreciated over a useful life of between 9 and 17 years for outdoor facilities, 14 to 15 years for operating facilities, between 4 and 20 years for leasehold improvements, between 3 and 23 years for furniture, fixtures and office equipment, between 3 and 9 years for the vehicle fleet, and between 3 and 20 years for IT equipment in the broader sense and any associated conversions. Depreciation is recorded pro rata temporis in the year the assets are acquired. Additions to movable assets are amortized on a straight-line basis.

Low-value assets with acquisition costs not exceeding EUR 150.00 are fully expensed in the year of acquisition. A collective item was recognized for additions to assets with acquisition costs of between EUR 150.01 and EUR 1,000.00. This collective item is depreciated by one fifth each fiscal year over the useful life.

Inventories were subject to a physical inventory count and recorded in a list. They are valued at acquisition cost plus ancillary acquisition costs less age-related deductions (customary seasonal write-downs for slow-moving goods) of 20% to 90% taking the lower of cost or market principle into account.

Receivables and other assets are recognized at nominal value after deducting the necessary write-downs taking all identifiable risks into account. General bad debt allowances of 2% of the net receivables not already covered by specific bad debt allowances were set up to sufficiently cover the general default and credit risk from trade receivables. The corporate income tax credit is measured at present value.

Cash and cash equivalents are recognized at nominal value as of the balance sheet date.

Prepaid expenses mainly comprise the recognition of a difference between the issue amount and liability relating to two loans (fixed and installment loans) (exercising the option under Sec. 250 (3) HGB). The difference relating to the installment loan is released using the compound interest method and the difference relating to the fixed loan on a straight-line basis over the term of the loan.

Provisions were recognized at their settlement value for taxes yet to be assessed as well as for uncertain liabilities, taking into account all recognizable risks.

Liabilities were recorded at the settlement value.

IV. Accounting and valuation methods (Continued)

To determine deferred taxes arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the company-specific tax rates at the time they reverse; the amounts of any resulting tax charge and benefit are not discounted. Differences due to consolidation procedures in accordance with Secs. 300 to 307 HGB are taken into account; differences arising on the first-time recognition of goodwill or a negative consolidation difference are not included. Where tax loss carryforwards acquired in connection with the acquisition of subsidiaries are expected to be offset within the next five years, the option of recognizing deferred tax assets with no effect on net income until the end of the adjustment period as defined by Sec. 301 (2) Sentence 2 HGB in the process of purchase price allocation was exercised. Deferred tax assets and liabilities are not offset. Receivables and liabilities in foreign currency are translated using the mean spot rate on the balance sheet date. Sec. 253 (1) Sentence 1 HGB and Sec. 252 (1) No. 4 HGB are not applicable to receivables and liabilities in foreign currency due within one year or less.

The Economic hedging relationships were comprehended by the creation of valuation. When it is possible to apply either the net method, under which offsetting changes in value attributable to the hedged risk are not accounted for, or the gross method, where offsetting changes in value attributable to the hedged risk of both the hedged item and the hedging instrument are accounted for, the net method is applied. Offsetting positive and negative changes in value are not recognized in the income statement.

V. Notes to the consolidated balance sheet

1. Fixed assets

The development of fixed assets in the fiscal year 2014 is shown in the consolidated statement of changes in fixed assets (see exhibit 5, page 15).

2. Inventories

As in the prior year, inventories of EUR 68,712k (prior year: EUR 60,861k) are valued at the weighted average value in the fiscal year 2014.

3. Other assets

This item in the balance sheet contains the present value of corporate income tax assets as of 31 December 2014 (EUR 11k; prior year: EUR 14k). Of other assets, an amount of EUR 193k (prior year: EUR 245k) has a residual term of more than one year and relates to employee loans.

Other assets include anticipatory receivables of EUR 2,353k, thereof for input tax deductible in the subsequent year of EUR 111k (prior year: EUR 89k), trade tax credit of EUR 363k (prior year: EUR 1,089k), corporate income tax overpayments of EUR 1,868k (prior year: EUR 1,906k) and for the aforementioned corporate income tax credit of EUR 11k (prior year: EUR 14k).

4. Cash and cash equivalents

The cash and cash equivalents in the cash flow statement (see exhibit 3) comprise cash and cash equivalents (GAS 21) and correspond to the balance sheet item B. III.

5. Equity

The capital stock according to the articles of incorporation rules and bylaws of EUR 68k was increased by EUR 32k in the course of a capital increase.

EUR 19,316k was contributed to the capital reserves (Sec. 272 (2) No. 1 HGB) on 4 September 2012.

Payments of EUR 41,046k were made to the capital reserves pursuant to Sec. 272 (2) No. 4 HGB on the same date.

As of the balance sheet date, EUR 24,513k (prior year: EUR 43,805k) was available for distribution (GAS 7, paragraph 15a).

See exhibit 4 for the statement of changes in equity.

V. Notes to the consolidated balance sheet (Continued)

6. Provisions

Other provisions mainly contain amounts for provisions for management bonuses/other bonuses of EUR 1,419k (prior year: EUR 1,619k), provisions for accrued vacation of EUR 945k (prior year: EUR 1,026k), provisions for overtime of EUR 369k (prior year: EUR 379k), take-back obligations for merchandise sold of EUR 1,098k (prior year: EUR 885k), costs of auditing the consolidated and annual financial statements of EUR 109k (prior year: EUR 109k), costs of preparing the consolidated and annual financial statements of EUR 22k (prior year: EUR 22k), other consulting fees of EUR 206k (prior year: EUR 75k), archiving costs of EUR 107k (prior year: EUR 106k), employer's liability insurance of EUR 266k (prior year: EUR 196k), a wage tax audit of EUR 140k (prior year: EUR 120k) and outstanding invoices of EUR 849k (prior year: EUR 576k).

