PRELIMINARY OFFERING CIRCULAR **CONFIDENTIAL**

Diamond (BC) B.V.

€545,000,000 % Senior Notes due 2025

Diamond (BC) B.V. (the ''Issuer''), a newly-formed private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and controlled by affiliates of Bain Capital (as defined herein), is offering €545,000,000 aggregate principal amount of % Senior Notes due 2025 (the ''notes''). The notes will mature on , 2025. Interest on the notes will be paid semi-annually in arrears on and of each year, commencing on , 2018.

This offering is being made in connection with and as part of the proposed financing for the Issuer's proposed acquisition (the ''Acquisition'') of Diversey (as defined herein). Upon release from escrow as described below, we intend to use the proceeds of this offering, together with an equity contribution from our principal shareholders and borrowings under our Senior Secured Credit Facilities (as defined herein), to (i) finance the Acquisition and (ii) pay fees and expenses in connection with the Transactions (as defined herein). See ''Summary—The Transactions''.

The Issuer may redeem the notes, in whole or in part, at any time prior to , 2020, at a price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, plus a ''make-whole'' premium, as described in this offering circular. The Issuer may also redeem the notes, in whole or in part, at any time on or after , 2020, at the applicable redemption prices set forth under ''Description of Notes—Optional Redemption'', plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, the Issuer may redeem up to 40% of the aggregate principal amount of the notes at any time prior to , 2020 using the net cash proceeds from certain equity offerings at the redemption price specified under ''Description of Notes—Optional Redemption'', plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See ''Description of Notes—Optional Redemption''. Upon the occurrence of certain events constituting a change of control, the Issuer will be required to make an offer to repurchase all of the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

Prior to the Escrow Release Date (as defined below), the notes will be obligations solely of the Issuer and will not be guaranteed but will be secured by a first priority lien on the escrow account and the funds held therein for the benefit of the holders of the notes. From and after the Escrow Release Date, the notes will be fully and unconditionally guaranteed (the ''guarantees''), jointly and severally, on a senior unsecured basis by BCPE Diamond Netherlands TopCo B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, and the Issuer's direct parent (''Holdings''), and the Issuer's existing and subsequently acquired or organized direct or indirect material wholly-owned restricted subsidiaries that guarantee indebtedness under our Senior Secured Credit Facilities except as set forth herein (collectively with Holdings, the ''guarantors'').

The notes will be the Issuer's and, from and after the Escrow Release Date, the guarantees will be each guarantor's general senior unsecured obligations and will rank equally in right of payment with all of the Issuer's and each guarantor's existing and future senior indebtedness, respectively. The notes and the guarantees will rank senior in right of payment to all of the Issuer's and each guarantor's existing and future indebtedness and other obligations that expressly provide for their subordination to the notes or the guarantees. The notes and the guarantees will be effectively subordinated to all of the Issuer's and each guarantor's existing and future secured indebtedness, including obligations under our Senior Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. The notes and the guarantees will also be structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of any of our existing and future subsidiaries that do not guarantee the notes. See ''Description of Notes'' and ''Description of Certain Other Indebtedness''.

Upon the consummation of this offering, the Issuer will deposit (or cause to be deposited) the gross proceeds from the offering of the notes into a segregated escrow account in the name of the Escrow Agent (as defined herein) for the benefit of the trustee and the holders of the notes. The release of the escrowed funds will be subject to satisfaction of the Escrow Release Conditions (as defined herein), including the consummation of the Acquisition. If the Acquisition is not consummated on or prior to October 16, 2017 (as such date may be extended in accordance with the terms and conditions of the escrow agreement) (such date, as extended, the ''Outside Date''), or upon the occurrence of certain other events, the notes will be subject to a special mandatory redemption at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional amounts, if any, from the issue date to, but excluding, the redemption date. See ''Description of notes—Escrow of Proceeds; Special Mandatory Redemption''.

There is currently no market for the notes. An application has been made to The International Stock Exchange Authority Limited (the ''Authority'') for the listing of and permission to deal in the notes on the Official List of The International Stock Exchange (the ''Exchange''). There is 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. The consummation of this offering is not contingent upon obtaining this listing. We cannot assure you that an active trading market for the notes will develop.

Investing in the notes involves risks. See ''Risk Factors'' beginning on page 29 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Offering Price: %

The offering price set forth herein above does not include accrued interest, if any. Interest on the notes will accrue from , 2017. If the notes are delivered after , 2017, accrued interest must be paid by the purchaser until the time of delivery.

The notes have not been and will not be registered under the Securities Act of 1933, as amended (the ''Securities Act''), or the securities laws of any other jurisdiction. The Issuer and the initial purchasers named below are selling the notes only to persons reasonably believed to be qualified institutional buyers under Rule 144A under the Securities Act and offering and selling to certain non-U.S. persons outside the United States under Regulation S of the Securities Act and, if such investors are residents of a member state of the European Economic Area (the ''EEA''), only to qualified investors. For further details about eligible offerees and resale restrictions, see ''Transfer Restrictions''.

The notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The initial purchasers expect to deliver the notes to investors on or about , 2017 only in book-entry form through the facilities of Euroclear Bank SA/NV, as operator of the Euroclear System (''Euroclear'') and Clearstream Banking, *société anonyme* (''Clearstream'').

Joint Book-Running Managers

Goldman Sachs International **Credit Suisse** **Barclays** **Citigroup**

BofA Merrill Lynch **RBC Capital Markets** **HSBC** **SunTrust Robinson Humphrey**

Jefferies

Offering Circular dated , 2017

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THIS CONFIDENTIAL OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, ANY NOTES OFFERED BY THIS OFFERING CIRCULAR BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. 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, NOR MAY THIS OFFERING CIRCULAR BE DISTRIBUTED, IN ANY JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH JURISDICTION. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY U.S. OR NON-U.S. STATE, PROVINCIAL OR TERRITORIAL SECURITIES COMMISSION NOR ANY OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE NOTES OR DETERMINED IF THIS OFFERING CIRCULAR IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

We and the initial purchasers take no responsibility for, and cannot provide any assurance as to the reliability of, any information or any representations outside of this offering circular.

The information in this offering circular is current only as of the date on its cover. For any time after the cover date of this offering circular, the information, including information concerning our business, financial condition, results of operations and prospects, may have changed. Neither the delivery of this offering circular nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in our affairs after the date of this offering circular.

This offering circular is a confidential document that we are providing only to prospective purchasers of the notes. You should read this offering circular in its entirety before making a decision on whether to purchase any notes. You expressly agree, by accepting delivery of this offering circular, that:

- this offering circular contains highly confidential information concerning us, Diversey and our affiliates;
- you will hold the information contained or referred to in this offering circular in confidence;
- you will not make copies of this offering circular or any documents referred to inside; and
- neither we nor the initial purchasers are giving you any legal, business, financial or tax advice.

The agreements set forth in the preceding sentence are intended for our benefit and for the benefit of the initial purchasers.

We have prepared this offering circular and are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the notes. By purchasing any notes, you will be deemed to have acknowledged that:

- you have reviewed this offering circular in its entirety;
- you have been afforded an opportunity to request from us, and to review, and have received, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering circular;
- you have not relied upon the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision;
- this offering is being made in reliance upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering and does not comply in important respects with the rules of the SEC that would apply to an offering document relating to a public offering of securities; and
- no person has been authorized to give information or to make any representation concerning the Issuer, this offering or the notes, other than as contained in this offering circular, in connection with your examination of us and the terms of this offering. If given or made, any such other information should not be relied upon as having been authorized by us or the initial purchasers. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

Neither we nor the initial purchasers are providing you legal, business, financial or tax advice about any matter. You may not legally be able to participate in this private, unregistered offering. You should consult with your own attorney, accountant and other advisors about those matters (including determining whether you may legally participate in this offering). You should contact us or the initial purchasers with any questions about this offering.

An application has been made to the Authority for the listing of and permission to deal in the notes on the Official List of the Exchange. There is 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. The notes offered hereby will be available initially only in book-entry form. We expect that the notes offered hereby will be issued in the form of one or more global notes, which will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and Clearstream, and their respective participants, as applicable. See ''Book Entry, Delivery and Form for the Notes''.

You must comply with all laws and regulations that apply to you in any place in which you purchase, offer or sell any notes or possess or distribute this offering circular. You must also obtain any consents, permission or approvals that you need in order to purchase, offer or sell any notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. We and the initial purchasers are not responsible for your compliance with these legal requirements. Neither we nor the initial purchasers are making any representation to you regarding the legality of your investment in the notes under any legal investment or similar law or regulation.

We are offering the notes in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. By purchasing any notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in the ''Transfer Restrictions'' section of this offering circular. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act, applicable state securities laws and applicable foreign and securities laws of any other jurisdiction pursuant to registration or exemption therefrom. You may be required to bear the financial risks of investing in the notes for an indefinite period of time.

The notes have not been recommended by any federal, state, provincial, territorial or non-U.S. securities authorities, nor have any such authorities determined that this offering circular is accurate or complete. Any representation to the contrary is a criminal offense.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering circular. Nothing contained in this offering circular is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. The initial purchasers assume no responsibility for the accuracy or completeness of any such information.

This offering circular contains summaries, believed to be accurate, of some of the terms of certain documents, but reference is made to the actual documents, copies of which will be made available upon request. For the complete information contained in those documents, see ''Where You Can Find More Information''.

We reserve the right to withdraw the offering of the notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the notes, in whole or in part, and to allot to you less than the full amount of the notes subscribed for by you. We are making this offering subject to the terms described in this offering circular and the indenture that will govern the notes.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, APPLICABLE STATE SECURITIES LAWS AND APPLICABLE

SECURITIES LAWS OF ANY OTHER JURISDICTION PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND THAT THEIR ABILITY TO TRANSFER INTERESTS IN THESE SECURITIES MAY BE ADVERSELY AFFECTED IF THEY ARE IN POSSESSION OF MATERIAL NON-PUBLIC INFORMATION CONCERNING OUR BUSINESS. PROSPECTIVE INVESTORS MUST COMPLY WITH ALL LAWS APPLICABLE IN ANY JURISDICTION IN WHICH THEY BUY, OFFER OR SELL THE NOTES OR POSSESS OR DISTRIBUTE THIS OFFERING CIRCULAR; NEITHER WE NOR THE INITIAL PURCHASERS SHALL HAVE ANY RESPONSIBILITY FOR ANY OF THE FOREGOING LEGAL REQUIREMENTS. SEE ''TRANSFER RESTRICTIONS''.

LISTING OF THE NOTES

An application has been made to the Authority for the listing of and permission to deal in the notes on the Official List of the Exchange. There is no assurance that the application will be successful, that the notes will be listed, that such permission will be granted or that such listing will be maintained. Consummation of this offering is not contingent upon obtaining this listing.

We have submitted this offering circular to the Authority in connection with the listing application. In the course of any review by the competent authority, we may be requested to make changes to the financial and other information included in this offering circular. Comments by the Authority in connection with the listing application may require significant modification or reformulation of information contained in this offering circular or may require the inclusion of additional information. Our application will not be approved as of the issue date for the notes, and settlement of the notes is not conditioned on obtaining such listing or admission.

We may change the paying agents, the registrars or the transfer agents without prior notice to the holders. We or any restricted subsidiary may act as a paying agent or registrar. So long as the notes are listed on the Official List of the Exchange and the rules of such exchange so require, we will publish a notice of any change of paying agent, registrar or transfer agent on the website of the Exchange at http://www.tisegroup.com/ or otherwise in accordance with the requirements of the rules of the Exchange.

CERTAIN TERMS USED IN THIS OFFERING CIRCULAR

Unless otherwise indicated or the context otherwise requires, references in this offering circular to the terms below will have the following meanings:

- ''Bain Capital'' refers to Bain Capital Private Equity, LP, whose affiliated investment funds own substantially all of the common stock of the Issuer's ultimate parent company;
- ''Company'', ''we'', ''us'' and ''our'' refers to the Issuer and its subsidiaries, including the entities comprising Diversey, unless expressly stated otherwise or the context otherwise requires, such as, in particular, with respect to the historical financial information of Diversey;
- ''Diversey'' refers to the certain assets and equity interests related to the carve-out of the Diversey Care business segment and the hygiene solutions portion of the Food Care business segment from Sealed Air, to be acquired by the Issuer pursuant to the Transactions;
- ''Issuer'' refers to Diamond (BC) B.V. (*besloten vennootschap met beperkte aansprakelijkheid*), a private company with limited liability incorporated under the laws of the Netherlands, the issuer of the notes offered hereby;
- ''Sealed Air'' refers to Sealed Air Corporation, the seller of Diversey; and

- ''Transactions'' refers collectively to the Acquisition of Diversey by the Issuer and the completion of the related financing transactions, including (i) the entry into the Senior Secured Credit Facilities, (ii) the release of guarantees by, and the release of security interests in and liens on, in each case, Diversey under Sealed Air's existing debt instruments, (iii) the issuance and sale of the notes offered hereby, (iv) the entry into the Escrow Agreement and the escrow account charge, the deposit of the gross proceeds of this offering into the Escrow Account (as defined herein) and the execution and delivery of the equity commitment letter, (v) the release of the net proceeds of the offering from the Escrow Account upon satisfaction of the Escrow Release Conditions and the application of such net proceeds as contemplated herein and (vi) the Equity Contribution (as defined herein).

See ''Summary—The Transactions'' and ''—Corporate Structure'' for additional information regarding our recent transactions and resulting corporate structure.

PRESENTATION OF FINANCIAL INFORMATION

All references in this offering circular to ''euro'' and ''€'' refer to the lawful currency of the EU Member States participating in the European Monetary Union, and all references to ''U.S. dollars'' and ''$'' refer to the currency of the United States of America.

Historical Financial Statements

This offering circular contains the audited combined financial statements of Diversey as of December 31, 2016 and 2015 and for the fiscal years ended December 31, 2016 and 2015, and the unaudited condensed combined financial statements of Diversey as of March 31, 2017 and for three months ended March 31, 2017 and 2016.

The historical financial statements included in this offering circular do not include a footnote showing consolidating financial information for the Issuer, the guarantors and the non-guarantors of the notes offered hereby as would be required if we were registering the notes with the SEC. We have, however, included the percentage of our consolidated net sales and Adjusted EBITDA (as defined herein) that the Diversey subsidiaries that will not guarantee the notes represented for the twelve months ended March 31, 2017, and the percentage of our total consolidated assets that those non-guarantor subsidiaries represented as of March 31, 2017.

Unaudited Pro Forma Financial Information

This offering circular contains unaudited pro forma condensed combined financial information, which have been derived the historical financial statements of Diversey appearing elsewhere in this offering circular. The assumptions underlying the pro forma adjustments are described in the notes accompanying the unaudited pro forma condensed combined financial statements, which should be read together.

The unaudited pro forma condensed combined balance sheet data gives effect to the Transactions as if they had occurred on March 31, 2017. The unaudited pro forma condensed combined statement of operations data for the twelve months ended March 31, 2017 has been derived by adding the historical combined statement of operations data for the fiscal year ended December 31, 2016 to the historical combined statement of operations data for the three months ended March 31, 2017, subtracting the historical combined statement of operations data for the three months ended March 31, 2016 and applying the pro forma adjustments to give effect to the Transactions as if they had occurred on January 1, 2016. We describe the assumptions underlying the pro forma adjustments in the notes accompanying the unaudited pro forma condensed combined financial statements, which should be read in conjunction with the unaudited pro forma condensed combined financial statements. We operated as a business unit/division of Sealed Air and not as a stand-alone entity for each of the historical financial periods used in the preparation of the unaudited pro forma condensed combined financial statements. Following the completion of the Transactions, we expect to be able to perform certain back-office functions and other services with respect to our international operations previously provided to us by Sealed Air on a more cost-effective basis than the amounts that have been allocated to us in each of these historical financial periods. We have not made any adjustments in the unaudited pro forma condensed combined financial statements to reflect any of these expected cost-savings as these types of adjustments may not be permitted under the SEC's rules and regulations regarding the preparation of pro forma financial statements included in a registration statement filed under the Securities Act.

The pro forma adjustments related to the business combination accounting and financing of the Transactions are preliminary and based on information obtained to date and are subject to revision as additional information becomes available. The business combination accounting rules, as described in the notes accompanying the unaudited pro forma condensed combined financial statements, require us to record the identifiable assets acquired and liabilities assumed at their fair value as of the closing date of the Transactions and may differ from those reflected in the unaudited pro forma condensed combined financial statements. Revisions to the preliminary business combination accounting and financing of the Transactions may have a significant impact on the pro forma amounts of total assets, total liabilities and stockholder's equity, general and administrative expenses, depreciation and amortization, interest expense and income taxes.

The unaudited pro forma condensed combined financial statements should not be considered indicative of actual results that would have been achieved had the Transactions been consummated on the date or for the periods indicated and do not purport to indicate consolidated balance sheet data or results of operations data as of any future date or for any future period.

NON-GAAP FINANCIAL MEASURES

We believe that the financial statements included in this offering circular have been prepared in a manner that complies, in all material respects, with generally accepted accounting principles in the United States (''GAAP''), and the regulations published by the SEC, and are consistent with current practice with the exception of the presentation of certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA and Further Adjusted EBITDA, the inclusion of financial data for the twelve months ended March 31, 2017, including pro forma financial data, and the omission of certain financial information regarding the guarantor and non-guarantor subsidiaries.

EBITDA, Adjusted EBITDA and Further Adjusted EBITDA as presented in this offering circular are supplemental measures that are not required by, or presented in accordance with, GAAP. EBITDA, Adjusted EBITDA and Further Adjusted EBITDA are not measures of our financial performance under GAAP and should not be considered as an alternative to revenues, net income, income before income tax provision or any other performance measures derived in accordance with GAAP, nor should they be considered as alternatives to cash flows from operating activities as a measure of liquidity in accordance with GAAP. In addition, our method of calculating EBITDA, Adjusted EBITDA and Further Adjusted EBITDA may vary from the methods used by other companies.

Our management considers EBITDA, Adjusted EBITDA and Further Adjusted EBITDA to be key indicators of our financial performance. Additionally, we believe EBITDA, Adjusted EBITDA and Further Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that investors, analysts and rating agencies consider EBITDA, Adjusted EBITDA and Further Adjusted EBITDA useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance, and management uses these measures for one or more of these purposes. Our presentation of EBITDA, Adjusted EBITDA and Further Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. EBITDA, Adjusted EBITDA and Further Adjusted EBITDA have important limitations as analytical tools and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. The use of EBITDA, Adjusted EBITDA and Further Adjusted EBITDA instead of net income has limitations as an analytical tool, including the following:

- EBITDA, Adjusted EBITDA and Further Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA, Adjusted EBITDA and Further Adjusted EBITDA do not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- EBITDA, Adjusted EBITDA and Further Adjusted EBITDA do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, Adjusted EBITDA and Further Adjusted EBITDA do not reflect any cash requirements for such replacements;
- EBITDA, Adjusted EBITDA and Further Adjusted EBITDA do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

Adjusted EBITDA and Further Adjusted EBITDA include adjustments that represented a cash expense or that represented a non-cash charge that may relate to a future cash expense, and some of these expenses are of a type that we expect to incur in the future, although we cannot predict the amount of any such future charge.

Because of these limitations, EBITDA, Adjusted EBITDA and Further Adjusted EBITDA should not be considered as a replacement for net income or as a measure of discretionary cash available to us to service our indebtedness or invest in our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA, Adjusted EBITDA and Further Adjusted EBITDA only for supplemental purposes.

For the definition of and additional information about our EBITDA, Adjusted EBITDA and Further Adjusted EBITDA, a description of how EBITDA, Adjusted EBITDA and Further Adjusted EBITDA are calculated and a reconciliation of EBITDA, Adjusted EBITDA and Further Adjusted EBITDA to the most directly comparable GAAP measure, see ''Summary—Summary Historical and Pro Forma Financial Data''.

TRADEMARKS, TRADE NAMES AND COPYRIGHTS

We own or have rights in or to trademarks or trade names that we use in conjunction with the operation of our business and that appear in this offering circular. This offering circular also contains trademarks, service marks, trade names and copyrights of other companies that are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this offering circular may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor in or to these trademarks and trade names.

EXCHANGE RATES

The following table sets out, for the periods indicated, information concerning the exchange rate for the euro, expressed in U.S. dollars per €1.00, as reported by the European Central Bank (''ECB''). The rates set forth below are provided solely for your convenience and were not used in the preparation of Diversey's audited combined financial statements, Diversey's unaudited financial statements or our unaudited pro forma condensed combined financial statements, in each case, included elsewhere in this offering circular. These exchange rates are based on the regular daily concentration procedure between central banks within and outside the European System of Central Banks, which normally takes place at 2:15 p.m. ECB time. No representation is made that the euro could have been, or could be, converted into U.S. dollars at that rate or any other rate.

	ECB Reported Exchange Rate			
	Period End	Average(1)	High	Low
Year				
2012	1.3194	1.2848	1.3454	1.2089
2013	1.3791	1.3281	1.3814	1.2768
2014	1.2141	1.3285	1.3953	1.2141
2015	1.0887	1.1095	1.2043	1.0552
2016	1.0541	1.1069	1.1569	1.0364
Month				
January 2017	1.0755	1.0614	1.0755	1.0385
February 2017	1.0597	1.0643	1.0808	1.0513
March 2017	1.0691	1.0681	1.0889	1.0514
April 2017	1.0930	1.0723	1.0930	1.0578
May 2017	1.0930	1.1058	1.1243	1.0860
June 2017	1.412	1.1229	1.1413	1.1147
July 2017 (as of July 17, 2017)	1.1462	1.1462	1.1462	1.1329

(1) The average of the exchange rates for the euro on each business day during the relevant year or month, as applicable.