7. Liabilities

		Due in			
	Total amount EUR	up to one year EUR	two to five years EUR	more than five years EUR	Secured amounts EUR
Liabilities to banks	93,680,000.00	6,960,000.00	86,720,000.00	0.00	93,680,000.00
Prepayments received on account of orders	1,941,383.59	1,941,383.59	0.00	0.00	0.00
Trade payables	8,827,718.20	8,827,718.20	0.00	0.00	0.00
Liabilities to shareholders	151,075,509.85	0.00	0.00	151,075,509.85	0.00
Other liabilities	4,866,587.82	4,866,587.82	0.00	0.00	0.00
	260,391,199.46	22,595,689.61	86,720,000.00	151,075,509.85	93,680,000.00

Normal retentions of title exist in relation to trade payables, prepayments received on account of orders and other liabilities.

Collateral in the form of the inventories, movable items of property, plant and equipment and trade receivables were used to secure the liabilities to banks. Future insurance claims were also pledged.

8. Liabilities to shareholders

The item includes EUR 101,077k (prior year: EUR 91,888k) to affiliates.

9. Deferred tax liabilities

As part of a purchase price allocation as of 4 September 2012, deferred tax liabilities of EUR 69,081k were recognized with no effect on income due to the disclosure of hidden reserves in intangible assets (brands and customer base) (cf. IV. Accounting and valuation methods).

Due to amortization of the disclosed hidden reserves, the deferred tax liabilities were decreased accordingly by EUR 6,469k (prior year: EUR 6,469k) with a corresponding effect on income.

The amounts were recognized and released based on an imputed future group tax rate of 31%.

10. Other financial obligations

	As of 31 Dec 2014 EUR k	As of 31 Dec 2013 EUR k
Obligations from long-term rental and lease agreements		
– to third parties with a residual term of:		
up to one year	10,641	9,181
between two and five years	37,585	26,951
more than five years	31,156	14,371
	79,382	**50,503**

V. Notes to the consolidated balance sheet (Continued)

11. Contingent liabilities

As of the balance sheet date, there are contingent liabilities from a letter of guarantee of up to a maximum of EUR 25k (prior year: EUR 25k). We estimate that the probability of this guarantee being utilized to be low due to the current credit rating and payment history of the beneficiaries and are not aware of any indications to the contrary.

12. Treasury shares

Schustermann & Borenstein GmbH holds treasury shares with a nominal value of EUR 800,000.00 or 40% of the capital stock.

13. Derivative financial instruments

Two interest rate swaps for a total of EUR 64,000k were entered into to hedge the floating rate portion of the facility agreement (EURIBOR). These secure a portion of the hedged item (loan) totaling EUR 96,000k (66.67%), as currency, term and amount of the cash flows of the swaps match the hedged item (critical terms match method).

The facility agreement and the interest rate swaps make up a closed position (micro-hedge). EURIBOR fluctuations thus balance themselves out in terms of timing and amount (changes in value and cash flow risk). Both the interest payments of the facility agreement and the interest payments from the interest rate swap are due quarterly. There are therefore no potential losses to recognize.

	Amount EUR k	Period	Term
KBC Bank	25,600	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015
Raiffeisen Bank (Austria)	38,400	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015

VI. Notes to the consolidated income statement

Revenue

Breakdown of revenue by business activities:

	01 Jan 2014 to 31 Dec 2014 EUR k	01 Jan 2013 to 31 Dec 2013 EUR k
Revenue from sales of merchandise	254,114	225,064
Commissions	2,594	2,555
Total revenue	**256,708**	**227,619**

Of total revenue, around 95.2% is attributable to Germany and around 4.8% to other countries.

Other operating income of EUR 817k (prior year: EUR 1,384k) mainly comprises rental income of EUR 189k (prior year: EUR 238k), out-of-period income of EUR 142k (prior year: EUR 299k) (thereof from the reversal of provisions: EUR 73k (prior year: EUR 266k)), insurance indemnification payments of EUR 111k (prior year: EUR 55k), reimbursements of dunning fees of EUR 66k (prior year: EUR 53k), exchange rate gains of EUR 29k (prior year: EUR 77k) and advertising subsidies of EUR 72k (prior year: EUR 97k).

The reversal of provisions primarily relates to the reversal of artists' social welfare fund contributions of EUR 42k (prior year: EUR 0k), commission billings of EUR 12k (prior year: EUR 0k) and rent/service charges of EUR 9k (prior year: EUR 0k).

Other operating expenses of EUR 47,722k (prior year: EUR 41,744k) contain rental expenses and service charges of EUR 9,636k (prior year: EUR 9,667k). This item also includes expenses for purchased services (e.g., temporary employment agencies) of EUR 7,558k (prior year: EUR 6,957k). Selling expenses amounted to EUR 10,522k (prior year: EUR 6,113k). Out-of-period expenses of EUR 61k (prior year: EUR 298k) largely relate to backpayments for social security contributions (EUR 47k) and adjustments from the wage tax audit (EUR 10k).

VI. Notes to the consolidated income statement (Continued)

The tax income reported results from:

Income tax expense	EUR k	(5,659)
Income from the reversal of deferred tax liabilities	EUR k	6,469
Income taxes	EUR k	810

VII. Other notes

1. Employees

	Average 01 Jan 2014 to 31 Dec 2014	Average 01 Jan 2013 to 31 Dec 2013
Schustermann & Borenstein GmbH	919	883
Best Secret GmbH	359	430
S&B Outlet GmbH	10	9
Schustermann & Borenstein Wien GmbH	11	0
	1,299	1,322

Of the 1,299 employees, 866 are employed on a permanent basis (prior year: 756) and 433 are temporary employees (prior year: 566).

2. Management

The members of management in the reporting period were:

- Mr. Daniel Schustermann, Bachelor of Arts, businessman, Munich
- Mr. Daniel Borenstein, Bachelor of Arts Munich (until 31 March 2014)
- Mr. Sascha Krines, Dipl. Kaufmann (business administration graduate), Ingolstadt
- Mr. Josef Amir Borenstein, business consultant, Munich (from 1 April 2014)
- Mr. Marian Schikora, business consultant, Munich

3. Advisory board

Appointed to the advisory board were:

- Mr. Benno Borenstein, business consultant, Munich
- Mr. Werner Paschke, business consultant, Luxembourg
- Dr. Konrad Hilbers, business consultant, Teufen (Switzerland)
- Mr. Errikos Pitsos, business consultant, Meggen (Switzerland)

4. Total remuneration of the corporate bodies

Total remuneration for management amounted to EUR 1,958k in 2014 (prior year: EUR 2,059k).

Total remuneration for the advisory board was EUR 109k (prior year: EUR 148k).

5. Auditor's fees

Expenses were incurred in the fiscal year for fees for the audit of the consolidated financial statements of EUR 109k (prior year: EUR 109k), for tax services of EUR 38k (prior year: EUR 38k) and for other services of EUR 159k (prior year: EUR 21k).

VII. Other notes (Continued)

6. Group affiliation

Schustermann & Borenstein Holding GmbH, Munich, prepares consolidated financial statements and a group management report in accordance with German GAAP for the smallest group of companies. These are published in the *Bundesanzeiger* [German Federal Gazette] and have an exempting effect for the subsidiaries.

JAP Lux Holding S.A. in Luxembourg prepares consolidated financial statements and a group management report for the largest group of companies.

7. Additional disclosures to the consolidated Cash flow statement

Income tax payments of EUR 6,504k (prior year: EUR 7,558k) were made in the fiscal year. Interest paid in the fiscal year amounted to EUR 4,281k (prior year: EUR 5,092k). Other non-cash income of EUR 5,549k (prior year: EUR 5,429k) primarily relates to the reversal of deferred tax liabilities.

Munich, 24 April 2015

Sascha Krines	**Daniel Schustermann**
Josef Amir Borenstein	**Marian Schikora**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in fixed assets from 1 January 2014 to 31 December 2014

	Acquisition and production cost						Accumulated amortization, depreciation and write-downs					Net book values	
	1 Jan 2014 EUR	Additions EUR	Adjustment EUR	Reclassifications EUR	Disposals EUR	31 Dec 2014 EUR	1 Jan 2014 EUR	Additions EUR	Adjustment EUR	Disposals EUR	31 Dec 2014 EUR	31 Dec 2014 EUR	31 Dec 2013 EUR
I. Intangible assets													
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	228,194,478.24	2,684,796.72	0.00	0.00	0.00	230,879,274.96	29,239,331.40	22,506,334.96	0.00	0.00	51,745,666.36	179,133,608.60	198,955,146.84
2. Goodwill	59,906,102.93	0.00	0.00	0.00	0.00	59,906,102.93	15,974,960.80	11,981,220.60	0.00	0.00	27,956,181.40	31,949,921.53	43,931,142.13
3. Prepayments	110,018.12	38,020.80	0.00	0.00	0.00	148,038.92	0.00	0.00	0.00	0.00	0.00	148,038.92	110,018.12
	288,210,599.29	**2,722,817.52**	**0.00**	**0.00**	**0.00**	**290,933,416.81**	**45,214,292.20**	**34,487,555.56**	**0.00**	**0.00**	**79,701,847.76**	**211,231,569.05**	**242,996,307.09**
II. Property, plant and equipment													
1. Land, land rights and buildings, including buildings on third-party land	7,904,423.59	2,327,003.91	0.00	571,122.02	0.00	10,802,549.52	1,224,408.06	967,284.37	0.00	0.00	2,191,692.43	8,610,857.09	6,680,015.53
2. Plant and machinery	3,346,236.32	36,325.31	0.00	0.00	0.00	3,382,561.63	183,917.82	265,882.68	0.00	0.00	449,800.50	2,932,761.13	3,162,318.50
3. Other equipment, furniture and fixtures	5,473,623.02	1,698,387.49	0.00	0.00	180,329.30	6,991,681.21	1,160,894.51	1,099,427.15	0.00	159,310.94	2,101,010.72	4,890,670.49	4,312,728.51
4. Prepayments and assets under construction	225,114.13	7,786,151.03	0.00	(571,122.02)	95,734.13	7,344,409.01	0.00	0.00	0.00	0.00	0.00	7,344,409.01	225,114.13
	16,949,397.06	**11,847,867.74**	**0.00**	**0.00**	**276,063.43**	**28,521,201.37**	**2,569,220.39**	**2,332,594.20**	**0.00**	**159,310.94**	**4,742,503.65**	**23,778,697.72**	**14,380,176.67**
III. Financial assets													
Loans to affiliates	0.00	20,013.12	0.00	0.00	0.00	20,013.12	0.00	0.00	0.00	0.00	0.00	20,013.12	0.00
	0.00	**20,013.12**	**0.00**	**0.00**	**0.00**	**20,013.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**20,013.12**	**0.00**
	305,159,996.35	**14,590,698.38**	**0.00**	**0.00**	**276,063.43**	**319,474,631.30**	**47,783,512.59**	**36,820,149.76**	**0.00**	**159,310.94**	**84,444,351.41**	**235,030,279.89**	**257,376,483.76**

Schustermann & Borenstein Holding GmbH, Munich

Audit Opinion
and
Audited Consolidated Financial Statements
(German GAAP)

Year ended December 31, 2013

Translation of the German-language audit opinion, which refers to the audit of the German-language consolidated financial statements and the German-language group management report of Schustermann & Borenstein Holding GmbH, Munich, as of and for the year ended December 31, 2013 as a whole.