SHARE, RANKING AND SIMILAR INFORMATION

This offering circular includes industry data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent industry publications, reports by market research firms, confidential third party commissioned studies and other published and unpublished independent sources, including data collected and published by Global Industry Analysts and IHS, as well as market research and analysis by a leading consulting firm. The data included in this offering circular regarding our market share and market position by region in the global traditional cleaning and hygiene products and related services market in the categories we participate in is based upon our 2016 net sales, comparisons to other market participants and management's knowledge of our industry. We believe that with respect to the professional traditional cleaning and hygiene products and related services market we have (i) the #1 market position in and 10% of the market share in Europe, (ii) the #2 market position and 6% of the market share in North America, (iii) the #1 market position and 5% of the market share in the Middle East and Africa, (iv) the number #1 market position and 4% of the market share in Asia Pacific and (v) the #1 market position and 12% of the market share in Latin America. Our beliefs with respect to our regional market positions in the approximately $27 billion global professional traditional cleaning and hygiene products and related services market are based primarily upon a leading consulting firm's research analysis and our 2016 net sales. Our beliefs with respect to our regional market shares of this market are based upon a leading consulting firm's research analysis and management's knowledge of our industry.

We believe that with respect to the food and beverage traditional cleaning and hygiene products and related services market we have (i) the #2 market position and 19% of the market share in Europe (ii) the #3 market position and 5% of the market share in North America, (iii) the #1 market position and 11% of the market share in the Middle East and Africa, (iv) the #2 market position and 6% of the market share in Asia Pacific and (v) the #2 market position and 33% of the market share in Latin America. Our beliefs with respect to our market positions by region in the approximately $5 billion global food and beverage traditional cleaning and hygiene products and related services market are based primarily upon a leading consulting firm's research analysis and our 2016 net sales. Our beliefs with respect to our market share by region of this market are based upon a leading consulting firm's research analysis and management's knowledge of our industry.

This offering circular also contains projected end-market growth in the traditional cleaning and hygiene industry from 2016 to 2021 in the end-markets we participate in. We believe that over this period (i) the size of the health care end-market will increase by 8%, (ii) the size of the retail end-market will increase by 6%, (iii) the size of the facility services market will increase by 4%, (iv) the size of the food service and hospitality end-market will increase by 4%, (v) the size of the food and beverage end market will increase by 3% to 4% and (vi) the size of ''other'' end-markets will increase by 3%. Our beliefs with respect to each end-market's projected growth over this period are sourced from a leading consulting firm's analysis.

Some data in this offering circular is also based on our good faith estimates of the share, ranking and other information contained in this offering circular, which are derived from management's knowledge of our industry, independent industry publications, reports by market research firms, confidential third party commissioned studies and other published and unpublished independent sources. Share and ranking information is subject to changes, however, and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey of market share. In addition, customer preferences can and do change and the definition of the relevant market is a matter of judgment and analysis. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the section entitled ''Risk Factors'' in this offering circular. As a result, you should be aware that share, ranking and other similar information set forth in this offering circular, and estimates and beliefs based on such data, may not be reliable.

NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS

This offering circular, as well as any other documents in connection with this offering, have not been and will not be reviewed by the SEC. There are no registration rights associated with the notes or the guarantees and we have no present intention to offer to exchange the notes and the guarantees for notes and guarantees registered under the Securities Act or to file a registration statement with respect to the notes. The indenture that will govern the notes will not be qualified under or otherwise incorporate by reference the U.S. Trust Indenture Act of 1939, as amended (the ''Trust Indenture Act'').

STABILIZATION

In connection with the offering of the notes, Goldman Sachs International (the ''Stabilizing Manager'') (or persons acting on behalf of the Stabilizing Manager) may, to the extent permitted by applicable law, over-allot notes or effect transactions with a view to stabilizing or maintaining the market price of the notes during the stabilization period at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager will undertake stabilization action. Such stabilization action, if commenced, may begin on or after the date of adequate public disclosure of the terms of the offering of the notes and may be ended at any time, but must end no later than the earlier of 30 days after the issue date and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager (or persons acting on its behalf) in accordance with all applicable laws, regulations and rules.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this offering circular that are not reported financial results or other historical information are ''forward-looking statements'' within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by the use of terms and phrases such as ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''intend'', ''may'', ''plan'', ''predict'', ''project'' and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies and include, but are not limited to, statements about:

- uncertain global economic conditions which have had and could continue to have an adverse effect on our consolidated financial condition and results of operations;
- the global nature of our operations exposes us to numerous risks that could materially adversely affect our consolidated financial condition and results of operations;
- fluctuations between non-U.S. currencies and the U.S. dollar could materially impact our consolidated financial condition or results of operations;
- political and economic instability and risk of government actions affecting our business and our customers or suppliers may adversely impact our business, results of operations and cash flows;
- raw material pricing, availability and allocation by suppliers as well as energy-related costs may negatively impact our results of operations, including our profit margins;
- if we do not develop new and innovative products or if customers in our markets do not accept them, our results would be negatively affected;
- the introduction of the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting may adversely affect our effective rate of tax in future periods;
- the introduction of the EU Anti-Tax Avoidance Directive and the amendments thereto may adversely affect our effective rate of tax in future periods;
- the consolidation of customers may adversely affect our business, consolidated financial condition or results of operations;
- we experience competition in the markets for our products and services and in the geographic areas in which we operate;
- instability and uncertainty in the credit and financial markets could adversely impact the availability of credit that we and our customers need to operate our business;
- new and stricter regulations may affect our business and consolidated condition and results of operations;

- severe public health outbreaks may adversely impact our business; and
- the other risks described under ‘‘Risk Factors’’.

Actual results could differ materially from those projected, implied or anticipated by our forward-looking statements. Some of the factors that could cause actual results to differ include those set forth in the sections of this offering circular titled ‘‘Risk Factors’’ and ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’’, and elsewhere as described in this offering circular. Although we believe that expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All forward-looking statements included in this offering circular are based on information available to us as of the date of this offering circular. All forward-looking statements are qualified in their entirety by this cautionary statement, and we undertake no obligation to revise or update this offering circular to reflect events or circumstances after the date hereof. Given these uncertainties, prospective investors should carefully consider these factors and should not place undue reliance on the forward-looking statements.

SUMMARY

This summary highlights selected information about this offering and our business contained elsewhere in this offering circular. This summary is not complete and does not contain all of the information that may be important to you in making a decision to purchase the notes. This summary is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this offering circular. You should read carefully this entire offering circular and should consider, among other things, the matters set forth in ''Risk Factors'', ''Unaudited Pro Forma Condensed Combined Financial Information'' and ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and our combined financial statements and the notes thereto included elsewhere in this offering circular.

Company Overview

We are a leading global provider of high-performance cleaning, sanitation and hygiene products for the food safety and service, food and beverage plant operations, healthcare, floor care, housekeeping and room care, laundry and hand care markets. In addition, we offer a wide range of value-added services, including food safety and application training and consulting, as well as auditing of hygiene and water management. We serve institutional and industrial end-users such as food service providers, lodging establishments, food and beverage processing plants, building service contractors, building managers and property owners, retail outlets, schools and healthcare facilities globally. We trace our history back to 1886 and since then have predominantly operated within larger, diversified, product-driven manufacturing companies including Molson, Unilever PLC (''Unilever''), S.C. Johnson & Son, Inc. (''SCJ'') and most recently, Sealed Air. Although our cleaning products represent only a small portion of our customers' total cleaning costs, they are typically viewed as being non-discretionary given they can have a meaningful impact on the efficacy of cleaning solutions and operational costs.

Our fully integrated suite of solutions combine chemicals, dispensing equipment, cleaning machines, services and digital analysis across two distinct business product categories: Professional and Food & Beverage. Our Professional product category, which represented approximately 76% of net sales for the year ended December 31, 2016, develops and delivers integrated solutions comprised of chemicals, floor care machines, cleaning tools and utensils, and digitally enabled systems for the institutional and janitorial markets. Our Food & Beverage product category, which represented approximately 24% of net sales for the year ended December 31, 2016, develops and delivers solutions integrating chemicals, design engineering, cleaning protocols and equipment, remote data monitoring and predictive analytics for food and beverage manufacturers.

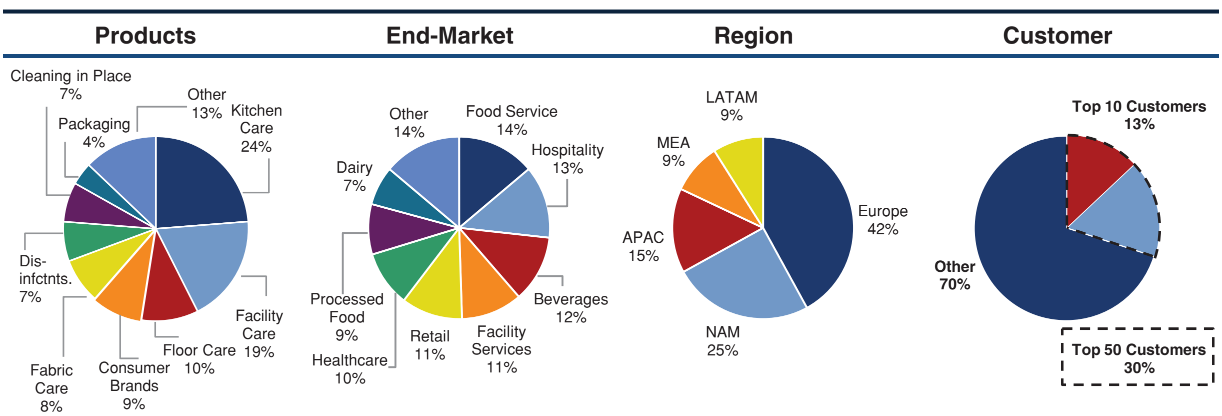
We are highly diversified across products and services, end-markets and geographies. Our global operations have broad exposure and a significant presence throughout Europe, North America (''NAM''), Asia Pacific (''APAC''), the Middle East and Africa (''MEA'') and Latin America (''LATAM''). We have little reliance on any individual country. We serve in excess of 85,000 customers across more than 260,000 sites globally. Our extensive portfolio breadth reduces our exposure to any one solution, with no individual product or service representing more than 0.9% of total sales for the year ended December 31, 2016. We are further diversified across stable end-markets, including food service, hospitality, beverages, building services and healthcare, among others, with no individual end-market accounting for more than 14% of total sales for the year ended December 31, 2016. We believe this high degree of diversification with low customer concentration has generated revenue stability for us.

We believe we are differentiated from our competitors by our global footprint that reaches a diverse customer base, as well as by the integrated high-touch service and end-to-end solutions we provide, our customized chemical formulations and our extensive suite of dosing and dispensing equipment. We believe our products improve customers' operational efficiency and their cleaning, sanitizing and hygiene results, which has led to deeper customer relationships. Working in a highly fragmented industry, we have a balance of direct selling capabilities and a global and regional distribution network that reaches thousands of end-use customers. We have invested in research that helps us understand our customers' business needs, which we believe positions us as an innovator and strong collaborative partner and enables us to deepen our customer relationships and drive growth.

We are headquartered in Charlotte, North Carolina, operate 16 chemical facilities on a global basis and two equipment plants, and have a global customer facing team of approximately 6,000 employees including sales, marketing and technical service representatives along with approximately 500 customer service representatives. For the twelve months ended March 31, 2017 (the ''LTM Period''), on a pro forma basis after giving effect to the Transactions, we generated $2,565.0 million in net sales and $387.1 million in Further Adjusted EBITDA. See ''—Summary Historical and Pro Forma Financial Data'' for a definition of Further Adjusted EBITDA and a reconciliation of our pro forma net income (loss) to Further Adjusted EBITDA.

The following charts set forth our net sales by product, end-market, region and customer concentration category for the year ended December 31, 2016.

2016 Net Sales Breakdown



(1) Sales breakdown by end-market excludes distributor sales with multiple end-markets, which comprised 32% of our net sales for the year ended December 31, 2016.

Professional

Our Professional product category offers floor and building care chemicals, floor care machines, cleaning tools, dosing and dispensing equipment, kitchen and mechanical washing solutions, infection prevention and personal care, fabric care, odor control, carpet care and restroom care. Our sustainable cleaning and hygiene solutions drive labor productivity, infection prevention, food safety and enhance the customer experience. In addition to sales of chemicals and equipment, we offer a range of solutions including engineering, consulting and training services yielding higher productivity, risk management, data provided through its digital solutions and sustainability benefits to customers across a wide range of end-markets. Many of the products we offer in this product category are consumable in nature and require periodic replacement, generating recurring revenue which we believe provides stability to our business.

We are a global leader in our Professional product category. Based on 2016 net sales, we believe we held the #1 market position in the Europe, MEA, LATAM and APAC regions and the #2 market position in North America. Our broad footprint, global presence and scale enable us to consistently serve large global customers with added local insight and regional support to provide a tailored solution and enhanced high-touch, value-added service offering. Our Professional product category is focused on serving five primary institutional and industrial sectors globally: food service, hospitality, facility service, food retail, and healthcare. Key representative customers include ISS, Aramark, ABM, Sodexo, McDonalds, Walmart and Hilton.

Our extensive suite of cleaning products for the food service market includes chemicals for washing dishes, utensils and kitchen equipment, food handling and storage products. Our broad range of floor care products and systems include finishes, waxes and cleaners for all types of flooring surfaces, including vinyl, granite, concrete, marble and wood. Our floor care products also include carpet cleaning and floor care machines, utensils and tools, which support floor cleaning and maintenance process. We also offer a fully integrated line of products and dispensing systems for hard surface cleaning, disinfecting and sanitizing, handwashing, air deodorizing and freshening and laundry care. Additionally, we provide technical assistance for efficacious application of these chemicals and installation of our equipment at the customers' sites increasing our stickiness with the customers and thereby providing stability to our revenue base.

We also operate a Consumer Brands business within the Professional product category which accounted for approximately $250.0 million of our 2016 net sales. This business distributes a broad range of trusted consumer-branded cleaning and hygiene products such as DOVE Skin and Body and OMO detergent to professional market customers such as hotels and professional laundries, among others. As a partner for Fast Moving Consumer Goods (''FMCG'') companies, including a longstanding strategic partnership with Unilever, we help create unique FMCG brand experiences for customers in the non-residential markets (''out-of-home''). Our focus on creating long-term consumer brand partnerships continues as evidenced by our newly established agreements with Nakoma and Spectrum.

Our Professional product category accounted for $1,964.1 million, or approximately 76%, of our net sales for the year ended December 31, 2016. Our gross margin in the Professional product category for the year ended December 31, 2016 was 44.8%.

Food & Beverage

Our Food & Beverage product category provides cleaning-in-place (''CIP'') and open plant systems that integrate cleaning chemicals, lubricants, floor care equipment and cleaning and dispensing tools within the food and beverage end-market. We offer value-added knowledge-driven engineering and project design solutions and installations including automated equipment for dosing and distributing cleaning and sanitation solutions. Our hygiene and engineering solutions are designed to improve productivity and food safety as well as generate water and energy savings for our customers. To ensure proper implementation, we employ highly sophisticated technical application experts to help customers achieve production efficiencies. Although cleaning chemicals represent a small portion of total overall costs, they can have a high cost of failure due to their significant impact on both the efficacy of cleaning solutions and operational costs. We believe our customized product offerings enhance customer retention through mutual investment in infrastructure and solutions.

We are also a global leader in our Food & Beverage product category. Based on 2016 net sales, we believe we held the #1 position in MEA, #2 in Europe, APAC and LATAM and #3 in North America. Our global scale enables us to consistently serve large multi-national customers with added local insights and regional support to ensure a tailored, high-quality solution across customer sites. Our Food & Beverage product category is focused on serving four key sectors globally: food processing, beverage companies, dairy, and other food and beverage establishments. Key representative customers of the Food & Beverage product category include Coke, AB InBev, Cargill, Diageo, Pepsi, Nestle, Danone, Kraft, Heinz, Heineken and Unilever.

Our extensive suite of products and services includes detergents, cleaners, sanitizers and lubricants, as well as cleaning systems, electronic dispensers and chemical injectors for the application of chemical products and improvement of operational efficiency. Through this platform, we also offer gel and foam products for manual open plant cleaning, acid and alkaline cleaners and membrane cleaning products. In addition, we provide consulting services in the areas of food safety, water and energy use reduction and quality management. Through our data monitoring and predictive analytics capabilities, we also help customers maximize efficiency of operations as well as their profitability.

Our Food & Beverage product category accounted for $604.7 million, or approximately 24%, of our net sales for the year ended December 31, 2016. Our gross margin in the Food & Beverage product category for the year ended December 31, 2016 was 39.7%.

Our Operations and Sales Model

We manufacture a diverse portfolio of finished goods utilizing a combination of internal manufacturing sites and strategic contract manufacturing. Our internal manufacturing global footprint consists of five factories in North America, six factories in Europe, two factories in MEA, three factories in LATAM and two factories in APAC, which provide a strong base of owned asset production facilities in established geographies and key emerging markets.

Our manufacturing strategy, which combines both internal and external manufacturing, enables a flexible and geographically effective supply chain network for our chemical finished goods and equipment. Contract manufacturing complements our internal manufacturing capability and supports our existing offerings as well as innovations and new product launches, while limiting capital investment. We contract with approximately 25 large strategic contract manufacturers which we believe augments our global supply chain network with additional geographic coverage and production capabilities. In developed markets, strategic contract manufacturers are used to leverage variable capacity or for unique production capabilities. In emerging markets, contract manufacturers provide strategic capacity where we do not yet have critical mass. In addition, we use approximately 200 third-party manufacturers for sourcing highly unique or specialty products included in our product portfolio. Our primary raw material inputs include caustic soda, solvents, waxes, phosphates, surfactants, polymers and resins, chelates and fragrances. We also source packaging components and equipment and accessories. Our packaging purchases include bag-in-the-box containers, bottles, corrugated boxes, drums, pails, totes, aerosol cans, caps, triggers and valves. Our equipment and accessories purchases include dilution control, ware washing and laundry equipment, floor care machines, air care dispensers, floor care applicators, mops, microfiber, buckets, carts and other items used in facility maintenance. Where contract manufacturing is used, the production processes mirror those of our internal manufacturing plants to ensure quality control. We believe all components related to raw materials, equipment and accessories are readily available from multiple sources and to the extent possible, we offset higher costs of materials through pricing increases.

We have long-term relationships with an extensive network of suppliers. Supplier contracts are typically multiyear, with set pricing and renewal features built in and flexibility to adjust prices on the basis of underlying fluctuation in raw material costs. The majority of our critical raw material inputs are common to the industry and produced in all regions by multiple large, global suppliers, ensuring attractive input prices.

We reach customers via a combination of direct sales channels (which represented approximately 76% of our net sales for the year ended December 31, 2016, including ‘‘ship-through’’ sales, which involve a distributor-facilitated fulfillment where the customer relationship is managed by Diversey and not the distributor) and distribution channels (which represented 24% of sales for the year ended December 31, 2016). We employ a balanced marketing strategy with a strong, global direct sales force as well as a broad network of third-party distributors in key locations, whereas many of our competitors sell solely or primarily through third-party distributors. We believe that this hybrid strategy provides us with access to an extensive range of customers, while facilitating optimized operations in a cost-effective manner. We employ a structure of dedicated professionals managing strategic accounts to build long-term customer relationships. Our manufacturing network is supported by a global customer facing team of approximately 6,000 employees including sales, marketing and technical service representatives along with approximately 500 customer service representatives. Our in-house sales force directly manages relationships with our large global and regional customers while our third-party distributor partners enable us to reach end-users for which would not be profitable for us to serve directly. We have invested in extensive training for our direct sales force and the management of our distributor network, and we support our sales force with a deep bench of training and technical service representatives.

Our global strategic accounts help differentiate us from our competitors and are a source of significant profitability and growth through increased customer penetration and new customer wins. They help us build long-term contractual relationships, set standards of cleaning and hygiene, facilitate adoption of industry best practices, and provide a platform for local growth. We have 59 global strategic account contracts in place (which represented approximately 20% of our net sales for the year ended December 31, 2016) and a robust pipeline of strategic accounts with projects under implementation and opportunities to win substantial incremental sales. Sales growth among our top 50 customers (based on 2015 net sales, excluding distribution) from January 1, 2015 through December 31, 2016 outpaced sales growth across the entire company over the same period.