Audit opinion

We have audited the consolidated financial statements prepared by Schustermann & Borenstein Holding GmbH, Munich, comprising the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity, and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January 2013 to 31 December 2013. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with [German] principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with [German] principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, 17 April 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Räpple	Müller
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	*[German Public Auditor]*

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 31 December 2013

	31 Dec 2013 EUR	31 Dec 2012 EUR
ASSETS		
A. Fixed assets		
I. Intangible assets		
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	198,955,146.84	218,647,849.92
2. Goodwill	43,931,142.13	55,912,362.73
3. Prepayments	110,018.12	0.00
	242,996,307.09	**274,560,212.65**
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	6,680,015.53	6,794,094.56
2. Plant and machinery	3,162,318.50	494,165.96
3. Other equipment, furniture and fixtures	4,312,728.51	3,826,573.78
4. Prepayments and assets under construction	225,114.13	656,991.65
	14,380,176.67	**11,771,825.95**
	257,376,483.76	**286,332,038.60**
B. Current assets		
I. Inventories		
1. Merchandise	57,684,329.76	52,866,730.30
2. Prepayments	3,175,825.80	474,038.55
	60,860,155.56	**53,340,768.85**
II. Receivables and other assets		
1. Trade receivables	532,936.56	503,813.60
2. Other assets	3,831,772.88	808,493.65
	4,364,709.44	**1,312,307.25**
III. Cash on hand, bank balances and checks	**26,915,422.97**	**21,740,292.30**
	92,140,287.97	**76,393,368.40**
C. Prepaid expenses	**4,177,047.57**	**5,210,048.02**
thereof debt discount: EUR 3,640,000.00 (prior year: EUR 4,680,000.00)	**353,693,819.30**	**367,935,455.02**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated balance sheet
as of 31 December 2013 (Continued)

	31 Dec 2013 EUR	31 Dec 2012 EUR
EQUITY AND LIABILITIES		
A. Equity		
I. Subscribed capital	100,000.00	100,000.00
II. Capital reserves	60,362,361.15	60,362,361.15
III. Loss carryforward	(2,051,618.04)	0.00
IV. Net loss for the year	(14,505,607.60)	(2,051,618.04)
	43,905,135.51	**58,410,743.11**
B. Provisions		
1. Tax provisions	1,982,035.61	1,945,192.09
2. Other provisions	5,090,254.71	5,052,818.07
	7,072,290.32	**6,998,010.16**
C. Liabilities		
1. Liabilities to banks	91,440,000.00	96,000,000.00
2. Prepayments received on account of orders	1,165,781.21	1,281,858.99
3. Trade payables	8,813,676.05	9,169,986.43
4. Liabilities to shareholders	137,341,372.58	124,854,775.82
5. Other liabilities	3,497,638.84	4,290,635.41
thereof for taxes: EUR 695,124.92 (prior year: EUR 3,711,539.03)		
thereof for social security: EUR 9,747.12 (prior year: EUR 87,804.00)		
	242,258,468.68	**235,597,256.65**
D. Deferred income	**2,609.99**	**5,083.90**
E. Deferred tax liabilities	**60,455,314.80**	**66,924,361.20**
	353,693,819.30	**367,935,455.02**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated income statement

from 1 January 2013 to 31 December 2013

	Fiscal year 1 Jan 2013 to 31 Dec 2013 EUR		Abbreviated fiscal year 19 Jul 2012 to 31 Dec 2012 EUR	
1. Revenue		227,618,779.99		80,364,929.56
2. Other operating income		1,383,849.92		5,011,278.55
3. Total operating performance		229,002,629.91		85,376,208.11
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	(110,092,324.91)		(33,872,169.85)	
b) Cost of purchased services	(627,170.15)	(110,719,495.06)	(240,725.45)	(34,112,895.30)
5. **Gross profit**		**118,283,134.85**		**51,263,312.81**
6. Personnel expenses				
a) Wages and salaries	(33,580,558.74)		(15,525,283.84)	
b) Social security, pension and other benefit costs thereof for old-age pensions: EUR 20,001.08 (prior year: EUR 0.00)	(5,564,695.57)	(39,145,254.31)	(1,748,295.10)	(17,273,578.94)
7. Amortization, depreciation and write-downs				
a) of intangible assets and property, plant and equipment	(24,111,074.56)		(7,907,362.49)	
b) of goodwill capitalized from acquisition accounting	(11,981,220.60)	(36,092,295.16)	(3,993,740.20)	(11,901,102.69)
8. Other operating expenses		(41,743,808.59)		(14,382,875.57)
9. Other interest and similar income		165,765.97		44,015.45
10. Interest and similar expenses thereof to affiliates: EUR 8,353,443.55 (prior year: EUR 2,629,413.23)		(17,819,260.88)		(5,700,709.54)
11. **Financial result**		**(17,653,494.91)**		**(5,656,694.09)**
12. **Result from ordinary activities**		**(16,351,718.12)**		**2,049,061.52**
13. Income taxes thereof income from the reversal of deferred taxes: EUR 6,469,046.40 (prior year: EUR 2,156,348.80)		1,862,422.32		(4,096,788.56)
14. Other taxes		(16,311.80)		(3,891.00)
15. **Net loss for the year**		**(14,505,607.60)**		**(2,051,618.04)**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated cash flow statement