Customer Overview

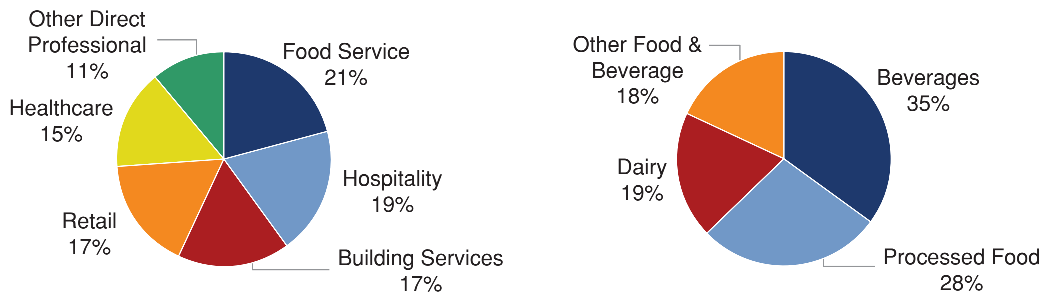
Our Professional and Food & Beverage product categories serve customers across a wide variety of stable and growing end-markets. Approximately three-quarters of our customer relationships exceed 15 years in length. We have minimal concentration and high customer diversity as our largest customer accounted for less than 3% of our net sales for the year ended December 31, 2016, while our top 10 and 50 customers represented only 13% and 30% of our net sales over the same period, respectively. Our highly fragmented customer base adds to stability of our orders and revenue streams as activity across different customer groups is very diverse and independent of activity among other customer categories. Some of our key customers include ISS, ABM, Aramark, Heineken, Hilton, McDonalds, Nestle, Sodexo, Target and Walmart.

Our end-users span a wide range of business sectors, including food service, lodging, retail, healthcare, building managers/service contractors, food and beverage, cash and carry establishments, government institutions, industrial plants and on-premises laundry.

The following charts set forth, for each of our product categories, the end-markets served as a percentage of net sales for the year ended December 31, 2016.

End-Markets Served

Professional Product Category	Food & Beverage Product Category



Our products and systems are sold to global customers through company-trained sales and service personnel, who also advise and assist customers in the proper and efficient use of products and systems in order to meet a full range of cleaning, sanitation and hygiene needs. Our larger customers are served through a combination of direct sales and service, with either direct or ship through logistics, while our small independent customers are reached indirectly through a spectrum of distributors, wholesalers and cash and carry.

In addition to providing cleaning and hygiene products, our application expertise, deep industry process knowledge, and project engineering maximize product and operational efficiency, resulting in sticky customer relationships. Additionally, we provide customized solutions for customers which are integrated into customer sites, encouraging mutual investment in infrastructure and increasing customer loyalty.

Research and Development

We maintain significant research and development (''R&D'') capabilities to ensure we continue to remain an innovator and technological leader. We develop new products, applications, services, and processes while providing technical assistance to improve our customers' operations. We are increasingly leveraging our digital capabilities in R&D, which we believe further differentiates us from our competitors. Our value proposition is rooted in the integration of our proprietary technologies with our customers' manufacturing and service delivery value chain. We have R&D and application support facilities in locations around the globe, including in North America, South America, Europe and Asia, to facilitate hands-on interaction with our customers.

Substantially all of our principal products have been sourced and/or developed through R&D endeavors by our in-house engineering personnel, and we maintain a robust pipeline of new product development projects, which are in various stages of discovery and development.

Our Digital Innovation Capabilities

We maintain a portfolio of smart, connected, and data driven solutions that differentiate us from our peers and lay the foundation for substantial future growth. Diversey's digital innovation initiative, called the ''Internet of Clean'', uses the 'Internet of Things' and robotics to create differential value for its customers. This initiative intelligently connects facilities, equipment and people, thereby resulting in improved internal operations and more efficient service. This trend of digital integration supports improvements in customer productivity and labor savings via smart cleaning devices and services. We believe we offer an industry-leading suite of innovative digital products, which include:

Product	Description
IntelliDish	Remote monitoring system to optimize performance, productivity and resources in commercial dishwashing operations
IntelliTrail	A web-based GPS tracking solution which enables locating, monitoring and managing fleets of machines
Intellibot	Fully autonomous floor cleaning robots that drive safety, productivity and operational improvement
IntelliLinen	Reliable precision dosing of products, reporting and remote monitoring features that drive improvement in fabric care operations
IntelliCare	Remote maintenance and control of dispensers to optimize refilling, routing and stock replanning
IntelliConsult	Modular suite of food safety diagnostic tools and value-added digital services

Industry Overview

We estimate that the global market for traditional cleaning and hygiene products and related services generated annual industry-wide sales of approximately $32 billion for the year ended December 31, 2016, of which professional comprises approximately $27 billion and food and beverage the remainder. These figures exclude sales and industry growth related to digital innovation/Internet of Clean and cleaning machines for the hygiene and cleaning industry. Our industry has demonstrated stable growth trends over time due to its broad end-market exposure, the consumable and recurring nature of its products and services, and secular demand driven by underlying end-market trends such as increased regulation and heightened public awareness of health, hygiene and infection risk.

We believe that we are one of the two largest global providers of institutional and industrial cleaning, sanitation and hygiene products and related services globally and in most of the regions in which we operate. Our industry is highly fragmented, and consists of several regional players which we believe have a more limited product offering than ours. Large, multi-national customers seek out our services given our scale, which is another competitive advantage, particularly relative to competitors with a regional focus.

Our leadership position in these highly fragmented markets gives us an opportunity to make accretive acquisitions, adding new technologies, end-market capabilities and sales and service assets to our global platform. We have completed several tuck-in acquisitions over the last few years and we continue to evaluate new opportunities in every geography.

	Professional Product Category(1)		Food & Beverage Product Category(1)	
Region	Market Position	Market Share	Market Position	Market Share
Europe	#1	10%	#2	19%
NAM	#2	6%	#3	5%
MEA	#1	5%	#1	11%
APAC	#1	4%	#2	6%
LATAM	#1	12%	#2	33%

(1) Our regional market shares by product category and by region are sourced from a leading consulting firm's research analysis (including Global Industry Analysts, IHS and market participants' published statements) and are based on 2016 net sales. Our market positions by product category and by region are estimated from this a leading consulting firm's research and analysis and management's estimates.

Industry Growth Drivers

We believe that the Professional and Food & Beverage product categories of the traditional cleaning and hygiene industry have demonstrated stable growth trends over time due to the growing importance of hygiene and cleanliness across our highly diversified end-markets and geographies. Governmental regulations for food safety and customer focus on hygiene and cleanliness have also increased significantly across the world. Climate change, water scarcity and environmental concerns have combined to create further demand for products, services and solutions designed to minimize waste and drive broader sustainability.

We believe that the principal end-markets in which we operate will continue to grow at attractive rates, supported by a number of key industry trends. The table below sets forth for each of the end-markets that we serve the percentage of our net sales for the year ended December 31, 2016 allocated to that end-market and the estimated growth rate of that end-market from 2016 to 2021.

Projected End-Market Growth

End-Market	Projected Market Growth from 2016 to 2021(1)
Healthcare	8%
Retail	6%
Facility Services	4%
Food Service / Hospitality	4%
Food & Beverage	3-4%
Other	3%

(1) Our projected market growth by end-market from 2016 to 2021 is sourced from a leading consulting firm's research and analysis, including Global Industry Analysts, IHS and market participants' published statements.

Industry trends like the high cost of absenteeism, increased hygiene standards, rising hospital acquired infection (''HAI'') costs, stringent food safety laws, high turnover in facilities management staff and increased automation and digitization represent key drivers that underpin these expected market growth rates. Specifically, we see six broad trends driving these growth rates:

- *Food Safety*: Combatting the rise and frequency of foodborne illnesses, particularly as the trend towards fast casual dining continues to grow.

- *Regulatory*: Changes in the regulatory environment continue to impact labeling and classification of chemicals.
- *Infection Prevention*: Continued high incidence of HAIs increases demand for continuous improvements in infection prevention and hand hygiene.
- *Sustainability*: Eco resource scarcity is increasingly a concern as the world becomes more populated and resource needs outpace resource supply. In addition, increased urbanization is driving greater awareness of resource conservation. This driver is particularly relevant across all of our Professional product category end-markets, where regulation increasingly requires sustainable solutions. In addition, our customers are becoming increasingly aware of ''green cleaning'', which uses cleaning methods and products with environmentally friendly ingredients, and procedures which are designed to preserve human health and environmental quality.
- *Fast Moving Consumer Goods Penetration*: Consumers look for products specifically designed to fit their own unique profiles, needs and lifestyles.
- *Innovation*: Shift toward the use of network-connected, physical devices embedded with electronic, software, sensors and actuators that collect and exchange data, which creates demand for our unique digitally-enabled solutions.

Although the industry is experiencing some shifting trends, we believe we are well positioned relative to our global competition. While customers pay for chemicals, we focus on the importance of providing a comprehensive solution, yielding high productivity, risk management and sustainability to our customers. We have become an entrenched part of our customers' value chain and continue to help them protect their brands and drive profitability.

Our Competitive Strengths

Global Leader in Large and Fragmented Market — We believe that we are one of the two largest global providers of institutional and industrial cleaning, sanitation and hygiene products and related services. We estimate the size of the market in which we operate to be approximately $32 billion, and that we hold a leading market position in each of the geographies that we serve. We believe our scale and strong market position around the world differentiate us from the numerous smaller local and regional competitors that make up a significant majority of the market, enabling us to not only provide end-to-end solutions for the diverse needs of our customers but also to consistently deliver our value-added products, services and solutions to global customers with multiple points of contact and ensure our quality and standards of service are met across all customer sites. Our scale and differentiated capabilities also allow us to invest in R&D aimed at creating next-generation products and services designed to meet the specific needs of our customers. We focus on designing solutions that deliver meaningful labor, energy and water savings, thereby reducing customers' operating costs while also supporting sustainability and minimizing environmental impact. We are increasingly leveraging our digital capabilities in the development of these products and services, which we believe further differentiates us from our competitors.

Highly Diversified Across Structurally Attractive End-Markets — We believe that our broad exposure to a variety of attractive and stable end-markets across the globe mitigate the potential volatility of cyclical downturns in specific industries or regions. We have historically focused on the more developed European and North American markets, but we are also expanding into higher growth, emerging markets that are experiencing a greater focus on cleaning and hygiene standards, thereby providing us an entry point into higher growth environments as compared to the more mature regions we have historically served. We focus on serving the non-industrial, non-energy end-markets such as food service, hospitality, beverages, building services and healthcare, which historically are less prone to volatile swings in performance during periods of macroeconomic weakness due to such end-markets having more consistent demand through economic cycles. We believe that this strategy helps mitigate the adverse effects of economic cycles on our business. In addition to providing this downside protection, we believe these end-markets will continue to grow at attractive rates in the future supported by a number of key industry trends that drive demand for Diversey's products and services.

Broad Portfolio of Product and Service Offerings — We believe we offer our customers the most extensive range of cleaning, sanitizing and hygiene products and services, many of which are consumable and must therefore be periodically replaced. While our products and services generally represent a small percentage of our customers' cost structure, our products and services are often viewed as critical to our customers' operations and brand protection, particularly in an environment of increasing regulation and scrutiny of, and concern over, food safety, hygiene and infection control. In addition, we offer our customers integrated solutions that consist of providing an on-going supply of customized cleaning chemistries, machines, tools and utensils, as well as providing installation, maintenance, training and technical support. We believe that these integrated offerings appeal to our customers because they promote higher productivity and generate operational savings.

Established Long-Term Relationships Across an Attractive Customer Base — The products and services we provide our customers are critical to meeting their cleaning and hygiene needs. Our customers include many of the largest, most established, and most well-known companies in their industries, including leading global building service contractors, hotel operators, food and beverage processors, retail and consumer products companies, educational institutions and healthcare facilities. Among our largest customers are beverage companies The Coca-Cola Company and Heineken, pharmaceutical retailer Walgreens and global facilities services providers ISS and Aramark.

While we service many of the largest companies in their respective sectors, our customer base is highly fragmented, with no single customer representing more than 3% of net sales for the year ended December 31, 2016, and our ten largest customers representing approximately 13% of net sales for the same period. In addition, we have been able to maintain long-term relationships with many of our top customers, promoting a stable and recurring revenue stream. Approximately three-quarters of our customer relationships exceed 15 years in length. Our consultative sales and service model often involves either installation of our technologies at customers' facilities or investments in training our customers' employees to effectively use our products and operate our cleaning systems. We believe that these investments make us a valuable and entrenched partner to our customers, providing meaningful incentives for long-term relationships and continued use of our products, services and solutions. This is evidenced by our consistently high rate of customer retention, which was on average 98% for our Professional product category, 96% for our Food & Beverage product category and 98% for our company as a whole, in each case, over the 2015 and 2016 fiscal years.

Strong, Resilient Financial Performance and Stable Free Cash Flow Characteristics — We have an attractive financial profile highlighted by our stable and diversified revenue streams, historical margin expansion and strong free cash flow generation. Our strong free cash flow generation, which we define as Adjusted EBITDA less capital expenditures, is attributable to attractive gross margins, a high degree of operational leverage across our selling, general and administrative expenses, and minimal capital expenditures. For the 2015 and 2016 fiscal years, we converted, on average, approximately 80% of Adjusted EBITDA into free cash flow. Our Adjusted EBITDA margin expanded approximately 120 basis points for the year ended December 31, 2016 as compared to the year ended December 31, 2015. During previous economic cycles, our diversified business model and flexible cost structure have allowed us to perform well in the cyclical down-turns in the end-markets we serve. Additionally, the Transactions have been structured in a tax-efficient manner and are expected to further optimize our required cash tax obligations, following their consummation. We believe that our business has the capability to support further growth while also taking advantage of operating leverage and the benefits of the cost rationalization initiatives described below, all of which we believe will allow us to continue to sustainably generate strong cash flow.

Experienced Management Team with Strong Sponsorship — We are led by a senior management team with significant industry, manufacturing and marketing experience which has implemented various initiatives that have contributed, and will continue to contribute, to our operational and financial performance. We will also benefit from the support and expertise of Bain Capital, which has extensive expertise in investments in industrial companies and carve-out transactions and has delivered attractive returns to its investors by driving operational improvements in its portfolio companies. Bain Capital has a successful track record of operating businesses through transformative periods and is committed to helping us continue to execute on our growth strategies, broaden our customer reach, continue to innovate and develop new products, and achieve the expected benefits from the cost rationalization initiatives we intend to undertake.

Our Business Strategy

Capitalize on Attractive Trends to Drive Growth — Governmental regulations for food safety and disease control and consumer focus on hygiene and cleanliness have both increased significantly across many of the jurisdictions in which we operate in recent years. Climate change, water scarcity and environmental concerns have combined to create further demand for products, services and solutions designed to minimize waste and support broader sustainability. In addition, many of our customers require tailored cleaning solutions that can assist in reducing labor, energy, water use and the costs related to cleaning, sanitation and hygiene activities. We help our customers realize efficiencies throughout the operation of their facilities by developing customized solutions. We are targeting high growth end-markets like healthcare through our registered disinfection portfolio based on Accelerated Hydrogen Peroxide (''AHP''). Our AHP products are targeted for use in hospitals, nursing homes and other locations where virus outbreaks are most common. We believe that our value-added customer service approach and proven commitment to providing cost-savings and sustainable solutions position us well to address these and other critical demand drivers in order to drive revenue growth.

Leverage Our Global Scale to Serve National and Multinational Customers — As a global provider offering a full range of cleaning and hygiene products, services and solutions, we believe we can leverage our scale and expertise to meet our customers' increasingly complex needs and support them as they pursue expansion into new geographies. We believe that a significant percentage of the total customer base in our industry is served by smaller local and regional players, many of which we believe lack the breadth of capabilities and scale to compete effectively long-term in an industry driven by increasingly stringent regulatory and hygiene standards. We have a long and demonstrated track record of growth with large multinational customers, and we expect that our global scale will continue to attractively position us to win incremental business from these customers. Our enhanced focus on global strategic accounts helps differentiate us by building long-term relationships with global clients, syncing our offerings with client goals, setting industry standards of cleaning and hygiene and providing a platform for local growth.

Continued Focus on Commercial Excellence — We employ a balanced marketing strategy with a strong, global direct sales force complemented by a broad network of third-party distributors in key locations, whereas the majority of our competitors sell solely or primarily through third-party distributors. We believe that this hybrid strategy provides us with access to an extensive range of customers while allowing us to optimize our operations in a cost-effective manner. Our global strategic accounts have historically driven higher organic growth and we have improved sales force efficiency by redesigning our operating model and commercial organization. We believe there is further opportunity to optimize our commercial organization following our separation from Sealed Air. We believe there is meaningful long-term opportunity to continue improving our commercial organization to grow our business and solidify our customer relationships — for example, through integrating CRM systems and eliminating products or services that are not creating value for our customers.

Maintain Our Leadership Through Research and Development and Product Innovation — We intend to build on our portfolio of customized and value-added products, services and solutions to meet current and future demands of end-users. Under Sealed Air's ownership, we centralized our R&D functions, and we believe this reorganization has enhanced our responsiveness to customer needs and time-to-market in product development. Products we have developed, such as Oxivir formulations, Clax Xcellence and Advance, and Taski Swingo 2100 and XP, address our customers' requirements for more cost efficient and environmentally sensitive cleaning solutions and are important to our ability to maintain loyalty in our existing customer base as well as attract new customers. These innovations and their commercialization are the outgrowth of the insights we developed through in-depth attitudinal, behavioral and ethnographic customer research, through which we applied a new level of market analysis and capabilities to our business. We also continually evaluate acquisition opportunities to supplement, and further accelerate, our organically-derived innovation initiatives.

Cost Rationalization Initiatives — We plan to leverage the opportunity offered by the carve-out of Diversey from Sealed Air to improve our operations and generate substantial cost savings as a standalone company. As an independent, service-oriented company, we intend to enhance and simplify our business processes, rationalize our cost base and focus on initiatives to drive growth and improve financial performance. These initiatives can be grouped into four major categories: (1) reducing back-office costs, (2) improving our procurement strategy, (3) enhancing the efficiency of our manufacturing and supply chain networks, and (4) continuing our focus on improving commercial excellence and sales force productivity. The levers available to us to implement these initiatives are numerous and include reducing headcount in non-customer facing areas of our business, consolidating expenditures across our highly fragmented supplier base as well as rationalizing our manufacturing facility footprint to enhance overall utilization and performance. Under Sealed Air's ownership, we lacked control over certain critical business functions, which limited our ability to optimize many of these factors to suit our standalone business needs.

We have included in our Further Adjusted EBITDA an estimated approximately $55 million of benefit from the completion of such initiatives, comprised of $30 million of back office savings related to headcount rationalization to be implemented in early 2018 and $25 million of chemicals, equipment and packaging procurement savings to be implemented by the end of 2018. We expect that there will be additional opportunities to achieve further cost savings through these initiatives as well as by optimizing our manufacturing and supply chain networks and focusing on productivity and commercial excellence.

The Transactions

The Acquisition

On March 25, 2017, the Issuer entered into a purchase agreement with Sealed Air (the ''Purchase Agreement'') pursuant to which certain private investment funds and/or vehicles affiliated with Bain Capital will, through the Issuer and its subsidiaries, acquire Diversey from Sealed Air for approximately $3.2 billion, subject to customary purchase price adjustments, otherwise referred to herein as the ''Acquisition''. Pursuant to the Purchase Agreement, the Issuer and its subsidiaries will purchase all of the assets and certain equity interests related to Diversey from Sealed Air and its subsidiaries. Consummation of the Acquisition is subject to works council approvals in the Netherlands, antitrust approvals in the U.S., European Union (''EU''), Brazil, Russia, China, South Africa, Turkey and Mexico, Sealed Air refinancing its existing credit facilities and other customary closing conditions, and is expected to close during September of 2017. The required antitrust approvals under the Purchase Agreement have all been received as of the date of this offering circular.

The Financing Transactions

In connection with the Acquisition, we anticipate entering into the following financing transactions (the ''Financing Transactions''):

- a new $1,802.0 million senior secured term loan facility (the ''Term Loan Facility'') consisting of a $900.0 million U.S. dollar denominated tranche and an €820.0 million euro-denominated tranche (or $902.0 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement);
- a new $250.0 million senior secured revolving credit facility (the ''Revolving Credit Facility'' and, together with the Term Loan Facility, the ''Senior Secured Credit Facilities''), which is expected to be undrawn upon the completion of the Transactions; however, at closing we may draw (x) up to $40.0 million to fund acquisition and transaction costs, (y) amounts to pay certain original issue discount (''OID'') or upfront fees, if any, and (z) additional amounts to fund working capital needs (including purchase price adjustment payments owed under the Purchase Agreement);
- an equity contribution of approximately $815.0 million in cash by Bain Capital (the ''Equity Contribution'');
- the issuance of €545.0 million aggregate principal amount of notes offered hereby (or $599.5 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement) and the use of proceeds thereof as described in this offering circular; and
- the release of the net proceeds of this offering from escrow on or prior to the Outside Date.

We expect to finance the Acquisition and pay related fees and expenses and fund working capital needs with the proceeds of the Financing Transactions. The Equity Contribution and the closing of the Senior Secured Credit Facilities are expected to occur substantially concurrently with the Acquisition and the release of the net proceeds of this offering from the Escrow Account as described below.

The Acquisition and the Financing Transactions are collectively referred to herein as the ''Transactions''.

Escrow of Proceeds; Special Mandatory Redemption

This offering will be consummated prior to the consummation of the Acquisition. Consequently, concurrently with the consummation of the offering, the Issuer will enter into an escrow agreement relating to the notes (the ''Escrow Agreement'') with the trustee and JPMorgan Chase Bank, N.A., acting through its London branch, as escrow agent (in such capacity, the ''Escrow Agent''). Pursuant to the Escrow Agreement, on the closing date of this offering the Issuer will deposit (or cause to be deposited) cash in an amount equal to the gross proceeds from this offering into a segregated escrow account (the ''Escrow Account'') in the name of the Escrow Agent for the benefit of the holders of the notes. The Escrow Account will be pledged on a first-ranking basis in favor of the Trustee on behalf of the holders of the notes. See ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption''.

Pursuant to the Escrow Agreement, the release of the escrowed funds will be subject to the satisfaction of certain conditions (collectively, the ''Escrow Release Conditions''), including, among others: (i) the satisfaction or waiver of all conditions precedent to the consummation of the Acquisition in accordance with the Purchase Agreement and the consummation of the Acquisition; (ii) the satisfaction or waiver of all the conditions precedent to the effectiveness of, and borrowings under, the credit agreement governing the Senior Secured Credit Facilities; and (iii) the guarantors who will guarantee the Senior Secured Credit Facilities as of the consummation of the Acquisition shall have, by supplemental indenture, effective upon the Escrow Release Date (as defined below), become or, substantially concurrently with the release of the funds from escrow, shall become parties to the indenture that will govern the notes. The timing for signing the indenture that will govern the notes and providing such guarantee shall be subject to the restrictions, if any, under the laws of the jurisdiction of each guarantor, as applicable.

Upon delivery to the Escrow Agent and the trustee on or prior to the Outside Date of an officer's certificate instructing the Escrow Agent to release the escrowed funds to the Issuer (the date of such release being referred to as the ''Escrow Release Date'') and stating that concurrently with the release of funds from escrow the Escrow Release Conditions have been, or will be, satisfied on or prior to the Outside Date, the escrowed funds will be released to the Issuer to finance a portion of the cash purchase price of the Acquisition.

Upon the earliest of (x) 5:00 p.m., New York City time, on the Outside Date, if the Issuer has not delivered to the Escrow Agent and the trustee the officer's certificate referenced above by such time or (y) receipt by the Escrow Agent and the trustee at any time prior to 5:00 p.m., New York City time, on the Outside Date of an officer's certificate certifying that (A) the Issuer will not pursue the consummation of the Acquisition or (B) the Purchase Agreement has been amended, modified or waived or any consent granted in a manner that would be materially adverse to the holders of the notes or has otherwise been terminated, the notes will be subject to a special mandatory redemption (a ''Special Mandatory Redemption'') at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional amounts, if any, from the issue date to, but excluding, the redemption date (the ''Special Mandatory Redemption Price''). Until their release from escrow, the escrowed funds will be pledged as collateral for the benefit of the holders of the notes. See ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption''.

In the event that the Special Mandatory Redemption Price payable upon a Special Mandatory Redemption exceeds the amount of the escrowed property, the Bain Capital Fund (as defined in ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption'') will be required to transfer an amount of cash in euro to the Issuer that will be sufficient to enable the Issuer to pay the accrued and unpaid interest, plus additional amounts, if any, owing to the holders of the notes, pursuant to an irrevocable equity commitment letter issued by the Bain Capital Fund. See ''Risk Factors—Risks Related to the Escrow of Proceeds—In the event that the Acquisition is not consummated on or prior to the Outside Date and the other Escrow Release Conditions are not satisfied or the terms of the Escrow Agreement are not otherwise complied with, the notes will be subject to a Special Mandatory Redemption and, as a result, you may not obtain the return you expect on the notes'' and ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption''.

Sources and Uses of Funds

The following table illustrates the estimated sources and uses of funds for the Transactions. Actual amounts could vary from estimated amounts depending on several factors, including changes in the cash purchase price for Diversey based on any change in the amount of estimated cash and working capital of Diversey at closing and changes in our actual amount of expenses related to the Transactions. You should read the following together with the information included under the headings ''Use of Proceeds'' and ''Unaudited Pro Forma Condensed Combined Financial Information'' included elsewhere in this offering circular.

Sources of Funds		Uses of Funds	
(U.S. dollars in millions)			
Senior Secured Credit Facilities:			
Revolving Credit Facility[(1)]	$ —	Equity purchase price[(5)]	$2,965
Term Loan Facility[(2)]	1,802	Cash to balance sheet	102
Notes offered hereby[(3)]	600	Estimated fees and expenses[(6)]	150
Equity Contribution[(4)]	815		
Total sources of funds	$3,217	**Total uses of funds**	$3,217

(1) The Revolving Credit Facility is expected to be undrawn upon the completion of the Transactions. However, at closing we may draw (x) up to $40.0 million on the Revolving Credit Facility to (i) fund acquisition and transaction costs and (ii) pay fees and expenses related to the Transactions, including any OID or upfront fees, if any, and (y) additional amounts to fund working capital needs (including working capital payments under the Purchase Agreement). See ''—The Transactions'' and ''Description of Certain Other Indebtedness''.

(2) Represents (i) a $900.0 million U.S. dollar denominated tranche and (ii) an €820.0 million euro-denominated tranche, or $902.0 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement. See ''Description of Certain Other Indebtedness''.

(3) Represents the aggregate principal amount of the notes offered hereby, excluding any offering discount. The notes offered hereby will be denominated in euro in an aggregate principal amount of €545.0 million, or $599.5 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement.

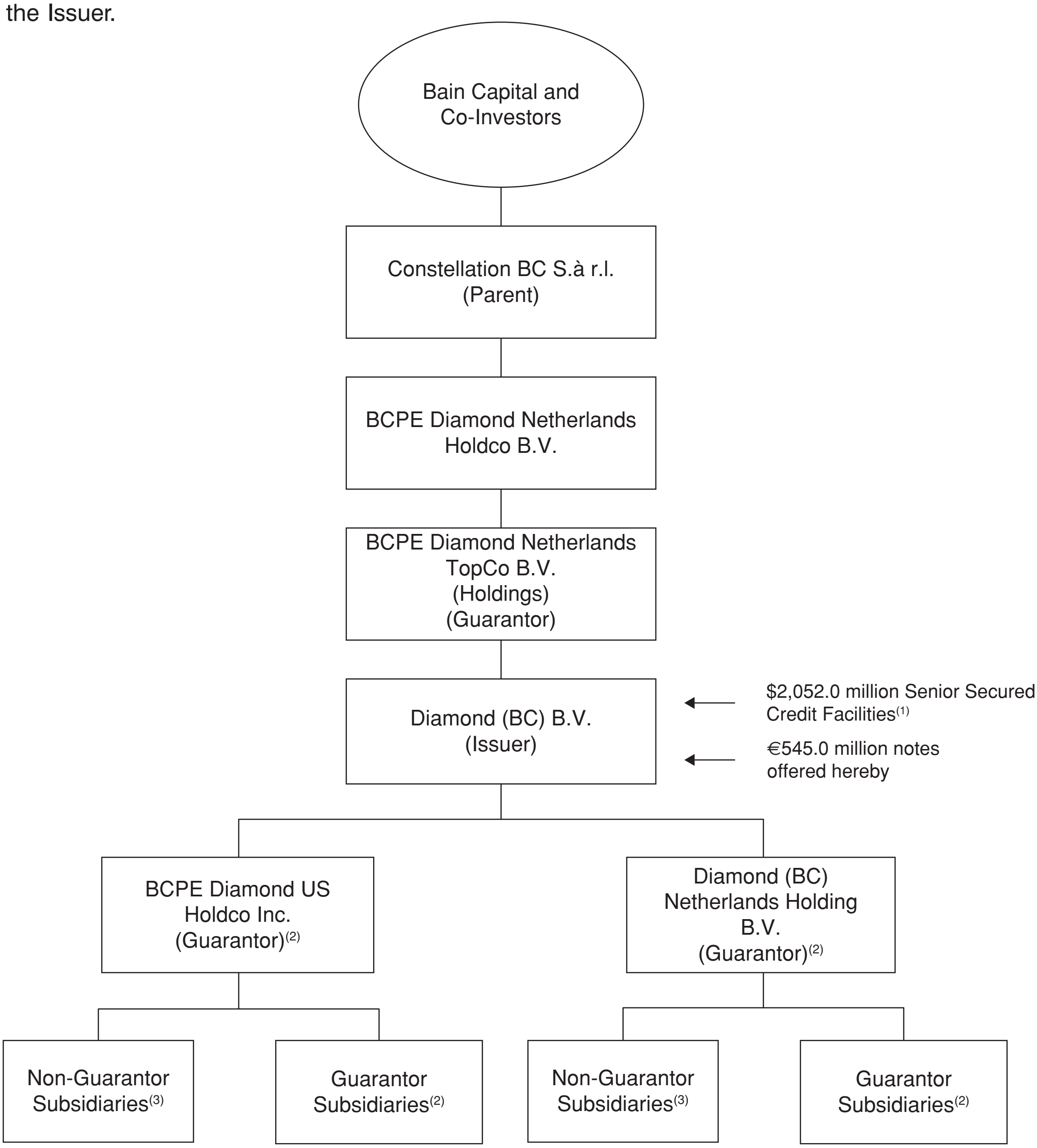
(4) Represents the approximate Equity Contribution to be made by investment funds advised by Bain Capital.

(5) The cash purchase price to be paid at closing is subject to certain adjustments set forth in the Purchase Agreement based on estimated and actual working capital, cash and indebtedness of Diversey at closing. If necessary, we expect to pay any increases in the equity purchase price with borrowings under the Revolving Credit Facility, subject to the limitations set forth in note (1) above.

(6) Reflects estimated fees and expenses associated with the Transactions, commitment, placement and other financing fees, financial advisory costs and other transaction costs and professional fees. We expect any fees and expenses in excess of this estimate to be paid with borrowings under the Revolving Credit Facility, subject to the limitations set forth in note (1) above.

Corporate Structure

The following chart summarizes our pro forma corporate structure and principal financing arrangements immediately after giving effect to the consummation of the Transactions. All entities will be wholly owned, directly or indirectly, by Constellation BC S.à r.l. (''Parent''), the indirect parent of the Issuer.



(1) The Senior Secured Credit Facilities will consist of (i) the $250.0 million Revolving Credit Facility with a five-year maturity and (ii) the $1,802.0 million Term Loan Facility with a seven-year maturity, consisting of (a) a $900.0 million U.S. dollar denominated tranche and (b) an €820.0 million euro-denominated tranche, or $902.0 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement. At closing, we may draw (x) up to $40.0 million on the Revolving Credit Facility to (i) fund acquisition and transaction costs and (ii) pay fees and

expenses related to the Transactions, including any OID or upfront fees, if any, and (y) additional amounts to fund working capital needs (including working capital payments under the Purchase Agreement). See ''—The Transactions'' and ''Description of Certain Other Indebtedness''.

(2) We currently expect all of the Issuer's existing and subsequently acquired or organized direct or indirect material wholly-owned restricted subsidiaries that guarantee indebtedness under our Senior Secured Credit Facilities (other than those organized in Italy) will guaratee the notes, including all of our material subsidiaries organized in Australia, Austria, Brazil, Belgium, Canada, Denmark , France, Germany, Hong Kong, Mexico, the Netherlands, Poland, Spain, Sweden, Switzerland, the United Kingdom and the United States upon the completion of the Transactions, subject to the restrictions of the laws of the jurisdiction of organization of each guarantor. All of our guarantor subsidiaries are directly or indirectly wholly-owned. The notes will not be guaranteed by Holdings or any of the Issuer's subsidiaries prior to the consummation of the Acquisition.

(3) The Issuer has subsidiaries organized in 68 different jurisdictions around the world. The Issuer's subsdiairies organized in jurisdictions other than those listed in footnote (2) above will not guarantee the notes or the Senior Secured Credit Facilities. A limited number of our non-guarantor subsidiaries are not wholly owned. For the LTM Period, the Diversey subsidiaries that will not guarantee the notes represented approximately 37.1% and 45.9% of Diversey's consolidated net sales and consolidated Adjusted EBITDA, respectively. As of March 31, 2017, those non-guarantor subsidiaries accounted for approximately 34.7% of Diversey's total assets (excluding assets not being acquired in the Transactions). See ''Risk Factors—Risks Relating to the Notes and Our Indebtedness—Claims of holders of the notes will be structurally subordinated to claims of creditors of certain of the Issuer's subsidiaries that will not guarantee the notes''.

Equity Sponsor

Bain Capital is a global private investment firm whose affiliates manage several pools of capital, including private equity, venture capital, public equity, high-yield assets and mezzanine capital, with over $75 billion in assets under management. Bain Capital has a team of approximately 400 professionals dedicated to investing and to supporting its portfolio companies. Since its inception in 1984, funds sponsored by Bain Capital have made private equity investments and add-on acquisitions in more than 550 companies in a variety of industries around the world. Headquartered in Boston, Bain Capital has offices in Chicago, New York, Palo Alto, San Francisco, Dublin, London, Luxembourg, Munich, Melbourne, Mumbai, Hong Kong, Shanghai, and Tokyo.

Corporate Information

Diamond (BC) B.V. was incorporated in the Netherlands in March 2017 to consummate the Transactions. Our principal executive office is located at 2425 Cascade Pointe, Charlotte, North Carolina 28208. We do not incorporate the information contained on, or accessible through, our corporate website into this offering circular, and you should not consider it part of this offering circular.

The Offering

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See ''Description of Notes'' for a more detailed description of the terms and conditions of the notes.

Issuer	Diamond (BC) B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands.
Notes Offered	€545,000,000 aggregate principal amount of % senior notes due 2025.
Maturity	The notes will mature on , 2025.
Interest	Interest on the notes will accrue at a rate of % per annum, payable semi-annually in cash in arrears on and of each year, commencing , 2018. Interest will accrue from , 2017.
Guarantees	Prior to the Escrow Release Date, the notes will not be guaranteed but will be secured by a first priority lien on the escrow account and the funds held therein for the benefit of the holders of the notes. From and after the Escrow Release Date, the notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Holdings and the Issuer's existing and subsequently acquired or organized direct and indirect material wholly-owned restricted subsidiaries that guarantee indebtedness under the Senior Secured Credit Facilities (other than those organized in Italy). The timing for providing such guarantees will be subject to any restrictions under the laws of the jurisdiction of each guarantor, as applicable. The guarantees of the notes of any guarantor will be released in the event such guarantor's guarantee under the Senior Secured Credit Facilities is released (except in the case of the repayment in full or termination of the Senior Secured Credit Facilities). See ''Description of Notes—Note Guarantees''.
Escrow of Proceeds	The offering will be consummated prior to the consummation of the Acquisition. Consequently, concurrently with the consummation of the offering, the Issuer will enter into the Escrow Agreement with the Escrow Agent and the trustee. Pursuant to the Escrow Agreement and the indenture that will govern the notes, on the closing date of this offering the Issuer will deposit (or cause to be deposited) into the Escrow Account cash in an amount equal to the gross proceeds from this offering. The Escrow Account will be pledged on a first-ranking basis in favor of the trustee on behalf of itself and the holders of the notes.

Upon delivery to the Escrow Agent and the trustee of an officer's certificate from the Issuer stating that the other Escrow Release Conditions have been or will be satisfied on or prior to the Outside Date, the escrowed funds will be released from the security interest created in favor of the trustee and delivered to the Issuer and utilized as described in ''Summary—The Transactions'', ''Use of Proceeds'' and ''Description of Notes—Special Mandatory Redemption; Escrow of Proceeds''. The Escrow Release Conditions include the closing of the Acquisition. If the Purchase Agreement is amended, modified or waived in a manner that is materially adverse to the holders of the notes or the Purchase Agreement is otherwise terminated, if the Acquisition is not consummated on or prior to the Outside Date or if we determine not to pursue the consummation of the Acquisition, then in each case, the notes will be subject to a Special Mandatory Redemption at the Special Mandatory Redemption Price. The escrowed funds would be applied to pay for any Special Mandatory Redemption. In the event that the Special Mandatory Redemption Price payable upon a Special Mandatory Redemption exceeds the amount of the escrowed property, the Bain Capital Fund will be required to transfer an amount of cash in euro to the Issuer that will be sufficient to enable the Issuer to pay the accrued and unpaid interest, plus additional amounts, if any, owing to the holders of the notes, pursuant to an irrevocable equity commitment letter issued by the Bain Capital Fund. See ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption''.

Ranking .... The notes will be the Issuer's and, from and after the Escrow Release Date, the notes and the guarantees will be the Issuer's and the guarantors' general senior unsecured obligations and will rank:

- equally in right of payment with all of the Issuer's and the guarantors' other existing and future senior indebtedness;
- effectively subordinated to all of the Issuer's and the guarantors' existing and future secured indebtedness, including indebtedness under the Senior Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness; and
- senior in right of payment to all of the Issuer's and the guarantors' existing and future subordinated indebtedness and other obligations that expressly provide for their subordination to the notes and the guarantees.

	The notes and the guarantees will also be structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of the Issuer's existing and future subsidiaries that do not guarantee the notes. As of March 31, 2017, on a pro forma basis after giving effect to the Transactions: • the Issuer and the guarantors would have had €545.0 million of indebtedness represented by the notes offered hereby (or approximately $581.7 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017); and • the Issuer and the guarantors of the notes would have had $1,775.3 million of secured indebtedness (including indebtedness under the Senior Secured Credit Facilities) and an additional $250.0 million of availability under the Revolving Credit Facility, all of which would have been secured. No letters of credit are expected to be issued and outstanding under the Revolving Credit Facility as of the date of the consummation of the Transactions, but letters of credit, if issued, may be drawn after the closing date of the Transactions or, subject to certain limitations, on such closing date. For the LTM Period, the Diversey subsidiaries that will not guarantee the notes represented approximately 37.1% and 45.9% of Diversey's consolidated net sales and consolidated Adjusted EBITDA, respectively. As of March 31, 2017, those non-guarantor subsidiaries accounted for approximately 34.7% of Diversey's total assets (excluding assets not being acquired in the Transactions). See ''Risk Factors—Risks Relating to the Notes and Our Indebtedness—Claims of holders of the notes will be structurally subordinated to claims of creditors of certain of the Issuer's subsidiaries that will not guarantee the notes''.
Optional Redemption	The Issuer may redeem the notes, in whole or in part, at any time prior to , 2020, at a price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, plus a ''make-whole'' premium, as described under ''Description of Notes—Optional Redemption''. The Issuer may also redeem the notes, in whole or in part, at any time on or after , 2020, at the applicable redemption price set forth under ''Description of Notes—Optional Redemption'', plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

In addition, the Issuer may redeem up to 40% of the aggregate principal amount of the notes at any time prior to , 2020 using the net cash proceeds from certain equity offerings at the redemption price specified under ''Description of Notes—Optional Redemption'', plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

For more information, see ''Description of Notes—Optional Redemption''.

Additional Amounts; Tax Redemption . . . . All payments made by the Issuer or any guarantor under or with respect to the notes or the guarantees will be made without withholding or deduction for taxes or other governmental charges in any relevant tax jurisdiction, except to the extent required by law. If withholding or deduction is required by law, the Issuer or the relevant guarantor will pay additional amounts so that the net amount you receive is no less than that which you would have received in the absence of such withholding or deduction, subject to certain exceptions. See ''Description of Notes—Additional Amounts''.

If certain changes in the law of any relevant tax jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the notes, 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, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but excluding, the date of redemption. See ''Description of Notes—Redemption Upon a Tax Event''.

Change of Control Offer . . . . Upon the occurrence of certain kinds of changes of control, you will have the right, as holders of the notes, to require the Issuer to repurchase some or all of your notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. See ''Description of Notes—Change of Control''.

Certain Covenants . . . . The indenture that will govern the notes will contain covenants that, among other things, will limit the Issuer's ability and the ability of its restricted subsidiaries to:

- incur additional debt or issue certain preferred shares;
- incur certain liens;
- make certain distributions, dividends, investments and other restricted payments;
- engage in certain transactions with affiliates;
- enter into agreements that restrict the ability of subsidiaries to make dividends or other payments to the Issuer; and

- merge or consolidate or sell, transfer, lease or otherwise dispose of all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications as described under ‘‘Description of Notes—Certain Covenants’’.

Certain of these covenants will cease to apply to the notes during any time that the notes have investment grade ratings from both Moody’s Investors Service, Inc. (‘‘Moody’s’’) and Standard & Poor’s Financial Services LLC (‘‘S&P’’) and no default has occurred and is continuing under the indenture that will govern the notes. See ‘‘Description of Notes—Certain Covenants’’.

Transfer Restrictions; No Registration Rights . . . . The notes and the guarantees have not been and will not be registered under the Securities Act or any state or other securities laws, and we are under no obligation to so register the notes. The notes are subject to restrictions on transfer and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See ‘‘Transfer Restrictions’’. Holders of the notes will not be entitled to registration rights, and we do not intend to issue registered notes and guarantees in exchange for the notes and the guarantees to be placed in this offering. The absence of registration rights may adversely impact the transferability of the notes. See ‘‘Risk Factors—Risks Related to the Notes and Our Indebtedness—Holders of the notes will not be entitled to registration rights, and we do not currently intend to register the notes under applicable securities laws. There are restrictions on your ability to transfer or resell the notes’’.

No Prior Market . . . . The notes will be a new issue of securities for which there is currently no market. Although the initial purchasers have informed us that they intend to make a market in the notes, they are not obligated to do so, and they may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or, if such a market develops, that it will be maintained.

Listing . . . . An initial application has been made to the Authority for the listing of and permission to deal in the notes on the Official List of the Exchange. There is 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.