		2013 EUR k	2012 EUR k
	Net loss for the year	**(14,506)**	**(2,052)**
+	Write-downs of fixed assets	36,092	11,901
+	Increase in provisions	74	1,770
+/-	Other non-cash expenses and income	(5,429)	2,155
-	Increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(10,579)	(393)
+	Increase in trade payables and other liabilities that cannot be allocated to investing or financing activities	0	4,539
-	Decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	(1,267)	0
=	**Cash flow from operating activities**	**4,385**	**17,920**
+	Cash received from disposals of property, plant and equipment	0	128
-	Cash paid for investments in property, plant and equipment	(4,711)	(1,469)
-	Cash paid for investments in intangible assets	(2,426)	(504)
-	Cash paid for the acquisition of consolidated companies	0	(261,517)
=	**Cash flow from investing activities**	**(7,137)**	**(263,362)**
+	Cash received from equity contributions (capital increases, contribution to capital reserves)	0	60,363
+	Cash received from the issue of loans and shareholder loans	0	216,925
-	Cash repayments of loans	(4,560)	(5,040)
+	Increase of liabilities to shareholders	12,487	0
-	Cash paid for the assumption of shareholder loans	0	(5,165)
=	**Cash flow from financing activities**	**7,927**	**267,083**
	Change in cash and cash equivalents	**5,175**	**21,641**
+	Cash and cash equivalents at the beginning of the period	21,740	99
	Cash and cash equivalents at the end of the period	**26,915**	**21,740**
	Composition of cash and cash equivalents at the end of the period		
	Cash	21,463	16,416
+	Cash equivalents	5,452	5,324
		26,915	**21,740**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in equity for fiscal year 2013

	Parent company					
	Subscribed capital EUR	Capital reserves EUR	Consolidated equity earned EUR	Accumulated other comprehensive income	**Equity EUR**	**Consolidated equity EUR**
As of 31 Dec 2012	100,000.00	60,362,361.15	(2,051,618.04)	0.00	58,410,743.11	58,410,743.11
Issue of shares						
Purchase/redemption of treasury shares						
Dividends paid						
Changes in the basis of consolidation						
Other changes					0.00	0.00
Consolidated net loss for the year			(14,505,607.60)		(14,505,607.60)	(14,505,607.60)
Other comprehensive income						
Total comprehensive income	0.00	0.00	(14,505,607.60)	0.00	(14,505,607.60)	(14,505,607.60)
Balance sheet item as of 31 Dec 2013	100,000.00	60,362,361.15	(16,557,225.64)	0.00	43,905,135.51	43,905,135.51

Schustermann & Borenstein Holding GmbH, Munich

Notes to the consolidated financial statements for the fiscal year from 1 January to 31 December 2013

I. Preparation and classification requirements

The consolidated financial statements of Schustermann & Borenstein GmbH were prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung": German Limited Liability Companies Act].

The companies included in the consolidated financial statements prepared their financial statements as of the balance sheet date of the parent company (31 December 2013). The consolidated financial statements were prepared in euros.

The classification of the consolidated balance sheet and the consolidated income statement, which were prepared in accordance with the nature of expense method, complies in its basic form with Secs. 266 and 275 HGB. The Company made use of options to shift certain disclosures to the notes to the financial statements. The consolidated cash flow statement corresponds to the German Accounting Standard (GAS 2; indirect method). The consolidated statement of changes in equity is based on GAS 7.

II. Basis of consolidation

Consolidated subsidiaries

Name	Registered office	Share in capital %
Schustermann & Borenstein Beteiligungs GmbH	Munich	100.0
Schustermann & Borenstein GmbH (indirect)	Munich	100.0
Best Secret GmbH (indirect)	Aschheim	100.0
S & B Outlet GmbH (indirect)	Munich	100.0

Schustermann & Borenstein Holding GmbH and its subsidiary Schustermann & Borenstein Beteiligungs GmbH were founded on 19 July 2012.

100% of the shares in Schustermann & Borenstein GmbH as well as its wholly owned subsidiaries Best Secret GmbH and S&B Outlet GmbH were taken over in an asset deal effective 4 September 2012. For this, a total of EUR 267,073k was spent and EUR 5,556k in cash acquired.

Schustermann & Borenstein GmbH operates in the area of textile wholesale and retail trade. Its subsidiary Best Secret GmbH is an e-commerce textile retailer that sells its goods to a closed shopping community. S&B Outlet GmbH runs an outlet store in an outlet center in Zweibrücken.

The consolidated financial statements have an exempting effect for the subsidiaries named above in accordance with Sec. 264 (3) HGB. The declaration of exemption was were published in the *Bundesanzeiger* [German Federal Gazette] on 4 February 2014.

III. Consolidation principles

Acquisition accounting was performed using the revaluation method by offsetting the carrying amounts of the equity investments against the Group's share in the subsidiaries' equity at the date of acquisition or initial consolidation.

Hidden reserves were identified in the respective customer base and in the respective brands during revaluation of the assets and liabilities. The difference between the purchase price and the carrying amount of equity was capitalized as goodwill after deducting the hidden reserves disclosed.

Debt obligations within the Group are netted, as are expenses and income from intercompany transactions. There were no intercompany profits or losses to eliminate.

First-time consolidation was performed as of the date on which the subsidiaries were founded or acquired (closing date: 4 September 2012).

IV. Accounting and valuation methods

The financial statements of Schustermann & Borenstein Holding GmbH and its subsidiaries were prepared in accordance with uniform accounting and valuation methods.

Goodwill determined in the purchase price allocation is amortized using the straight-line method over five years.

The following intangible assets were disclosed during the revaluation and are amortized on a straight-line basis and pro rata temporis over their customary useful lives:

a) Brand: Schustermann & Borenstein (useful life: 20 years)

b) Brand: BestSecret.com (useful life: 15 years)

c) Customer base for stationary trade (useful life: 12 years)

d) Customer base for online shopping (useful life: 8 years)

Other purchased intangible assets are recognized at acquisition cost less amortization charged pro rata temporis using the straight-line method (useful life of between three and seven years).

Property, plant and equipment are valued at acquisition or production cost less straight-line or declining-balance depreciation. The assets are depreciated over a useful life of between 9 and 17 years for outdoor facilities, 14 to 15 years for operating facilities, between 4 and 20 years for leasehold improvements, between 3 and 23 years for furniture, fixtures and office equipment, between 3 and 9 years for the vehicle fleet, and between 3 and 20 years for IT equipment in the broader sense and any associated conversions. Depreciation is recorded pro rata temporis in the year the assets are acquired. In 2013, additions to movable items of property, plant and equipment were depreciated using the straight-line method.

Low-value assets with acquisition costs not exceeding EUR 150.00 are fully expensed in the year of acquisition. A collective item was recognized for additions to assets with acquisition costs of between EUR 150.01 and EUR 1,000.00. This collective item is depreciated by one fifth each fiscal year over the useful life.

Inventories were subject to a physical inventory count and recorded in a list. They are valued at acquisition cost less age-related deductions (customary seasonal write-downs for slow-moving goods) of 20% to 90% taking the lower of cost or market principle into account.

Receivables and other assets are recognized at nominal value after deducting the necessary write-downs taking all identifiable risks into account. General bad debt allowances of 2% of the net receivables not already covered by specific bad debt allowances were set up to sufficiently cover the general default and credit risk from trade receivables. The corporate income tax credit is measured at present value.

Cash and cash equivalents are recognized at nominal value as of the balance sheet date. Foreign currency amounts are valued at the exchange rate on the balance sheet date.

Prepaid expenses mainly comprise the recognition of a difference between the issue amount and liability relating to two loans (fixed and installment loans) (exercising the option under Sec. 250 (3) HGB). The difference relating to the installment loan is released using the compound interest method and the difference relating to the fixed loan on a straight-line basis over the term of the loan.

Provisions were recognized at their settlement value for taxes yet to be assessed as well as for uncertain liabilities, taking into account all recognizable risks.

Liabilities were recorded at the settlement value.

Receivables and liabilities in foreign currency are translated using the mean spot rate on the balance sheet date. Sec. 253 (1) Sentence 1 HGB and Sec. 252 (1) No. 4 HGB are not applicable to receivables and liabilities in foreign currency due within one year or less.

V. Notes to the consolidated balance sheet

1. Fixed assets

The development of fixed assets in the fiscal year 2013 is shown in the consolidated statement of changes in fixed assets (see exhibit 5, page 14). EUR 5,686k was reclassified from "other equipment, furniture and fixtures" to "land, land rights and buildings, including buildings on third-party land." To improve presentation, this is displayed in the "adjustment" column. Depreciation was restated accordingly by EUR 264k (see statement of changes in fixed assets). The prior-year balance sheet was restated by EUR 5,422k (net book values).

2. Inventories

Following the transition from recording inventories with individual identification numbers to group identification numbers, the average cost method replaced the identified cost method for valuing inventories from the transition date onwards (February 2013). Goods recognized in the period up to the transition are still accounted for using the identified cost method, while the average cost method is used for those recorded after the transition. This resulted in a EUR 111k decrease in inventories as of 31 December 2013.

3. Other assets

This item in the balance sheet contains the present value of corporate income tax assets as of 31 December 2013 (EUR 14k; prior year: EUR 17k). Of other assets, EUR 245k (prior year: EUR 59k) has a residual term of more than one year.

Other assets include anticipatory receivables of EUR 3,097k for input tax deductible in the subsequent year of EUR 89k, trade tax credit of EUR 1,089k, corporate income tax credit of EUR 1,906k and for the aforementioned corporate income tax credit of EUR 14k.

4. Cash and cash equivalents

The cash and cash equivalents in the cash flow statement (see exhibit 3) comprise cash and cash equivalents (GAS 2.52a) and correspond to the balance sheet item B. III.

5. Equity

The capital stock according to the articles of incorporation and bylaws of EUR 68k was increased by EUR 32k in the course of a capital increase.

EUR 19,316k was contributed to the capital reserves (Sec. 272 (2) No. 1 HGB) on 4 September 2012.

Payments of EUR 41,046k were made to the capital reserves pursuant to Sec. 272 (2) No. 4 HGB on the same date.

As of the balance sheet date, EUR 43,805k (prior year: EUR 58,311k) was available for distribution (GAS 7, paragraph 15a).

See exhibit 5, page 14 for the statement of changes in equity.