Use of Proceeds	We expect the net proceeds from this offering will be approximately $ million, after deducting the initial purchasers' discounts and commissions. We converted the net proceeds of this offering of €545.0 million aggregate principal amount of euro dominated senior notes into U.S. dollars using the , 2017 exchange rate of €1.00=$. Upon release from escrow, we intend to use the net proceeds from the issuance and sale of the notes offered hereby, together with the borrowings under the Senior Secured Credit Facilities and the Equity Contribution, to (i) finance the Acquisition and (ii) pay fees and expenses in connection with the Transactions.
Trustee	Wilmington Trust, National Association.
Escrow Agent	JPMorgan Chase Bank, N.A., acting through its London branch.
Paying Agent, Transfer Agent and Registrar	Citibank, N.A., London Branch.
Denominations	The notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.
Risk Factors	Investing in the notes involves risks. You should consider carefully the information set forth in "Risk Factors" and all other information contained in this offering circular before deciding to invest in the notes.

Summary Historical and Pro Forma Financial Data

The following table sets forth our summary historical and pro forma financial data as of and for the periods indicated. We have derived the summary combined financial data as of and for the fiscal years ended December 31, 2015 and 2016 from our audited combined financial statements for such years. We have derived the summary financial data as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 from our unaudited combined financial statements for such periods, which contain all adjustments, consisting of normal recurring adjustments that management considers necessary for a fair statement of our financial position and results of operations for the periods presented. Operating results for the three months ended March 31, 2016 and 2017 are not necessarily indicative of results for a full fiscal year, or any other periods. Our audited combined financial statements as of and for the fiscal years ended December 31, 2015 and 2016 and our unaudited combined financial statements as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 have been included elsewhere in this offering circular.

The summary unaudited pro forma condensed combined statement of operations data for the LTM Period has been derived by adding our historical combined statement of operations data for the fiscal year ended December 31, 2016 and the three months ended March 31, 2017 and subtracting our historical combined statement of operations data for the three months ended March 31, 2016, and applying pro forma adjustments to give effect to the Transactions as if they had occurred on January 1, 2016. The unaudited pro forma condensed combined balance sheet data gives effect to the Transactions as if they had occurred on March 31, 2017. The summary unaudited pro forma condensed combined financial data is for informational purposes only, is based upon available information and certain assumptions that we believe are reasonable and does not purport to represent what our results of operations or financial position would be had the Transactions occurred at any prior date, nor do such data purport to project the results of operations for any future period. The actual pro forma adjustments may differ from those reflected in this section and such differences may be material.

The summary historical combined data presented below should be read in conjunction with ''Use of Proceeds'', ''Capitalization'', ''Unaudited Pro Forma Condensed Combined Financial Information'', ''Selected Historical Combined Financial Data'', ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and our combined audited and unaudited financial statements and the related notes thereto included elsewhere in this offering circular.

	Fiscal Year Ended December 31, 2015	Fiscal Year Ended December 31, 2016	Three Months Ended March 31, 2016 (unaudited)	Three Months Ended March 31, 2017 (unaudited)	Pro Forma Twelve Months Ended March 31, 2017 (unaudited)
	(U.S. dollars in millions, except ratio data)				
Statement of Operations Data:					
Net sales	$2,620.7	$2,568.8	$584.9	$ 582.0	$2,565.0
Cost of sales	1,492.4	1,448.2	332.2	333.0	1,475.1
Gross profit	1,128.3	1,120.6	252.7	249.0	1,089.9
Selling, general and administrative expenses(1)	968.3	939.8	239.6	229.0	936.3
Amortization expense of intangible assets acquired	54.6	57.3	14.1	14.2	94.3
Restructuring and other charges	29.3	10.8	0.5	(2.1)	7.6
Operating profit (loss)	76.1	112.7	(1.5)	7.9	51.7
Interest expense	(16.3)	(13.8)	(3.8)	(4.3)	(120.6)
Foreign currency exchange loss related to Venezuelan subsidiaries	(5.9)	(1.7)	(0.7)	(0.2)	(1.2)
Other income (expense), net	(1.8)	3.6	(1.2)	1.4	10.7
Earnings (loss) before income tax benefit	52.1	100.8	(7.2)	4.8	(59.4)
Income tax provision (benefit)	(33.1)	(7.4)	5.4	7.7	(49.8)
Net income (loss)	$ 85.2	$ 108.2	$ (12.6)	$ (2.9)	$ (9.6)
Statement of Cash Flow Data:					
Net cash provided by (used in):					
Operating activities(2)	$ 51.1	$ 174.2	$ (8.6)	$ (93.9)	
Investing activities	(17.7)	(20.4)	(7.4)	(2.2)	
Financing activities(2)	(12.2)	(181.5)	(2.5)	94.1	
Capital expenditures(3)	(37.1)	(17.7)	(7.8)	(3.4)	
Balance Sheet Data (at end of period):					
Working capital(4)	$ 254.2	$ 178.8		$ 257.8	$ 333.1
Cash and cash equivalents	167.9	131.4		131.6	139.7
Property and equipment, net	192.9	171.3		172.6	239.8
Total assets	3,330.7	3,146.6		3,215.5	4,419.1
Total liabilities	1,617.0	1,538.1		1,486.9	3,640.2
Total debt	224.9	216.4		226.6	2,312.5
Total stockholder's equity	1,713.7	1,608.5		1,728.6	778.9
Other Financial Data:					
EBITDA(5)	$ 172.3	$ 221.9	$ 20.4	$ 34.5	$ 238.0
Adjusted EBITDA(5)	303.5	327.6	47.2	51.8	332.1
Further Adjusted EBITDA(5)					387.1
Cash interest expense					110.8
Net total debt(6)					2,261.8
Ratio of net total debt/Further Adjusted EBITDA(5)(6)					5.8x
Ratio of Further Adjusted EBITDA/cash interest expense(5)					3.5x

(1) Our selling, general and administrative expense for the LTM Period on a pro forma basis includes the annual fee to be paid to affiliates of Bain Capital in accordance with the Management Agreement (as defined herein) to be entered into at the closing of the Transactions. See ''Certain Relationships and Related Party Transactions—Payments to Bain Capital''.

(2) During each of the periods presented, we participated in Sealed Air's centralized cash management system. As a result, certain non-cash items allocated from Sealed Air, including stock-based compensation expense and hedging (gains) losses, were not reflected in our calculation of our historical cash flow from operating activities. Such non-cash items were reflected within our historical cash flow from financing activities.

(3) Amounts (x) exclude expenditures on dosing and dispensing equipment, which consisted of $45.2 million, $50.7 million, $2.8 million, $16.5 million and $64.4 million for the year ended December 31, 2015, the year ended December 31, 2016, the three months ended March 31, 2016, the three months ended March 31, 2017 and the LTM Period, respectively, and (y) include one-time expenditures related to corporate integration or restructuring efforts of $20.0 million, $4.6 million, $2.3 million, $0.2 million and $2.5 million for the year ended December 31, 2015, the year ended December 31, 2016, the three months ended March 31, 2016, the three months ended March 31, 2017 and the LTM Period, respectively.

(4) Calculated as current assets minus current liabilities.

(5) We have presented EBITDA, which is defined as net earnings (loss) before interest expense, provision (benefit) for income taxes and depreciation and amortization, Adjusted EBITDA, which is defined as EBITDA adjusted for the other items described in the footnotes below (other than footnote (g)) and Further Adjusted EBITDA, which is defined as Adjusted EBITDA adjusted for the items described in footnote (g) below, each of which is considered a non-GAAP financial measure. Our non-GAAP financial measures are included in this offering circular as supplemental measures of our liquidity and performance and because we believe such measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry

Our non-GAAP financial measures are not measures of our liquidity or financial performance under GAAP and should not be considered as alternatives to net earnings (loss), earnings (loss) before income taxes or any other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of our liquidity. The use of our non-GAAP financial measures instead of net earnings has limitations as an analytical tool, including the failure to reflect changes in cash requirements, including cash requirements necessary to service principal or interest payments on our debt, pay our income taxes, or invest in our maintenance and growth capital expenditures or in our working capital needs. Management compensates for these limitations by relying primarily on our GAAP results and by using our non-GAAP financial measures only supplementally. Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as a comparative measure. See ''Non-GAAP Financial Measures''.

The following table shows a reconciliation of net income (loss) to EBITDA, Adjusted EBITDA and Further Adjusted EBITDA:

	Fiscal Year Ended December 31,		Three Months Ended March 31,		Pro Forma Twelve Months Ended March 31,
	2015	2016	2016	2017	2017
	(U.S. dollars in millions)				
Net income (loss)	$ 85.2	$108.2	$(12.6)	$ (2.9)	$ (9.6)
Interest expense	16.3	13.8	3.8	4.3	120.6
Interest income	(6.4)	(5.7)	(1.9)	(1.3)	(5.1)
Income tax provision (benefit)	(33.1)	(7.4)	5.4	7.7	(49.8)
Depreciation and amortization[a]	110.3	113.0	25.7	26.7	181.9
EBITDA	172.3	221.9	20.4	34.5	238.0
Restructuring, associated costs and other charges[b]	43.0	17.8	3.2	(0.7)	13.3
One-time and non-recurring costs[c]	(3.0)	(1.8)	1.1	5.9	(7.6)
Non-cash items[d]	49.6	39.1	9.6	4.9	37.1
Stand-alone adjustment[e]	41.6	50.6	12.9	7.2	43.8
Management fee[f]	—	—	—	—	7.5
Adjusted EBITDA	$303.5	$327.6	$ 47.2	$51.8	$332.1
Estimated cost savings[g]					55.0
Further Adjusted EBITDA					$387.1

(a) Includes share-based incentive compensation of $22.9 million and $14.4 million for the years ended December 31, 2015 and 2016, respectively, and $3.1 million and $6.1 million for the three months ended March 31, 2016 and 2017, respectively.

(b) Includes expenses related to a combined restructuring program maintained by Sealed Air, in which Diversey previously participated, and restructuring charges incurred by Diversey in connection with the cessation of operations in Venezuela in the second quarter of 2016. Such restructuring charges related primarily to costs associated with headcount reductions and relocation expenses.

(c) Represents the following one-time or non-recurring cost adjustments:

	Fiscal Year Ended December 31,		Three Months Ended March 31,		Pro Forma Twelve Months Ended March 31,
	2015	2016	2016	2017	2017
	(U.S. dollars in millions)				
Environmental credit[i]	$ —	$(6.8)	$ —	$ —	$(6.8)
Transaction costs[ii]	0.3	0.3	—	—	0.3
Intercompany expenses[iii]	2.1	4.5	—	—	—
Gain (loss) related to sale of business	(3.5)	—	—	—	—
Charges incurred related to the sale of Diversey	—	—	—	6.1	—
Other unusual and non-recurring costs[iv]	(1.9)	0.2	1.1	(0.2)	(1.1)
Total one-time and non-recurring costs	$(3.0)	$(1.8)	$1.1	$ 5.9	$(7.6)

(i) Represents a one-time benefit stemming from a legal settlement related to an acquisition in 2001.

(ii) Represents professional fees incurred by Diversey.

(iii) Represents royalty expenses paid by Diversey to Sealed Air for the licensing of certain Sealed Air intellectual property that will no longer be licensed by Diversey.

(iv) Represents a one-time gain from a sales and use audit in Wisconsin, tax credits in Switzerland and Brazil and other one-time and non-recurring income/costs.

(d) Represents the following non-cash adjustments:

	Fiscal Year Ended December 31,		Three Months Ended March 31,		Pro Forma Twelve Months Ended March 31,
	2015	2016	2016	2017	2017
	(U.S. dollars in millions)				
Depreciation and amortization of customer equipment[i]	$38.0	$39.6	$ 9.3	$11.4	$41.8
Depreciation and amortization adjustments	—	(4.8)	—	—	(4.8)
Stock appreciation rights	3.9	(0.1)	0.1	(4.7)	(4.9)
Foreign currency exchange gains related to Venezuelan subsidiaries	5.9	1.7	0.7	0.2	1.2
Charges related to ceasing operations in Venezuela	—	4.5	—	—	4.5
Non-cash pension expenses[ii]	(0.3)	(1.6)	(0.4)	(2.1)	(0.6)
Other-non cash expenses (income)[iii]	2.1	(0.2)	(0.1)	0.1	(0.1)
Total non-cash adjustments	$49.6	$39.1	$ 9.6	$ 4.9	$37.1

(i) Represents depreciation and amortization of customer dosing equipment included within cost of goods sold in Diversey's statement of operations. These depreciation and amortization expenses were included within cost of goods sold in Sealed Air's historical statement of operations. Following consummation of the Transactions, these depreciation and amortization expenses will be included within the depreciation and amortization expense described in note (a) above.

(ii) Represents non-cash expenses related to Diversey's pension plans.

(iii) Represents other non-cash expenses incurred by Diversey.

(e) Represents the removal of certain sales and marketing expenses and selling, general and administrative expenses to reflect Diversey's operation as a stand-alone entity separate and apart from Sealed Air. These amounts reflect the historical overhead expenses allocated by Sealed Air to Diversey which were identified by management through its analysis of Diversey's personnel and functional areas as the expenses that would not have been incurred by Diversey had it been operated as a stand-alone entity. The Diversey business has historically been operated by Sealed Air on a substantially stand-alone basis.

(f) Represents the annual management fee to be paid to affiliates of Bain Capital in accordance with the new Management Agreement to be entered into at the closing of the Transactions. See ''Certain Relationships and Related Party Transactions—Payments to Bain Capital''.

(g) Bain Capital has identified several cost savings opportunities that we believe could have been realized during the twelve months ended March 31, 2017 assuming the Transactions were completed as of the beginning of such period. These cost savings initiatives can be grouped into four major categories: (1) reducing back-office costs, (2) improving our procurement strategy, (3) enhancing the efficiency of our manufacturing and supply chain networks and (4) continuing our focus on improving commercial excellence and sales force productivity. The following table presents the selling, general and administrative expenses and procurement savings identified by Bain Capital that we believe can be realized by the end of 2018 following the closing of the Acquisition. In addition to the $55.0 million in cost savings identified below, we expect that there will be additional opportunities to achieve further cost savings through these initiatives as well as by optimizing our manufacturing and supply chain networks and focusing on productivity and commercial excellence. Amounts shown have not been adjusted to reflect one-time expenses that we expect to incur in connection with achieving such cost savings. See ''Risk Factors—Risks Related to the Acquisition—We may not achieve some or all of the expected benefits of the Transactions, and the Transactions may adversely affect our business'' and ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Effects of the Transactions—Estimated Cost Savings''. The following calculations should not be viewed as indicative of future results:

	Pro Forma Twelve Months Ended March 31, 2017
	(U.S. dollars in millions)
Estimated selling, general and administrative cost savings(i)	$30.0
Estimated procurement cost savings(ii)	25.0
Total estimated cost savings	$55.0

(i) Represents the estimated impact of headcount rationalization. See ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Effects of the Transactions—Estimated Cost Savings''.

(ii) Includes cost savings from consolidation of select suppliers and a reduction of expenses related to raw materials, packaging and contract manufacturing.

(6) Net total debt is calculated using an exchange rate of €1.00=$1.1000 (which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement) as total debt minus cash where total debt does not include short-term borrowings of $20.6 million, deferred financing costs of $68.1 million which are recorded as a reduction of total debt, and the Equity Contribution. As shown on the pro forma balance sheet as of March 31, 2017, net total debt would be $2,172.8 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017, inclusive of short-term borrowings of $20.6 million and deferred financing costs of $68.1 million which are recorded as a reduction of total debt.

RISK FACTORS

Investing in the notes involves risk. You should consider carefully all of the information set forth in this offering circular and, in particular, the following risks before you decide to invest in the notes. If any of the following uncertainties or risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. The risks described below are not the only risks that may affect your investment. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially and adversely affect our business, financial condition or results of operations.

Risks Related to Our Business

Uncertain global economic conditions have had and could continue to have an adverse effect on our consolidated financial condition and results of operations.

Uncertain global economic conditions have had and may continue to have an adverse impact on our business in the form of lower net sales due to weakened demand, unfavorable changes in product price/mix, or lower profit margins. For example, global economic downturns have adversely impacted some of our end-users and customers, such as food processors, distributors, supermarket retailers, hotels, restaurants, retail establishments, business service contractors, e-commerce fulfillment firms, and other end-users that are particularly sensitive to business and consumer spending.

During economic downturns or recessions, there can be a heightened competition for sales and increased pressure to reduce selling prices as our customers may reduce their volume of purchases from us. If we lose significant sales volume or reduce selling prices significantly, then there could be a negative impact on our consolidated financial condition or results of operations, profitability and cash flows.

Also, reduced availability of credit may adversely affect the ability of some of our customers and suppliers to obtain funds for operations and capital expenditures. This could negatively impact our ability to obtain necessary supplies as well as our sales of materials and equipment to affected customers. This also could result in reduced or delayed collections of outstanding accounts receivable.

The global nature of our operations exposes us to numerous risks that could materially adversely affect our consolidated financial condition and results of operations.

We operate in approximately 57 countries, and our products are distributed in those countries as well as in other parts of the world. A large portion of our manufacturing operations are located outside of the U.S. and a majority of our net sales are generated outside of the U.S. These operations, particularly in developing regions, are subject to various risks that may not be present or as significant for our U.S. operations. Economic uncertainty in some of the geographic regions in which we operate, including developing regions, could result in the disruption of commerce and negatively impact cash flows from our operations in those areas.

Risks inherent in our international operations include:

- non-U.S. currency exchange controls and tax rates;
- non-U.S. currency exchange rate fluctuations, including devaluations;
- the potential for changes in regional and local economic conditions, including local inflationary pressures;

- restrictive governmental actions such as those on transfer or repatriation of funds and trade protection matters, including antidumping duties, tariffs, embargoes and prohibitions or restrictions on acquisitions or joint ventures;
- changes in laws and regulations, including the laws and policies of the U.S. affecting trade and foreign investment;
- the difficulty of enforcing agreements and collecting receivables through certain non-U.S. legal systems;
- variations in protection of intellectual property and other legal rights;
- more expansive legal rights of workers outside the U.S., unions or works councils;
- changes in labor conditions and difficulties in staffing and managing international operations;
- import and export delays caused, for example, by an extended strike at the port of entry, could cause a delay in our supply chain operations;
- social plans and regulations that prohibit or increase the cost of certain restructuring actions;
- the potential for nationalization of enterprises or facilities; and
- unsettled political conditions and possible terrorist attacks against the countries in which we operate or other interests.

In addition, there are potential tax inefficiencies and tax costs in repatriating funds from the various jurisdictions in which we do business.

These and other factors may have a material adverse effect on our international operations and, consequently, on our consolidated financial condition or results of operations.

Fluctuations between non-U.S. currencies and the U.S. dollar could materially impact our consolidated financial condition or results of operations.

Approximately 80% of our net sales during the year ended December 31, 2016 were generated outside the United States. We translate sales and other results denominated in non-U.S. currency into U.S. dollars for our combined financial statements included elsewhere in this offering circular. As a result, we are exposed to currency fluctuations both in receiving cash from our international operations and in translating our financial results back to U.S. dollars. During periods of a strengthening U.S. dollar, our reported international sales and net income could be reduced because non-U.S. currencies may translate into fewer U.S. dollars. We cannot predict the effects of exchange rate fluctuations on our future operating results. As exchange rates vary, our results of operations and profitability may be harmed. While we use financial instruments to hedge certain non-U.S. currency exposures, this does not insulate us completely from non-U.S. currency effects and exposes us to counterparty credit risk for non-performance. For more information, see our combined financial statements and the related notes thereto included elsewhere in this offering circular. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial effect resulting from non-U.S. currency variations. The gains or losses associated with hedging activities may harm our results of operations.

In all jurisdictions in which we operate, we are also subject to laws and regulations that govern non-U.S. investment, non-U.S. trade and currency exchange transactions. These laws and regulations may limit our ability to repatriate cash as dividends or otherwise to the U.S. and may limit our ability to convert non-U.S. currency cash flows into U.S. dollars.

We have recognized non-U.S. exchange gains and losses related to the currency devaluations in Venezuela and its designation as a highly inflationary economy under GAAP. For more information, see our combined financial statements and the related notes thereto included elsewhere in this offering circular.

Political and economic instability and risk of government actions affecting our business and our customers or suppliers may adversely impact our business, results of operations and cash flows.

We are exposed to risks inherent in doing business in each of the countries or regions in which we or our customers or suppliers operate, including: civil unrest, acts of terrorism, sabotage, epidemics, force majeure, war or other armed conflict and related government actions, including sanctions/embargoes, the deprivation of contract rights, the inability to obtain or retain licenses required by us to operate our plants or import or export our goods or raw materials, the expropriation or nationalization of our assets, and restrictions on travel, payments or the movement of funds. In particular, if additional restrictions on trade with Russia were adopted by the EU or the U.S., and were applicable to our products, we could lose sales and experience lower growth rates in the future.

Raw material pricing, availability and allocation by suppliers as well as energy-related costs may negatively impact our results of operations, including our profit margins and net sales.

We use petrochemical-based raw materials to manufacture many of our products. The prices for these raw materials are cyclical, and increases in market demand or fluctuations in the global trade for petrochemical-based raw materials and energy could increase our costs. In addition, the prices of many of the other key raw materials used in our businesses, such as caustic soda, solvents, waxes, phosphates, surfactants, polymers and resins, chelates and fragrances, are cyclical based on numerous supply and demand factors that are beyond our control. If we are unable to minimize the effects of increased raw material costs through sourcing, pricing or other actions, our business, consolidated financial condition or results of operations may be materially adversely affected. We also have some sole-source suppliers, and the lack of availability of supplies could have a material adverse effect on our consolidated financial condition or results of operations.