6. Provisions

Other provisions mainly contain amounts for provisions for management bonuses/other bonuses of EUR 1,619k (prior year: EUR 1,568k), provisions for accrued vacation of EUR 1,026k (prior year: EUR 951k), provisions for overtime of EUR 379k (prior year: EUR 337k), take-back obligations for merchandise sold of EUR 885k (prior year: EUR 1,283k), financial statement costs of EUR 101k (prior year: EUR 175k), archiving costs of EUR 106k (prior year: EUR 83k), employer's liability insurance of EUR 196k (prior year: EUR 184k), a wage tax audit of EUR 120k and outstanding invoices of EUR 576k (prior year: EUR 327k).

V. Notes to the consolidated balance sheet (Continued)

7. Liabilities

	Total amount EUR	Due in up to one year EUR	Due in two to five years EUR	Due in more than five years EUR	Secured amounts EUR
Liabilities to banks	91,440,000.00	5,760,000.00	37,680,000.00	48,000,000.00	91,440,000.00
Prepayments received on account of orders	1,165,781.21	1,165,781.21	0.00	0.00	0.00
Trade payables	8,813,676.05	8,813,676.05	0.00	0.00	0.00
Liabilities to shareholders	137,341,372.58	0.00	0.00	137,341,372.58	0.00
Other liabilities	3,497,638.84	3,497,638.84	0.00	0.00	0.00
	242,258,468.68	19,237,096.10	37,680,000.00	185,341,372.58	91,440,000.00

Normal retentions of title exist in relation to trade payables, prepayments received on account of orders and other liabilities.

Collateral in the form of the inventories, movable items of property, plant and equipment and trade receivables were used to secure the liabilities to banks. Future insurance claims were also pledged.

8. Liabilities to shareholders

The item includes EUR 91,888k (prior year: EUR 83,534k) to affiliates.

9. Deferred tax liabilities

As part of a purchase price allocation as of 4 September 2012, deferred tax liabilities of EUR 69,081k were recognized with no effect on income due to the disclosure of hidden reserves in intangible assets (brands and customer base) (cf. IV. Accounting and valuation methods).

Due to amortization of the disclosed hidden reserves, the deferred tax liabilities were decreased accordingly by EUR 6,469k (prior year: EUR 2,156k) with a corresponding effect on income.

The amounts were recognized and released based on an imputed future group tax rate of 31%.

10. Other financial obligations

	As of 31 Dec 2013 EUR k	As of 31 Dec 2012 EUR k
Obligations from long-term rental and lease agreements		
– to third parties with a residual term of:		
up to one year	9,181	8,296
between two and five years	26,951	24,701
more than five years	14,371	18,988
	50,503	**51,985**

11. Contingent liabilities

As of the balance sheet date, there are contingent liabilities from a letter of guarantee of up to a maximum of EUR 25k (prior year: EUR 25k). We estimate that the probability of this guarantee being utilized to be low due to the current credit rating and payment history of the beneficiaries and are not aware of any indications to the contrary.

V. Notes to the consolidated balance sheet (Continued)

12. Derivative financial instruments

Two interest rate swaps for a total of EUR 64,000k were entered into to hedge the floating rate portion of the facility agreement (EURIBOR). These secure a portion of the hedged item (loan) totaling EUR 96,000k (66.67%), as currency, term and amount of the cash flows of the swaps match the hedged item (critical terms match method).

The facility agreement and the interest rate swap make up a closed position (micro-hedge). EURIBOR fluctuations thus balance themselves out in terms of timing and amount (changes in value and cash flow risk). Both the interest payments of the facility agreement and the interest payments from the interest rate swap are due quarterly. There are therefore no potential losses to recognize.

	Amount EUR k	Period	Term
KBC Bank	25,600	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015
Raiffeisen Bank (Austria)	38,400	3-month EURIBOR	28 Sep 2012 to 30 Sep 2015

VI. Notes to the consolidated income statement

Revenue

Breakdown of revenue by business activities:

	01 Jan 2013 to 31 Dec 2013 EUR k	19 Jul 2012 to 31 Dec 2012 EUR k
Revenue from sales of merchandise	225,064	79,519
Commissions	2,555	842
Other revenue	0	4
Total revenue	227,619	80,365

Of total revenue, around 95.5% is attributable to Germany and around 4.5% to other countries.

Other operating income of EUR 1,384k (prior year: EUR 5,011k) mainly comprises the adjustment of the take-back obligation from the distance selling business of EUR 397k (prior year: EUR 0k), rental income of EUR 238k (prior year: EUR 221k), the reversal of provisions of EUR 269k (prior year: EUR 721k) and advertising subsidies of EUR 155k (prior year: EUR 150k).

The reversal of provisions primarily relates to the reversal of bonuses of EUR 81k (prior year: EUR 710k), outstanding invoices of EUR 152k (prior year: EUR 0k) and financial statement costs of EUR 26k (prior year: EUR 0k).

Other operating expenses of EUR 41,744k include out-of-period expenses from levies in lieu of employing the severely disabled from prior years of EUR 68k, artists' social welfare fund contributions for prior years of EUR 44k, from a wage tax audit for prior years of EUR 120k and contributions to the Chamber of Industry and Commerce from prior years of EUR 36k. Rental expenses and service charges of EUR 9,667k (prior year: EUR 7,619k) were also recorded in the reporting year. The increase is attributable to the rental of additional storage space. This item also includes expenses for purchased services (temporary employment agencies) of EUR 6,957k. Selling expenses amounted to EUR 6,113k.