Natural disasters such as hurricanes, as well as political instability and terrorist activities, may negatively impact the production or delivery capabilities of refineries and natural gas and petrochemical suppliers and suppliers of other raw materials in the future. These factors could lead to increased prices for our raw materials, curtailment of supplies and allocation of raw materials by our suppliers, which could reduce revenues and profit margins and harm relations with our customers and which could have a material adverse effect on our consolidated financial condition or results of operations.

Unfavorable consumer responses to price increases could have a material adverse impact on our sales and earnings.

From time to time, and especially in periods of rising raw material costs, we increase the prices of our products. Significant price increases could impact our earnings depending on, among other factors, the pricing by competitors of similar products and the response by our customers to higher prices. Such price increases may result in lower volume of sales and a subsequent decrease in gross margin and adversely impact earnings.

If we do not develop new and innovative products or if customers in our markets do not accept them, our results would be negatively affected.

Our products must be kept current to meet our customers' needs, overcome competitive products and meet evolving regulatory requirements. To remain competitive, we therefore must develop new and innovative products on an on-going basis, and we invest significantly in the research and development of new products. If we do not successfully develop innovative products, it may be difficult to differentiate our products from our competitors' products and satisfy regulatory requirements, and our sales and results would suffer.

The introduction of the Organization for Economic Cooperation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") may adversely affect our effective rate of tax in future periods.

In 2015, the OECD released various final reports under its BEPS action plan to reform the international tax system to prevent tax avoidance and aggressive tax planning. The proposed actions have a very broad scope including, but not limited to, neutralizing the effects of hybrid mismatch arrangements, limiting base erosion involving interest deductions and other financial payments, countering harmful tax practices, preventing the granting of treaty benefits in inappropriate circumstances, and mandatory disclosure rules. The final reports give countries and jurisdictions tools in order to implement new policies to prevent tax avoidance and aggressive tax planning. Prospective investors should consult their own tax advisors on the impact of the BEPS' final reports prior to making an investment decision in respect of the notes.

The introduction of the EU Anti-Tax Avoidance Directive and the amendments thereto may adversely affect our effective rate of tax in future periods.

On July 12, 2016, the European Council adopted Council Directive (EU) 2016/1164, commonly referred to as the Anti-Tax Avoidance Directive. The Anti-Tax Avoidance Directive provides for a number of anti-abuse measures, inspired by the OECD BEPS project. The EU member states will in principle have to implement the Anti-Tax Avoidance Directive in their national legislation before January 1, 2019. The Anti-Tax Avoidance Directive includes an earnings stripping rule that limits the deduction of interest in case of certain excess financing levels, as well as rules targeting hybrid mismatch arrangements within the EU. On May 29, 2017, the European Council adopted an amendment to the Anti-Tax Avoidance Directive, which inter alia extended the scope of the anti-hybrid rules to non-EU situations which will need to be implemented as per January 1, 2020, subject to certain exceptions. Prospective investors should consult their own tax advisors on the impact of the Anti-Tax Avoidance Directive and the amendments thereto prior to making an investment decision in respect of the notes.

The consolidation of customers may adversely affect our business, consolidated financial condition or results of operations.

Customers in the food service, food and beverage processing building care, lodging, industrial distribution and healthcare sectors have been consolidating in recent years, and we believe this trend may continue. Such consolidation could have an adverse impact on the pricing of our products and services and our ability to retain customers, which could in turn adversely affect our business, consolidated financial condition or results of operations.

We experience competition in the markets for our products and services and in the geographic areas in which we operate.

Our packaging products compete with similar products made by other manufacturers and with a number of other types of materials or products. We compete on the basis of performance characteristics of our products, as well as service, price and innovations in technology. A number of competing domestic and non-U.S. companies are well-established.

The market for our hygiene products is highly competitive. Our hygiene products businesses face significant competition from global, national, regional and local companies within some or all of our product lines in each sector that we serve. Barriers to entry and expansion in the institutional and industrial cleaning, sanitation and hygiene industry are low.

Our inability to maintain a competitive advantage could result in lower prices or lower sales volumes for our products. Additionally, we may not successfully implement our pricing actions. These factors may have an adverse impact on our consolidated financial condition or results of operations.

Instability and uncertainty in the credit and financial markets could adversely impact the availability of credit that we and our customers need to operate our businesses.

We depend upon the availability of credit to operate our business. Our customers and suppliers also require access to credit for their businesses. Instability and uncertainty in the credit and financial markets could adversely impact the availability of future financing and the terms on which it might be available to us, our customers and our suppliers. Inability to access credit markets, or a deterioration in the terms on which financing might be available, could have an adverse effect on our business, financial condition and results of operations.

New and stricter legislation and regulations may affect our business and consolidated financial condition and results of operations.

Increased legislative and regulatory activity and burdens, and a more stringent manner in which they are applied, could significantly impact our business and the economy as a whole. This includes, among other things, the possible taxation under U.S. law of certain income from non-U.S. operations. The regulatory environment is still developing, and the potential exists for future legislation and regulations to be adopted. These developments, as well as the increasingly strict regulatory environment, may also adversely affect the customers to which, and the markets into which, we sell our products, increase our costs, require additional expenditures to ensure continued regulatory compliance and otherwise negatively affect our business, consolidated financial condition or results of operations, including in ways that cannot yet be foreseen.

Severe public health outbreaks may adversely impact our business.

Our business could be adversely affected by the effect of a public health epidemic. The United States and other countries have experienced, and may experience in the future, public health outbreaks such as Zika virus, Avian Flu, SARS and H1N1 influenza. A prolonged occurrence of a contagious disease such as these could result in a significant downturn in the foodservice, hospitality and travel industries and also may result in health or other government authorities imposing restrictions on travel further impacting our end-markets. Any of these events could result in a significant drop in demand for some of our products and services and adversely affect our business.

Our annual effective income tax rate can change materially as a result of changes in our mix of U.S. and non-U.S. earnings and other factors, including changes in tax laws and changes made by regulatory authorities.

Our overall effective income tax rate is equal to our total tax expense as a percentage of total earnings before tax. However, income tax expense and benefits are not recognized on a global basis but rather on a jurisdictional or legal entity basis. Losses in one jurisdiction may not be used to offset profits in other jurisdictions and may cause an increase in our tax rate. Changes in the mix of earnings (or losses) between jurisdictions and assumptions used in the calculation of income taxes, among other factors, could have a significant effect on our overall effective income tax rate.

We are subject to taxation in multiple jurisdictions. As a result, any adverse development in the tax laws of any of these jurisdictions or any disagreement with our tax positions could have a material adverse effect on our business, consolidated financial condition or results of operations.

We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to transfer pricing laws with respect to our intercompany transactions, including those relating to the flow of funds among our companies. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation thereof, in any applicable jurisdiction, could have a material adverse effect on our business, consolidated financial condition or results of our operations. In addition, the tax authorities in any applicable jurisdiction, including the U.S. and the Netherlands, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material adverse effect on our business, consolidated financial condition or results of our operations.

Our performance and prospects for future growth could be adversely affected if new products do not meet sales or margin expectations.

Our competitive advantage is due in part to our ability to develop and introduce new products in a timely manner at favorable margins. The development and introduction cycle of new products can be lengthy and involve high levels of investment. New products may not meet sales or margin expectations due to many factors, including our inability to (i) accurately predict demand, end-user preferences and evolving industry standards, (ii) resolve technical and technological challenges in a timely and cost-effective manner or (iii) achieve manufacturing efficiencies.

A major loss of or disruption in our manufacturing and distribution operations or our information systems and telecommunication resources could adversely affect our business, consolidated financial condition or results of operations.

If we experienced a natural disaster, such as a hurricane, tornado, earthquake or other severe weather event, or a casualty loss from an event such as a fire or flood, at one of our larger strategic facilities or if such event affected a key supplier, our supply chain or our information systems and telecommunication resources, then there could be a material adverse effect on our consolidated financial condition or results of operations. We are dependent on internal and third party information technology networks and systems, including the Internet, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for fulfilling and invoicing customer orders, applying cash receipts, and placing purchase orders with suppliers, making cash disbursements, and conducting digital marketing activities, data processing and electronic communications among business locations.

We also depend on telecommunication systems for communications between company personnel and our customers and suppliers. Future system disruptions, security breaches or shutdowns could significantly disrupt our operations or result in lost or misappropriated information and may have a material adverse effect on our business, consolidated financial condition or results of operations.

Product liability claims or regulatory actions could adversely affect our financial results or harm our reputation or the value of our brands.

Claims for losses or injuries purportedly caused by some of our products arise in the ordinary course of our business. In addition to the risk of substantial monetary judgments, product liability claims or regulatory actions could result in negative publicity that could harm our reputation in the marketplace or adversely impact the value of our brands or our ability to sell our products in certain jurisdictions. We could also be required to recall possibly defective products, or voluntarily do so, which could result in adverse publicity and significant expenses. Although we maintain product liability insurance coverage, potential product liabilities claims could be excluded or exceed coverage limits under the terms of our insurance policies or could result in increased costs for such coverage.

In the event we are unable to replace the products and related revenues associated with our brand licensing agreement with SCJ, which expired this year, our business and results of operations could be adversely affected.

We reached a mutual agreement to end our existing business relating to our distribution of SCJ-branded products under the brand licensing agreement with SCJ, which accounted for approximately 3.8% of our net sales in 2016. The brand licensing agreement with SCJ expired in May 2017 (with the exception of Australia, New Zealand, Argentina, Chile, Czech Republic and Poland, where the brand licensing agreement expired on January 1, 2017). Although we are actively engaged in efforts to replace these SCJ-branded products and the related revenues by, among other things, developing new partnerships, expanding existing supplier relationships and growing our brand into new channels, it is uncertain when and if we will be able to fully replace these SCJ-branded products and/or the related revenues. In the event we are unable to do so, our results of operations could be negatively impacted.

Our relationship with Unilever is important to our business and any damage to this relationship could have a material adverse effect on our business.

We are a party to various agreements with Unilever under which we are granted a license to produce and sell professional size packs of Unilever's consumer brand cleaning products in the institutional and industrial channels of trade, which expire at the end of 2017 (with the exception of a sub-set of the UK business which expire at the end of 2022). Although the term of these agreements may be extended, it is uncertain on what terms and conditions these agreements may be extended or if these agreements will be extended at all. In addition, we also hold licenses to use some trademarks and technology of Unilever in the market for institutional and industrial cleaning, sanitation and hygiene products and related services. If we default under our agreements with Unilever and the agreements are terminated, Unilever fails to perform its obligations under these agreements, or our relationship with Unilever terminates or is otherwise damaged or changed, this could have a material adverse effect on our business, consolidated financial condition or results of operations.

Economic conditions and regulatory changes following the U.K.'s likely exit from the European Union could adversely impact our operations, operating results and financial condition.

Following a referendum in June 2016, in which voters in the UK approved an exit from the EU, the UK government initiated the formal process to leave the EU (often referred to as ''Brexit'') on March 29, 2017. The process is expected to be completed within the next two years. The referendum triggered short-term financial volatility, including a decline in the value of the British pound sterling in comparison to both the U.S. dollar and euro. It is expected that Brexit will continue to impact economic conditions in the EU. The future effects of Brexit will depend on any agreements the UK makes to retain access to the EU or other markets either during a transitional period or more permanently. Given the lack of comparable precedent, it is unclear what financial, trade and legal implications the withdrawal of the UK from the EU would have and how such withdrawal would affect our business. The consequences of Brexit, together with the significant uncertainty regarding the terms on which the UK will leave the EU, could introduce significant uncertainties into global financial markets and adversely impact the markets in which we and our customers operate. Brexit could also create uncertainty with respect to the legal and regulatory requirements to which we and our customers in the UK are subject and lead to divergent national laws and regulations as the UK government determines which EU laws to replace or replicate. While we are not experiencing any immediate adverse impact on our financial condition as a direct result of Brexit, adverse consequences such as deterioration in economic conditions, volatility in currency exchange rates or adverse changes in regulation could have a negative impact on our future operations, operating results and financial condition. All of these potential consequences could be further magnified if additional countries were to seek to exit the EU.

If we are unable to retain key employees and other personnel, our consolidated financial condition or results of operations may be adversely affected.

Our success depends largely on the efforts and abilities of our management team and other key personnel. Their experience and industry contacts significantly benefit us, and we need their expertise to execute our business strategies. If any of our senior management or other key personnel cease to work for us and we are unable to successfully replace any departing senior management or key personnel, our business, consolidated financial condition or results of operations may be materially adversely affected.

As a result of the substantial workers council and labor union representation in certain jurisdictions in which we operate, we experience a risk of disruptions in operations and/or increased labor costs as well as reduced flexibility in managing our labor force.

In Europe and Latin America, most of our employees are represented by either labor unions or workers councils and are covered by collective bargaining agreements that are generally renewable on an annual basis. As is the case with any negotiation, we may not be able to negotiate acceptable new collective bargaining agreements, which could result in strikes or work stoppages by affected workers. Renewal of collective bargaining agreements could also result in higher wages or benefits paid to union members. A disruption in operations or higher ongoing labor costs could materially affect our business.

In addition, in certain jurisdictions we are required to consult with, and seek the consent or advice of, these labor unions or workers councils for any changes to our activities or employee benefits. This requirement could have a significant impact on our flexibility in managing costs and responding to market changes.

We are subject to a variety of environmental and product registration laws that expose us to potential financial liability and increased operating costs.

Our operations are subject to a number of federal, state, local and non-U.S. environmental, health and safety laws and regulations that govern, among other things, the manufacture of our products, the discharge of pollutants into the air, soil and water and the use, handling, transportation, storage and disposal of hazardous materials.

Many jurisdictions require us to have operating permits for our production and warehouse facilities and operations. Any failure to obtain, maintain or comply with the terms of these permits could result in fines or penalties, revocation or nonrenewal of our permits, or orders to cease certain operations, and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

We generate, use and dispose of hazardous materials in our manufacturing processes. In the event our operations result in the release of hazardous materials into the environment, we may become responsible for the costs associated with the investigation and remediation of sites at which we have released pollutants, or sites where we have disposed or arranged for the disposal of hazardous wastes, even if we fully complied with environmental laws at the time of disposal. We have been, and may continue to be, responsible for the cost of remediation at some locations.

Some jurisdictions have laws and regulations that govern the registration and labeling of some of our products. We expect significant future environmental compliance obligations in our European operations as a result of an EU Directive ''Registration, Evaluation, Authorization, and Restriction of Chemicals'' (EU Directive No. 2006/1907) enacted on December 18, 2006. The directive imposes several requirements related to the identification and management of risks related to chemical substances manufactured or marketed in Europe. The EU has also recently enacted a ''Classification, Packaging and Labeling'' regulation. Other jurisdictions may impose similar requirements.

We cannot predict with reasonable certainty the future cost to us of environmental compliance, product registration, or environmental remediation. Environmental laws have become more stringent and complex over time. Our environmental costs and operating expenses will be subject to evolving regulatory requirements and will depend on the scope and timing of the effectiveness of requirements in these various jurisdictions. As a result of such requirements, we may be subject to an increased regulatory burden, and we expect significant future environmental compliance obligations in our operations. Increased compliance costs, increasing risks and penalties associated with violations, or our inability to market some of our products in certain jurisdictions may have a material adverse effect on our business, consolidated financial condition or results of operations.

Our insurance policies may not cover all operating risks and a casualty loss beyond the limits of our coverage could adversely impact our business.

Our business is subject to operating hazards and risks relating to handling, storing, transporting and use of the products we sell. We maintain insurance policies in amounts and with coverage and deductibles that we believe are reasonable and prudent. Nevertheless, our insurance coverage may not be adequate to protect us from all liabilities and expenses that may arise from claims for personal injury or death or property damage arising in the ordinary course of business, and our current levels of insurance may not be maintained or available in the future at economical prices. If a significant liability claim is brought against us that is not adequately covered by insurance, we may have to pay the claim with our own funds, which could have a material adverse effect on our business, consolidated financial condition or results of operations.

We may be exposed to liabilities under applicable anti-corruption laws and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to various anti-corruption laws that prohibit improper payments or offers of payments to non-U.S. governments and their officials for the purpose of obtaining or retaining business. We have business in countries and regions which are less developed and are generally recognized as potentially more corrupt business environments. Activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of various anti-corruption laws, including the Foreign Corrupt Practices Act (the ''FCPA''). We have implemented safeguards and policies to discourage these practices by our employees and agents. If our employees or agents violate our policies or we fail to maintain adequate record-keeping and internal accounting practices to accurately record our transactions we may be subject to regulatory sanctions. Violations of the FCPA or other anti-corruption laws may result in severe criminal or civil sanctions and penalties, and we may be subject to other liabilities which could adversely effect on our business, consolidated financial condition and results of operations.

If we are not able to protect our trade secrets or maintain our trademarks, patents and other intellectual property, we may not be able to prevent competitors from developing similar products or from marketing their products in a manner that capitalizes on our trademarks, and this loss of a competitive advantage could decrease our profitability and liquidity.

Our ability to compete effectively with other companies depends, in part, on our ability to maintain the proprietary nature of our owned and licensed intellectual property. If we were unable to maintain the proprietary nature of our intellectual property and our significant current or proposed products, this loss of a competitive advantage could result in decreased sales or increased operating costs, either of which could have a material adverse effect on our business, consolidated financial condition or results of operations.

We rely on trade secrets to maintain our competitive position, including protecting the formulation and manufacturing techniques of many of our products. As such, we have not sought U.S. or international patent protection for some of our principal product formulas and manufacturing processes. Accordingly, we may not be able to prevent others from developing products that are similar to or competitive with our products.

We own, or have licenses to, a large number of patents and pending patent applications on our products, aspects thereof, methods of use and/or methods of manufacturing. There is a risk that our owned and licensed patents may not provide meaningful protection and patents may never be issued for our pending patent applications.

We own, or have licenses to use, the material trademark and trade name rights used in connection with the packaging, marketing and distribution of our major products in the U.S. and in other countries where our products are principally sold. Trademark and trade name protection is important to our business. Although most of our trademarks are registered in the U.S. and in the non-U.S. countries in which we operate, we may not be successful in asserting trademark or trade name protection. In addition, the laws of some non-U.S. countries may not protect our intellectual property rights to the same extent as the laws of the U.S. The costs required to protect our trademarks and trade names may be substantial.

We cannot be certain that we will be able to assert these intellectual property rights successfully in the future or that they will not be invalidated, circumvented or challenged. Other parties may infringe on or misappropriate our intellectual property rights and may thereby dilute the value of our intellectual property in the marketplace. Third parties, including competitors, may assert intellectual property infringement, misappropriation or invalidity claims against us that could be upheld. Intellectual property litigation, which could result in substantial cost to and diversion of effort by us, may be necessary to protect our intellectual property rights, including trade secrets or proprietary technology or for us to defend against claimed infringement or misappropriation of the rights of others and to determine the scope and validity of our or others' intellectual property or proprietary rights. We may not prevail in any such litigation, and if we are unsuccessful, we may be subject to monetary liability and injunctive or equitable relief, which may prevent our use of others' intellectual property or proprietary rights if we are not be able to obtain necessary licenses on reasonable terms or at all. Any failure by us to protect our trademarks and other intellectual property rights may have a material adverse effect on our business, consolidated financial condition or results of operations.

Our products may infringe the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products.

We continually seek to improve our business processes and develop new products and applications. Many of our competitors have a substantial amount of intellectual property that we must continually strive to avoid infringing. Although it is our policy and intention not to infringe valid patents of which we are aware, we cannot provide assurances that our processes and products and other activities do not and will not infringe issued patents (whether present or future) or other intellectual property rights belonging to others. There nonetheless could be third-party patents that cover our products, processes or technologies, and it is possible that we could be liable for infringement of such patents and could be required to take remedial or curative actions to continue our manufacturing and sales activities with respect to one or more products that are found to be infringing. We may also be subject to indemnity claims by our business partners arising out of claims of their alleged infringement of the patents, trademarks and other intellectual property rights of third parties in connection with their use of our products. Intellectual property litigation often is expensive and time-consuming, regardless of the merits of any claim, and our involvement in such litigation could divert our management's attention from operating our business. If we were to discover that any of our processes, technologies or products infringe on the valid intellectual property rights of others, we might determine to obtain licenses from the owners of these rights or to modify our processes or technologies or re-engineer our products in order to avoid infringement. We may not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to modify our processes or technologies or re-engineer our products in a manner that is successful in avoiding infringement. Moreover, if we are sued for infringement and lose, we could be required to pay substantial damages and/or be enjoined from using or selling the infringing products or technology. Any of the foregoing could cause us to incur significant costs and prevent us from selling our products and could have an adverse effect on our financial condition and results of operations.

Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of third parties with which we do business, could have a material adverse effect on our business, consolidated financial condition and results of operations.

We rely to a large extent upon information technology systems and infrastructure to operate our business. The size and complexity of our information technology systems make them increasingly vulnerable to breakdown, malicious intrusion and random attack, which may pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber-attacks or security breaches of our networks or systems, could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensatory costs, and additional compliance costs, any of which could materially adversely affect our business, consolidated financial condition and results of operations. While we take reasonable measures to mitigate these risks, our systems, networks, products, solutions and services remain potentially vulnerable to advanced and persistent threats.

We also maintain and have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws, regulations and customer controls. Despite our efforts to protect such sensitive, confidential or personal data or information, our facilities and systems and those of our customers and third-party service providers may be vulnerable to security breaches, theft, misplaced or lost data, programming and/or human errors that could lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions, which in turn could adversely affect our business and our results of operations.

Our inability to consummate and effectively incorporate acquisitions into our business operations may adversely affect our results of operations.

We invest time and resources in carefully assessing opportunities for acquisitions, and we continue to evaluate potential acquisition opportunities to support, strengthen and grow our business, including potentially in the near-term. Despite diligence and integration planning, acquisitions still present certain risks, including the time and economic costs of integrating an acquisition's technology, control and financial systems, unforeseen liabilities, and the difficulties in bringing together different work cultures and personnel. Although we have completed many acquisitions, there can be no assurance that we will be able to locate suitable acquisition candidates, acquire possible acquisition candidates, acquire such candidates on commercially reasonable terms, or integrate acquired businesses successfully in the future. Future acquisitions, including those we may consummate in the near-term, may require us to incur additional debt and contingent liabilities, which may adversely affect our business, results of operations and consolidated financial condition. The process of integrating acquired businesses into our existing operations may result in operating, contract and supply chain difficulties, such as the failure to retain customers or management personnel. Such difficulties may divert significant financial, operational and managerial resources from our existing operations, and make it more difficult to achieve our operating and strategic objectives.

In addition, we may not be able to consummate acquisitions in the future on terms acceptable to us, or at all. Future acquisitions are accompanied by the risk that the obligations and liabilities of an acquired company may not be adequately reflected in the historical financial statements of that company and the risk that those historical financial statements may be based on assumptions that are incorrect or inconsistent with our assumptions or approach to accounting policies. Any of these material obligations, liabilities or incorrect or inconsistent assumptions could adversely impact our results of operations and financial condition.

Risks Related to the Acquisition

There are a number of risks and uncertainties associated with the Acquisition that could have a material adverse impact on our business, consolidated financial condition and financial results.

There are a number of risks and uncertainties related to the Acquisition, including the following:

- uncertainties as to the timing of the Acquisition;

- the risk that the acquisition may not be completed in a timely manner or at all;
- the possibility that any or all of the various conditions to the consummation of the Acquisition may not be satisfied or waived;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Purchase Agreement;
- the possibility of disruption to our business from the Acquisition, including the effect of the announcement or pendency of the transactions contemplated by the Purchase Agreement on our ability to retain and hire key personnel, or our operating results and business generally;
- difficulties maintaining business and operational relationships, including relationships with customers, suppliers, and other business partners because of the uncertainty relating to our ability to perform contracts and the completion of the Acquisition;
- risks related to diverting management's attention and resources from ongoing business operations;
- risks related the unanticipated costs, charges and expenses resulting from the Acquisition; and
- developments beyond our control, including, but not limited to, changes in domestic or global economic conditions that may affect the timing or success of the Acquisition.

***The Acquisition is subject to a number of conditions which could delay or materially adversely affect the timing of its completion, or prevent it from occurring*.**

The Acquisition may not occur as a result of, among other things, one or more of the Purchase Agreement's closing conditions failing to occur or our failure to obtain sufficient financing to complete the Acquisition. The Acquisition is subject to a number of other conditions beyond our control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these conditions will be satisfied.

We have not operated as an independent company, and the historical and pro forma financial information presented in this offering circular is not necessarily representative of the results that we would have achieved as an independent company and may not be indicative of future results.

We have no recent operating history as an independent company. The historical and pro forma financial information in this offering circular reflects our business as operated by Sealed Air and is derived from the consolidated financial statements and accounting records of Sealed Air. Accordingly, the combined carve-out financial statements may not reflect the Diversey business' combined results of operations, financial position and cash flows had it been a stand-alone company during the periods presented and may not be indicative of those that we will achieve following the Transactions. Actual financial results that would have been incurred if the Diversey business had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure, due primarily to the following factors:

- the Diversey business was historically operated by Sealed Air as part of its broader corporate organization, rather than as an independent company. Sealed Air performed various corporate functions for Diversey such as information technology, research and development, accounting, human resources, legal, insurance and finance. Diversey's historical financial information reflects cost allocation for services historically provided by

Sealed Air and we expect these allocations to be different from the costs we will incur for these services in the future as a smaller independent company. As a result of Diversey's separation from Sealed Air, our costs related to such functions previously performed by Sealed Air may be higher than the share of total Sealed Air expenses assessed to Diversey historically;

- Diversey's historical combined financial information does not reflect our obligations under the various transition and other agreements we will enter into with Sealed Air in connection with the Acquisition, though costs under such agreements are expected to be broadly similar to what was charged to the Diversey business in the past;
- Diversey's historical financial information does not reflect changes that we expect to experience in the future as a result of the Transactions, including changes in our cost structure, personnel needs, tax structure, financing and business operations. As part of Sealed Air, we enjoyed certain benefits from its operating diversity, size, purchasing power, our ability to secure favorable terms on our vendor contracts and available capital for investments, and we will lose those benefits after the Transactions;
- Diversey's historical financial information does not reflect the debt and related interest expense that we will incur as part of the Transactions;
- Diversey's working capital requirements and capital expenditures historically have been satisfied as part of Sealed Air's corporate-wide cash management and centralized funding programs, and our cost of capital for our business may be higher than Sealed Air's cost of capital prior to the Transactions and significantly differ from that which is reflected in our historical combined financial statements;
- following the Acquisition, we may be more susceptible to economic downturns and other adverse events than if we were still a part of Sealed Air; and
- certain employees who have historically performed services for both the Diversey business and for Sealed Air may not be employees of the Company after the Acquisition.

Additionally, the presentation of EBITDA, Adjusted EBITDA and Further Adjusted EBITDA contained in this offering circular is not made in accordance with GAAP or with a view towards compliance with published guidelines of the SEC. We cannot assure you that any anticipated cost savings will be achieved or that our estimates and assumptions will prove to be accurate. EBITDA, Adjusted EBITDA and Further Adjusted EBITDA do not reflect the significant costs we expect to incur in order to achieve such cost savings, and there can be no assurance that such costs will not be materially higher than presently contemplated. If our cost savings are less than our estimates or our cost savings initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove to be inaccurate, our results will be lower than we anticipate.

In addition, our pro forma financial information does not reflect what our financial condition or results of operations would have been as an independent company and is not necessarily indicative of our future financial condition or future results of operations. For additional information about the past financial performance of the Diversey business and the basis of presentation of the historical combined financial statements and unaudited pro forma condensed combined financial statements, see ''Summary—Summary Historical and Pro Forma Financial Data'', ''Unaudited Pro Forma Condensed Combined Financial Information'', ''Selected Combined Historical Financial Information'', ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and the audited and unaudited historical financial statements and accompanying notes included elsewhere in this offering circular. In addition, since we historically operated as a business of Sealed Air, the combined financial statements included in this offering circular have been prepared on a carve-out basis from Sealed Air, which requires certain assumptions and estimates relating to, among other things, allocation of corporate services, non-U.S. currency exchange gains and losses, interest expense, income taxes and other matters.

The pro forma financial information contained in this offering circular is preliminary and is presented for illustrative purposes only and may not be an indication of our financial condition or results of operations following the Transactions.

Our operating results after the Transactions may be materially different from those shown in the pro forma financial information presented throughout this offering circular, which does not purport to represent what our financial position, results of operations or cash flows would actually have been if the Transactions had occurred as of the dates indicated or what our financial position, results of operations or cash flows would be for any future periods. The pro forma financial statements contained in this offering circular are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of our financial condition or results of operations following the Transactions for several reasons. Our actual financial condition and results of operations following the Transactions may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect our financial condition or results of operations following the Transactions. The costs, fees and expenses related to the Transactions could be higher than currently estimated. Further, because the determination of fair value is dependent upon valuations that must be performed as of the date the Acquisition is consummated, the valuations underlying the unaudited pro forma financial data included in this offering circular may be revised after the date hereof. Any such adjustments to the preliminary estimates of fair value could be material.

We may not achieve some or all of the expected benefits of the Transactions, and the Transactions may adversely affect our business.

We believe that, as an independent company, we will be able to, among other matters, better focus our financial and operational resources on our business, growth profile and strategic priorities, design and implement corporate strategies and policies targeted to our operational focus and strategic priorities, streamline our processes and infrastructure to focus on core strengths, implement and maintain a capital structure designed to meet our specific needs and more effectively respond to industry dynamics. Although on a pro forma basis after giving effect to the Transactions, we currently estimate cost savings of approximately $55.0 million for the LTM Period, including selling, general and administrative expense and procurement cost savings across our organization that we believe can be realized by the end of 2018 following the consummation of the Acquisition, actual cost savings could differ materially from our current expectations. Additionally, we expect to incur approximately $35 million of related one-time costs over the next 12 to 18 months in order to achieve these savings. See ''Management's Discussion and Analysis of Financial Condition and Results of Operations—Effects of the Transactions—Estimated Cost Savings''.

In connection with our evaluation of the Acquisition, we have estimated the costs we will need to incur in order to operate as a standalone business after our transition services arrangements with Sealed Air expire or are terminated. We cannot assure you that we will be able to successfully realize the expected benefits of these initiatives. A variety of risks could cause us not to realize some or all of the expected benefits or our estimated cost savings. These risks include the establishment of stand-alone operations, creation of a new corporate structure, changes in processes and information systems, dis-synergies from separation, potential client attrition and changes to our operating model. Moreover, our continued implementation of these initiatives may disrupt our operations and performance and our estimated cost savings from these initiatives are based on several assumptions that may prove to be inaccurate and, as a result, we cannot assure you that we will realize these cost savings. These actions may not provide the expected benefits and could lead to disruption of our operations, loss of or inability to recruit key personnel, weakening of internal standards, controls or procedures and impairment of key customer and supplier relationships.

Further, becoming an independent company will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business. If we fail to achieve some or all of the benefits that are expected to result from becoming an independent company, or do not achieve them in the time frame expected, our business, financial condition and results of operations could be materially and adversely affected.

We may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as an independent company.

We have historically operated as part of Sealed Air's corporate organization, and Sealed Air has assisted us by providing various corporate functions. Following the Acquisition, Sealed Air will have no obligation to provide us with assistance other than the transition services described under ''Certain Relationships and Related Party Transactions—Transition Services Agreement''. These services do not include every service we have received from Sealed Air in the past, and Sealed Air is only obligated to provide these services for limited periods from the date of the Acquisition. Accordingly, following the Acquisition, we will need to provide internally or obtain from unaffiliated third parties the services we currently receive from Sealed Air. These services include information technology, research and development, finance, legal, insurance, compliance and human resources activities, the effective and appropriate performance of which is critical to our operations. We may be unable to replace these services in a timely manner or on terms and conditions as favorable as those we receive from Sealed Air. In particular, Sealed Air's information technology networks and systems are complex, and duplicating these networks and systems will be challenging. Because our business previously operated as part of the wider Sealed Air organization, we may be unable to successfully establish the infrastructure or implement the changes necessary to operate independently, or we may incur additional costs that could adversely affect our business. If we fail to obtain the quality of administrative services necessary to operate effectively or incur greater costs in obtaining these services, our profitability, consolidated financial condition and results of operations may be materially and adversely affected.

To facilitate our transition to a standalone business, Sealed Air will provide a number of services to us pursuant to the Transition Services Agreement. When such agreement terminates, we will be required to replace the services, and the economic terms of the new arrangements may be less favorable to us.

In connection with the Acquisition, the Issuer and Sealed Air will enter into the Transition Services Agreement, pursuant to which the Issuer and Sealed Air and their respective subsidiaries will provide to each other, on an interim, transitional basis, various services. The services to be provided by Sealed Air will include specified support services related to corporate functions such as marketing and sales support, customer service, supply chain, purchasing, finance, information systems services, environmental, health and safety, and general consulting for 12 months (or such longer period and with such extensions as provided for pursuant to such agreement) following the Acquisition, unless earlier terminated according to the terms of the agreement. When the Transition Services Agreement terminates, we will be required to either enter into a new agreement with Sealed Air or another services provider or assume the responsibility for these functions. We cannot assure you that the economic terms of any new arrangements will be similar to those under the Transition Services Agreement, or that the cost of us assuming responsibility for such functions will be comparable to the fees under the Transition Services Agreement. If we are unable to renew or replace such arrangements on a comparable basis, our business, financial condition and results of operations may be materially and adversely affected. For a summary of the material terms of the Transition Services Agreement, see ''Certain Relationships and Related Party Transactions— Transition Services Agreement''.

Sealed Air's historical and future actions, or failure to comply with its indemnification obligations, may materially affect our business and operating results.

Although we will be an independent company as a result of the Acquisition, Sealed Air's historical and future actions may still have a material impact on our business and operating results. In connection with the Acquisition, we have entered into certain agreements with Sealed Air, including the Purchase Agreement, the Transition Services Agreement, the License Agreement and certain other commercial agreements. Sealed Air's failure to comply with any portion of these agreements, including indemnities therein, for any reason could inhibit us from operating or expanding our business in the future and/or result in significant additional costs to us. For example, if Sealed Air fails to provide necessary transitional and other commercial services, we may not be able to operate our business effectively until we are able to perform these services on our own, which may have a material impact on our operating results during that time. Additionally, pursuant to the Purchase Agreement, Sealed Air has agreed to indemnify us for certain liabilities. However, third parties could also seek to hold us directly responsible for any of the liabilities that Sealed Air has agreed to retain, and there can be no assurance that the indemnity from Sealed Air will be sufficient to protect us against the full amount of such liabilities, or that Sealed Air will be able to fully satisfy its indemnification obligations. We could incur material additional costs if Sealed Air fails to meet its obligations or if we otherwise are unable to recover costs associated with such liabilities. Further, there may be an adverse operational impact on our business as a result of the significant management time and internal resources that will need to be dedicated to developing internal support functions and standalone operations during the period following the Transactions. Such management time and internal resources would otherwise be available for other business initiatives and opportunities. Each of these risks could negatively affect our business, consolidated financial position or results of operations.

Following the consummation of the Transactions, we will no longer receive capital contributions from Sealed Air or have access to its assets or borrowing power. We may not be able to raise additional funds when needed for our business or to exploit opportunities.

To date, our primary sources of financing have been from Sealed Air. Following completion of the Acquisition, Sealed Air will have no obligation to provide any additional financing to us, and we will no longer have access to the borrowing capacity, cash flow or assets of Sealed Air, as the Diversey business will be fully independent of Sealed Air after the Acquisition. Our future liquidity and capital requirements will depend upon numerous factors, some of which are outside our control, including the future development of the markets in which we operate. We may need to raise additional funds to support expansion, develop new or enhanced products and services, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. If our capital resources are not sufficient to satisfy our liquidity needs, we may, subject to compliance with the terms of the indenture that will govern the notes and the credit agreement that will govern the Senior Secured Credit Facilities, seek to sell additional debt or equity securities or obtain other debt financing. The incurrence of debt would result in increased expenses and could include covenants that would further restrict our operations. We have not made arrangements to obtain additional financing. We may not be able to obtain additional financing, if required, in amounts or on terms acceptable to us, or at all.

Our business relationships, including customer relationships, may be subject to disruption due to uncertainty associated with the Acquisition.

Parties with which we currently do business or may do business in the future, including customers and suppliers, may experience uncertainty associated with the Acquisition, including with respect to current or future business relationships. As a result, our business relationships may be subject to disruptions if customers, suppliers and others attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than us. These disruptions could have a material and adverse effect on our business, consolidated financial condition, results of operations or prospects. The effect of such disruptions could be exacerbated by a delay in the consummation of the Acquisition.

We do not currently control Diversey and will not control Diversey until the consummation of the Acquisition.

We do not currently control Diversey and will not control Diversey until the consummation of the Acquisition. While the Purchase Agreement imposes certain limitations on how Sealed Air manages the Diversey business, we cannot assure you that, prior to the consummation of the Acquisition, the Diversey business will be operated in the same way as it would be under our control.

In addition, we expect to incur significant new indebtedness in connection with the transactions, including the notes offered hereby and the loans under the Senior Secured Credit Facilities. The debt we incur in connection with the Transactions may limit our financial and operating flexibility, and we may incur additional debt, which could further restrict such flexibility and increase the risks associated with our substantial indebtedness, including adverse material consequences for our business, consolidated financial condition and results of operations. See ‘‘—Risks Related to the Notes and Our Indebtedness’’.

After the Acquisition, certain of our executive officers may have actual or potential conflicts of interest because of their equity interests in Sealed Air.

Because of their former positions with Sealed Air, certain of our executive officers own and will continue to own equity interests in Sealed Air. Even though our expected executive officers who are currently employees of Sealed Air will cease to be employees of Sealed Air upon the separation, continuing ownership of equity interests in Sealed Air by certain of our expected executive officers could create, or appear to create, potential conflicts of interest if we and Sealed Air pursue the same corporate opportunities or face decisions that could have different implications for us and Sealed Air. Potential conflicts of interest could also arise if we enter into any new commercial arrangements with Sealed Air in the future.

As a result of the Acquisition, we may not be able to retain key personnel or recruit additional qualified personnel, which could materially adversely affect our business, consolidated financial condition and results of operations and require us to incur substantial additional costs to recruit replacement personnel.

As a result of the Acquisition, our current and prospective employees could experience uncertainty about their future roles. Uncertainty about the effect of the Transactions on employees, customers and suppliers may have an adverse effect on the Company. These uncertainties may impair our ability to attract, retain and motivate key personnel until the Transactions are consummated and for a period of time thereafter. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the Company, our business could be seriously harmed. Any failure to attract and retain key personnel could have a material adverse effect on our business, financial condition and results of operations.

In connection with the Acquisition, we will assume potential liabilities relating to the Diversey business. The assumption of unknown liabilities in the Acquisition may harm our financial condition and results of operations.

In connection with the Acquisition, we will have assumed potential liabilities relating to the Diversey business, including contingent liabilities. If there are significant unknown Diversey obligations, our business could be materially and adversely affected. We may learn additional information about Diversey's business that adversely affects our Company, such as unknown liabilities, or issues that could affect our ability to comply with applicable laws. As a result, we cannot assure you that the Acquisition will be successful or that it will not, in fact, harm our business. Among other things, if Diversey's liabilities are greater than expected, or if there are material obligations of which we do not become aware until after the completion of the Acquisition, our business could be materially and adversely affected. If we become responsible for substantial uninsured liabilities, these liabilities may have a material adverse effect on our consolidated financial condition and results of operations. We have no recourse against Sealed Air (whether through indemnity or otherwise) to cover any such liabilities.

Pursuant to the Acquisition, the Issuer will assume certain of Diversey's existing pension plans and will be responsible for any unfunded pension liabilities under such plans.

The cash purchase price the Issuer will pay at closing will be reduced by the amount, if any, that Diversey's balance sheet pension liabilities exceed its balance sheet pension assets as of the closing date of the Transactions, in each case, as calculated under GAAP using generally the same plan provisions, actuarial assumptions and methods used as of December 31, 2016 in accordance with the terms and conditions of the Purchase Agreement. There can be no assurance, however, that the actuarial assumptions and methods to calculate the balance sheet value of such pension assets and liabilities will accurately reflect the ultimate value of the pension plan liabilities assumed by the Issuer or that any purchase price adjustment in respect of our pension obligations with fully compensate the Issuer for any unfunded pension liability.

The transfer of certain assets related to the Diversey business is subject to certain consents, approvals or permits from governmental authorities, including regulatory officials, and other third parties, which may not be obtained at the closing of the Acquisition.

Certain approvals, consents and permits from governmental authorities, including regulatory officials, and other third parties are required in order to transfer certain assets related to the Diversey business to us. The Purchase Agreement provides that the Issuer and Sealed Air and its subsidiaries will cooperate to obtain such consents, approvals and permits. If these approvals, consents or permits are not obtained as of the closing of the Acquisition, Sealed Air and its affiliates will continue to operate these retained Diversey assets in the ordinary course of business and, to the extent permitted by law, we will assume all obligations and liabilities and receive all benefits, economic and otherwise, in respect of such retained assets. There can be no assurance that these retained assets will be operated by Sealed Air in the same manner in which we would operate such assets. In addition, there can be no assurance that all consents, approvals and permits will be obtained, and in the event we fail to do so, our business and operating results may be materially and adversely effected.

In connection with the Acquisition, certain contracts will need to be renegotiated with third parties or assigned from Sealed Air or its affiliates to us or from us to Sealed Air or its affiliates, which will require the consent of the counterparty to such assignment, and any failure to renegotiate or obtain these consents, as applicable, could increase our expenses or otherwise reduce our profitability.

The Purchase Agreement provides that a number of contracts are to be assigned from Sealed Air or its affiliates to us or our affiliates or from us and our affiliates to Sealed Air or its affiliates. Certain of these contracts require the counterparty's consent to such assignment or will require us to renegotiate the contracts with such counterparty. It is possible that some of these counterparties may not provide such consent or may use the consent requirement to seek more favorable contractual terms from us. If we are unable to obtain the consents or renegotiate the contracts, we may be unable to obtain some or all of the benefits, assets and contractual commitments that are intended to be allocated to us as part of the Acquisition. If we are unable to obtain these consents or renegotiate the same terms, the loss of these contracts could adversely affect our business, consolidated financial condition and results of operations. In addition, if we are unable to assign the contracts to Sealed Air or its affiliates, we may remain bound and be liable under those contracts. To the extent we need to renegotiate contracts with existing counterparties or enter into new contracts with new counterparties, we cannot assure you that the economic terms of the new arrangements will be similar to those under current arrangements. If we are unable to renew or replace arrangements on a comparable basis, our business, consolidated financial condition and results of operations may be materially and adversely affected.