The tax income reported results from:

Current income tax expense	EUR k	(4,607)
Income from the reversal of deferred tax liabilities	EUR k	6,469
Income taxes	EUR k	1,862

VII. Other notes

1. Employees

	Average 01 Jan to 31 Dec 2013	Average 19 Jul to 31 Dec 2012
Schustermann & Borenstein GmbH	883	870
Best Secret GmbH	430	447
S&B Outlet GmbH	9	6
	1,322	1,323

The average number of employees was calculated from 4 September 2012 (transaction date).

Of the 1,322 employees, 756 are employed on a permanent basis (prior year: 691) and 566 are temporary employees (prior year: 632).

2. Management

The members of management in the reporting period were:

- Mr. Daniel Schustermann, Munich, businessman
- Mr. Daniel Borenstein, Munich, businessman
- Mr. Sascha Krines, Ingolstadt, businessman (from 21 February 2013)

3. Advisory board

Appointed to the advisory board were:

- Mr. Emil Schustermann, Munich, businessman (removed on 20 November 2013)
- Mr. Benno Borenstein, Munich, businessman
- Mr. Werner Paschke, business consultant, Luxembourg
- Dr. Konrad Hilbers, business consultant, Teufen (Switzerland)
- Mr. Roland Allgeyer, business consultant, Weinstadt (removed on 20 November 2013/resigned on 30 November 2013)
- Mr. Errikos Pitsos, businessman, Meggen (Switzerland) (from 20 November 2013)

4. Total remuneration of the corporate bodies

Total remuneration for management amounted to EUR 2,059k in 2013 (prior year: EUR 5,729k).

Total remuneration for the advisory board was EUR 148k (prior year: EUR 86k).

5. Auditor's fees

Expenses were incurred in the fiscal year for fees for the audit of the consolidated financial statements of EUR 109k (prior years: EUR 0k), for tax services of EUR 38k and for other services of EUR 163k.

6. Group affiliation

Schustermann & Borenstein Holding GmbH, Munich, prepares consolidated financial statements and a group management report in accordance with German GAAP for the smallest group of companies. These are published in the *Bundesanzeiger* [German Federal Gazette] and have an exempting effect for the subsidiaries.

JAP Lux Holding S.A. in Luxembourg prepares consolidated financial statements and a group management report for the largest group of companies.

VII. Other notes (Continued)

7. Additional disclosures to the consolidated cash flow statement

Income tax payments of EUR 7,558k (prior year: EUR 8,056k) were made in the fiscal year. Interest paid in the fiscal year amounted to EUR 5,092k (prior year: EUR 1,350k).

Munich, 17 April 2014

Sascha Krines	**Daniel Schustermann**
Josef Armir Borenstein	**Marian Schikora**

Schustermann & Borenstein Holding GmbH, Munich

Consolidated statement of changes in fixed assets from 1 January 2013 to 31 December 2013

	Acquisition and production cost						Accumulated amortization, depreciation and write-downs					Net book values	
	1 Jan 2013 EUR	Additions EUR	Adjustment EUR	Reclassifications EUR	Disposals EUR	31 Dec 2013 EUR	1 Jan 2013 EUR	Additions EUR	Adjustment EUR	Disposals EUR	31 Dec 2013 EUR	31 Dec 2013 EUR	31 Dec 2012 EUR
I. Intangible assets													
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	225,878,222.19	2,316,256.05	0.00	0.00	0.00	228,194,478.24	7,230,372.27	22,008,959.13	0.00	0.00	29,239,331.40	198,955,146.84	218,647,849.92
2. Goodwill	59,906,102.93	0.00	0.00	0.00	0.00	59,906,102.93	3,993,740.20	11,981,220.60	0.00	0.00	15,974,960.80	43,931,142.13	55,912,362.73
3. Prepayments	0.00	110,018.12	0.00	0.00	0.00	110,018.12	0.00	0.00	0.00	0.00	0.00	110,018.12	0.00
	285,784,325.12	**2,426,274.17**	**0.00**	**0.00**	**0.00**	**288,210,599.29**	**11,224,112.47**	**33,990,179.73**	**0.00**	**0.00**	**45,214,292.20**	**242,996,307.09**	**274,560,212.65**
II. Property, plant and equipment													
1. Land, land rights and buildings, including buildings on third-party land	1,414,516.92	723,189.59	5,686,146.25	80,570.83	0.00	7,904,423.59	42,635.36	917,839.45	263,933.25	0.00	1,224,408.06	6,680,015.53	1,371,881.56
2. Plant and machinery	511,535.80	2,284,700.52	0.00	550,000.00	0.00	3,346,236.32	17,369.84	166,547.98	0.00	0.00	183,917.82	3,162,318.50	494,165.96
3. Other equipment, furniture and fixtures	9,655,886.54	1,503,882.73	(5,686,146.25)	0.00	0.00	5,473,623.02	407,099.76	1,017,728.00	(263,933.25)	0.00	1,160,894.51	4,312,728.51	9,248,786.78
4. Prepayments and assets under construction	656,991.65	198,693.31	0.00	(630,570.83)	0.00	225,114.13	0.00	0.00	0.00	0.00	0.00	225,114.13	656,991.65
	12,238,930.91	**4,710,466.15**	**0.00**	**0.00**	**0.00**	**16,949,397.06**	**467,104.96**	**2,102,115.43**	**0.00**	**0.00**	**2,569,220.39**	**14,380,176.67**	**11,771,825.95**
	298,023,256.03	**7,136,740.32**	**0.00**	**0.00**	**0.00**	**305,159,996.35**	**11,691,217.43**	**36,092,295.16**	**0.00**	**0.00**	**47,783,512.59**	**257,376,483.76**	**286,332,038.60**

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