Between the time of the issuance of the notes and the consummation of the Acquisition, developments adverse to the Acquisition may occur, and the parties to the Purchase Agreement may agree to modify or waive the terms or conditions of such document without the consent of the holders of the notes.

Your investment decision will be made at the time you purchase the notes and not at the closing of the Acquisition, which is expected to occur in the second half of 2017. Accordingly, facts and circumstances arising after your purchase of the notes, including changes in the business or financial condition of Diversey or the terms of the Acquisition, will have no effect on your rights as a holder of the notes, although they may have an adverse impact on the business or financial condition of Diversey. Furthermore, the Transactions themselves have required and will likely continue to require substantial amounts of management's time and focus, which could adversely affect their ability to operate the business. In addition, prior to the consummation of the Acquisition, the parties to the Purchase Agreement may agree to amendments or waivers of the terms thereof. Although the Escrow Agreement provides as a condition to the release of the escrowed funds that the terms of the Purchase Agreement shall not have been amended in a manner adverse to the holders of notes (subject to certain exceptions), that requirement will not preclude the transaction parties from making certain changes to the terms of the Acquisition or from waiving conditions to the Acquisition. See ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption''.

Risks Related to the Notes and Our Indebtedness

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

After giving effect to the Transactions, we will have a significant amount of indebtedness, which will require significant interest and principal payments. As of March 31, 2017, on a pro forma basis after giving effect to the Transactions, we and our subsidiaries would have had approximately $2,357.0 million of aggregate principal amount of indebtedness outstanding and an additional $250.0 million of borrowing availability under our Revolving Credit Facility. No letters of credit are expected to be issued and outstanding under the Revolving Credit Facility as of the date of the consummation of the Transactions, but letters of credit, if issued, may be drawn after the closing date of the Transactions or, subject to certain limitations, on such closing date. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. Our substantial indebtedness could have other important consequences to you and significant effects on our business. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the notes and our other debt;
- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to making payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- require us to repatriate cash for debt service from our non-U.S. subsidiaries, resulting in dividend tax costs, or require us to adopt other disadvantageous tax structures to accommodate debt service payments;
- restrict us from capitalizing on business opportunities;
- make it more difficult to satisfy our financial obligations, including payments on the notes;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general corporate purposes.

The Issuer's assets consist primarily of investments in subsidiaries and the Issuer will depend on distributions from its subsidiaries or other guarantors to fulfill its obligations under the notes.

The Issuer is a recently formed entity that is primarily a holding company and many of its assets consist primarily of investments in its subsidiaries. We conduct a substantial portion of our operations through our subsidiaries, certain of which are not guarantors of our indebtedness, including the notes offered hereby. The Issuer's ability to service its debt obligations, including its ability to pay the interest on and principal of the notes when due, will be dependent upon cash dividends and distributions or other transfers from its subsidiaries. Payments to the Issuer by its subsidiaries or other guarantors will be contingent upon their respective earnings and subject to any limitations on the ability of such entities to make payments or other distributions to us. The Issuer's subsidiaries and other guarantors are separate and distinct legal entities and have no obligation, other than under their guarantee of the notes and guarantees of certain of the Issuer's other indebtedness, to make any funds available to the Issuer. Further, our subsidiaries may not be able to, or be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Under certain circumstances, legal and contractual restrictions may limit the Issuer's ability to obtain cash from its subsidiaries. The indenture that will govern the notes offered hereby and the credit agreement that will govern the Senior Secured Credit Facilities will limit the ability of certain of our subsidiaries to pay dividends and make other intercompany payments to us, subject to certain exceptions. In the event that the Issuer does not receive distributions from its subsidiaries, the Issuer may be unable to make required principal and interest payments on its indebtedness, including the notes.

Despite our indebtedness level following the Transactions, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We may be able to incur substantial additional indebtedness in the future. Although the credit agreement that will govern the Senior Secured Credit Facilities and the indenture that will govern the notes will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness that may be incurred in compliance with these restrictions could be substantial. If we incur additional debt above the levels that will be in effect on the closing date after giving effect to the Transactions, the risks associated with our leverage, including those described above, would increase. The Senior Secured Credit Facilities will provide aggregate availability of up to approximately $1,800 million under the Term Loan Facility, all of which will be drawn at closing to finance the Transactions. In addition, as of March 31, 2017, on a pro forma basis after giving effect to the Transactions, we would have had an additional $250.0 million of availability under the Revolving Credit Facility. No letters of credit are expected to be issued and outstanding under the Revolving Credit Facility as of the date of the consummation of the Transactions, but letters of credit, if issued, may be drawn after the closing date of the Transactions or, subject to certain limitations, on such closing date. Further, the restrictions in the indenture that will govern the notes and the credit agreement that will govern the Senior Secured Credit Facilities will not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined in such debt instruments.

Any additional debt may be governed by indentures or other instruments containing covenants that could place restrictions on the operation of our business and the execution of our business strategy in addition to the restrictions on our business already contained in the credit agreement that will govern the Senior Secured Credit Facilities and the indenture that will govern the notes. Because any decision to issue debt securities or enter into new debt facilities will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future debt financings and whether we may be required to accept unfavorable terms for any such financings.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations may adversely affect our business, financial condition and results of operations.

Our ability to make payments on and to refinance our indebtedness, including the notes, and to fund working capital needs and planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, including the notes, to refinance our debt or to fund our other liquidity needs. After giving effect to the Transactions, substantially all of our debt, including the Senior Secured Credit Facilities, will mature before the maturity date of the notes.

If our business does not generate sufficient cash flow from operations or if future borrowings are not available to us in an amount sufficient to enable us to pay our indebtedness, including the notes, or to fund our other liquidity needs, we may need to restructure or refinance all or a portion of our indebtedness, including the notes, on or before the maturity thereof, sell assets, reduce or delay capital investments or seek to raise additional capital, any of which could have a material adverse effect on our operations. In addition, we may not be able to effect any of these actions, if necessary, on commercially reasonable terms or at all. Our ability to restructure or refinance our indebtedness, including the notes, will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the indenture that will govern the notes, may limit or prevent us from taking any of these actions. Further, the credit agreement that will govern the Senior Secured Credit Facilities, the indenture that will govern the notes offered hereby and the agreements governing our accounts receivable securitization programs will restrict our ability to dispose of assets and use the proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain the proceeds therefrom in an amount sufficient to meet any debt service obligations then due. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, may adversely affect our business, financial condition and results of operations, as well as our ability to satisfy our obligations in respect of the notes.

Moreover, in the event of a default, the holders of our indebtedness, including the notes, could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, if any. The lenders under the Revolving Credit Facility could also elect to terminate their commitments thereunder, cease making further loans, and institute foreclosure proceedings against their collateral, and we could be forced into bankruptcy or liquidation. If we breach our covenants under the Senior Secured Credit Facilities, we would be in default thereunder. The lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

The indenture that will govern the notes and the credit agreement that will govern the Senior Secured Credit Facilities will restrict our current and future operations, particularly our ability to respond to certain changes or to take certain actions.

The indenture that will govern the notes and the credit agreement that will govern the Senior Secured Credit Facilities will impose significant operating and financial restrictions and limit the ability of us and our restricted subsidiaries to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- sell or otherwise dispose of assets;
- sell stock of our subsidiaries;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

As a result of these covenants and restrictions, we are and will be limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. In addition, we will be required to maintain specified financial ratios and satisfy other financial condition tests. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as others contained in our future debt instruments from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their maturity. If we are forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our results of operations and financial condition could be adversely affected.

A decline in our operating results or available cash could cause us to experience difficulties in complying with covenants contained in more than one debt agreement, which could result in our bankruptcy or liquidation.

If we were to sustain a decline in our operating results or available cash, we could experience difficulties in complying with the financial covenant contained in the credit agreement that will govern the Senior Secured Credit Facilities. The failure to comply with such covenant could result in an event of default under the Senior Secured Credit Facilities and by reason of cross-acceleration or cross-default provisions, other indebtedness may then become immediately due and payable. In addition, should an event of default occur, the lenders under the Revolving Credit Facility could elect to terminate their commitments thereunder, cease making loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under the Senior Secured Credit Facilities to avoid being in default. If we breach our covenants under the Senior Secured Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the Senior Secured Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation. Further, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Interest rates may increase in the future. As a result, interest rates on the Senior Secured Credit Facilities or other variable rate debt offerings could be higher or lower than current levels. As of March 31, 2017, on a pro forma basis after giving effect to the Transactions, we would have had approximately $1,775.3 million of outstanding debt at variable interest rates. In addition, as of March 31, 2017, on a pro forma basis after giving effect to the Transactions, we would have had an additional $250.0 million of availability at variable interest rates under the Revolving Credit Facility. No letters of credit are expected to be issued and outstanding under the Revolving Credit Facility as of the date of the consummation of the Transactions; however, letters of credit may be drawn thereunder after the closing date or, subject to certain limitations, on the closing date. If interest rates increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. A 0.125% increase in the expected rate of interest under our Senior Secured Credit Facilities would increase our annual interest expense by approximately $2.2 million.

Prior to or when the Senior Secured Credit Facilities mature, we may not be able to refinance or replace them.

The Senior Secured Credit Facilities have an earlier maturity date than the notes. Prior to or when the Senior Secured Credit Facilities mature, we may need to refinance them and may not be able to do so on favorable terms or at all. If we are able to refinance maturing indebtedness, the terms of any refinancing or alternate credit arrangements may contain terms and covenants that restrict our financial and operating flexibility. If we are unable to refinance the Senior Secured Credit Facilities prior to or when they mature it could result in an event of default under the credit agreement that will govern the Senior Secured Credit Facilities. Moreover, the occurrence of an event of default under the credit agreement that will govern the Senior Secured Credit Facilities could result in an event of default under our other indebtedness, including the indenture that will govern the notes.

From and after the Escrow Release Date, the notes will be unsecured and effectively subordinated to our secured indebtedness, including the Senior Secured Credit Facilities, to the extent of the value of the collateral securing such indebtedness.

Our obligations under the notes will be unsecured and will be effectively subordinated to our secured indebtedness, to the extent of the value of the collateral securing such secured indebtedness. Borrowings under the Senior Secured Credit Facilities will be secured by substantially all of the assets of the Issuer and any existing and future guarantors, including all of the issued and outstanding equity interests of the Issuer and each wholly-owned restricted subsidiary directly owned by the Issuer or any guarantor (which, in the case of non-U.S. subsidiaries, will be limited to 65% of the issued and outstanding equity interests of each direct or indirect restricted subsidiary of the Issuer), subject to the restrictions of the laws of the jurisdiction of organization of each guarantor.

If an event of default occurs under the agreements governing our secured indebtedness, including the credit agreement that will govern the Senior Secured Credit Facilities, the holders of such senior secured indebtedness will have a prior right to our secured assets, to the exclusion of the holders of the notes, even if we are in default with respect to the notes. In that event, our secured assets would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under the Senior Secured Credit Facilities), resulting in all or a portion of such assets being unavailable to satisfy the claims of the holders of the notes and other unsecured indebtedness. Therefore, in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of the notes will participate in our remaining assets ratably with each other and with all holders of our other indebtedness that is deemed to be of the same class as such notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of such notes may receive less, ratably, than holders of secured indebtedness.

Claims of holders of the notes will be structurally subordinated to claims of creditors of certain of the Issuer's subsidiaries that will not guarantee the notes.

The notes will not be guaranteed by certain of our existing and future subsidiaries. As of the Escrow Release Date, only Holdings and the Issuer's existing and subsequently acquired or organized direct and indirect material wholly-owned restricted subsidiaries that guarantee indebtedness under the Senior Secured Credit Facilities (other than those organized in Italy) will guarantee the notes. The timing of providing the guarantees will be subject to the laws of the jurisdiction of each guarantor, as applicable. Claims of holders of the notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors, and will not be satisfied from the assets of these non-guarantor subsidiaries until their creditors are paid in full. For the LTM Period, the Diversey subsidiaries that will not guarantee the notes represented approximately 37.1% and 45.9% of Diversey's consolidated net sales and consolidated Adjusted EBITDA, respectively. As of March 31, 2017, those non-guarantor subsidiaries accounted for approximately 34.7% of Diversey's total assets (excluding assets not being acquired in the Transactions).

In addition, the guarantee of certain guarantors will be released in connection with a transfer of such guarantor in a transaction not prohibited by the indenture that will govern the notes or upon certain other events described in ''Description of Notes—Note Guarantees''.

The indenture that will govern the notes offered hereby will permit the Issuer's non-guarantor subsidiaries to incur certain additional debt and will not limit their ability to incur other liabilities that are not considered indebtedness thereunder.

The Issuer may be unable to repurchase the notes upon a change of control.

Upon the occurrence of specified kinds of change of control events, the Issuer will be required to offer to repurchase all outstanding notes at a price equal to 101% of the principal amount of the notes, together with accrued and unpaid interest to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of the notes. If the Issuer is required to repurchase the notes, we would probably require third-party financing. We cannot be sure that we would be able to obtain third party financing on acceptable terms, or at all. The Issuer's failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the indenture that will govern the notes. Such an event of default may cause the acceleration of our other debt, including debt under the Senior Secured Credit Facilities. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under the indenture that will govern the notes.

It is also possible that the events that constitute a change of control may also be events of default under our Senior Secured Credit Facilities. These events may permit the lenders under the Senior Secured Credit Facilities to accelerate the indebtedness outstanding thereunder. If we are required to repurchase the notes pursuant to a change of control offer and repay certain amounts outstanding under the Senior Secured Credit Facilities if such indebtedness is accelerated, we would probably require third-party financing. We cannot be sure that we would be able to obtain third-party financing on acceptable terms, or at all. If the indebtedness under the Senior Secured Credit Facilities is not paid, the lenders thereunder may seek to enforce security interests in the collateral securing such indebtedness, thereby limiting our ability to raise cash to purchase the notes, and reducing the practical benefit of the offer to purchase provisions to the holders of the notes. Any future debt agreements may contain similar provisions.

Holders of notes may not be able to determine when a change of control giving rise to their right to have the notes purchased has occurred following a sale of ''substantially all'' of our assets.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. However, the phrase ''all or substantially all'' will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or disposition of ''all or substantially all'' of our capital stock or assets has occurred, in which case, the ability of a holder of the notes to obtain the benefit of an offer to repurchase all of a portion of the notes held by such holder may be impaired. See ''Description of Notes—Change of Control'' and ''Description of Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock''.

We can enter into transactions like recapitalizations, reorganizations and other highly leveraged transactions that do not constitute a change of control but that could adversely affect the holders of the notes.

Certain important corporate events, such as leveraged recapitalizations, may not, under the indenture that will govern the notes, constitute a ''change of control'' that would require the Issuer to offer to purchase the notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. Therefore, we could, in the future, enter into certain transactions, including acquisitions, reorganizations, refinancings or other recapitalizations, which would not constitute a change of control under the indenture that will govern the notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings.

An investment in the notes by a holder whose home currency is not euro entails significant risks.

All payments of interest on and the principal of the notes and any redemption price for the notes will be made in euro. An investment in the notes by a holder whose home currency is not euro entails significant risks. These risks include the possibility of significant changes in rates of exchange between the holder's home currency and euro and the possibility of the imposition or subsequent modification of non-U.S. exchange controls. These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply of and demand for the relevant currencies. In the past, rates of exchange between the euro and certain currencies have been highly volatile, and each holder should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of the notes. In addition, if one or more member states were to withdraw from the European Monetary Union and cease to use the euro as their currency, the value of the euro could be materially adversely affected. Depreciation of the euro against the holder's home currency would result in a decrease in the effective yield of the notes below their coupon rate and, in certain circumstances, could result in a loss to the holder. See ''Exchange Rates''.

If you are a holder subject to U.S. income tax, see ''Certain Income Tax Considerations—Certain U.S. Federal Income Tax Considerations—U.S. Holders'' for the material U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes related to the notes being denominated in euro.

In a lawsuit for payment on the notes, an investor may bear currency exchange risk.

The notes and the indenture that will govern the notes will be governed by the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the notes would be required to render the judgment in euros. The judgment would be converted into U.S. dollars, however, at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the notes, investors whose home currency is not euros would bear currency exchange risk until a New York state court judgment is entered, which could be a significant amount of time. A U.S. federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the notes would apply the foregoing New York law. To the extent that a judgment is ordered in U.S. dollars, an investor would be subject to exchange risk on the amount they receive in euros due to variation in the exchange rate between the time of judgment and the time of collection.

In courts outside of New York, investors may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The indenture that will govern the notes includes an indemnity by the Issuer against a deficiency due to any such judgment, but there can be no assurance that such indemnity will be enforced. The date used to determine the rate of conversion of euros into U.S. dollars would depend upon various factors, including which court renders the judgment and when the judgment is rendered.

The lenders under the Senior Secured Credit Facilities will have the discretion to release any guarantor under the Senior Secured Credit Facilities in a variety of circumstances, which will cause such guarantor to be released from its guarantee of the notes.

While any obligations under the Senior Secured Credit Facilities remain outstanding, a guarantor's guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture that will govern the notes, at the discretion of the lenders under the Senior Secured Credit Facilities, if the guarantor no longer guarantees obligations under the Senior Secured Credit Facilities or any other indebtedness. See ''Description of Notes—Note Guarantees''. The lenders under the Senior Secured Credit Facilities will have the discretion to release the guarantees under the Senior Secured Credit Facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those non-guarantor subsidiaries will be structurally senior to claims of noteholders.

Many of the covenants in the indenture that will govern the notes will not apply to us if the notes are rated investment grade by either Moody's or S&P.

Many of the covenants in the indenture that will govern the notes will cease to apply to the notes during such time, if any, as the notes are rated investment grade by both Moody's and S&P, provided that at such time no default or event of default has occurred and is continuing. Although there can be no assurance that the notes will ever be rated investment grade, or if they are rated investment grade, that the notes will maintain these ratings, any suspension of the covenants under the indenture that will govern the notes would allow us to engage in certain transactions that would not be permitted while these covenants were in effect. Such transactions may impair our ability to satisfy our obligations with respect to the notes. To the extent any suspended covenants are subsequently reinstated, any actions taken by us while the covenants were suspended would not result in an event of default under the indenture that will govern the notes on the basis that such actions would have been prohibited by the covenants. See ''Description of Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status''.

Ratings of the notes may affect the market price and marketability of the notes.

The notes offered hereby will have a non-investment grade rating on the issue date. Credit rating agencies continually revise their ratings for the companies that they follow, including us. Credit rating agencies also evaluate our industry as a whole and may change their credit ratings for us based on their overall view of our industry. These ratings are limited in scope and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the ratings agencies if, in each rating agency's judgment, circumstances so warrant. It is also possible that such ratings may be lowered in connection with the application of the proceeds of this offering or in connection with future events, such as future acquisitions. Holders of notes will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Credit ratings are not recommendations to purchase, hold or sell the notes, and may be revised or withdrawn at any time. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price or marketability of the notes.

Holders of the notes will not be entitled to registration rights, and we do not currently intend to register the notes under applicable securities laws. There are restrictions on your ability to transfer or resell the notes.

The notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable U.S. state securities laws, and we do not currently intend to register the notes. The holders of the notes will not be entitled to require us to register the notes for resale or otherwise. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable U.S. state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See ''Transfer Restrictions''.

Your ability to transfer the notes may be limited by the absence of an active trading market, and an active trading market may not develop for the notes.

The notes will be a new issue of securities for which there is no established trading market. An application has been made by or on behalf of the Issuer to the Authority for the listing of and permission to deal in the notes on the Official List of the Exchange. There is 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. The initial purchasers of the notes have advised us that they intend to make a market in the notes as permitted by applicable laws and regulations. However, the initial purchasers are not obligated to make a market in the notes, and, if commenced, they may discontinue their market-making activities at any time without notice.

Therefore, an active market for the notes may not develop or be maintained, which would adversely affect the market price and liquidity of the notes. In that case, the holders of the notes may not be able to sell their notes at a particular time or at a favorable price. The liquidity of any market for the notes will depend on a number of factors, including:

- the number of holders of notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes;
- prevailing interest rates; and
- the aggregate principal amount of notes outstanding.

Even if an active trading market for the notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

There are restrictions on transfer on your ability to transfer or resell the notes.

The notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. The Issuer is not obligated to register the notes under the Securities Act or to offer to exchange the notes in an exchange offer registered under the Securities Act. As a result, for so long as the notes remain outstanding, they may be transferred or resold only in transactions exempt from the registration requirements of federal and applicable state securities laws.

The notes may not become, or remain, listed on the Exchange.

Although an initial application has been made by or on behalf of the Issuer to the Authority 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.

The indenture that will govern the notes will not be qualified under the Trust Indenture Act and we will not be required to comply with the provisions of the Trust Indenture Act.

The indenture that will govern the notes will not be qualified under the Trust Indenture Act and we will not be required to comply with the provisions of the Trust Indenture Act. Therefore, holders of the notes will not be entitled to the benefit of the provisions and protection of the Trust Indenture Act except to the extent there are similar provisions in the indenture that will govern the notes.

We are controlled by Bain Capital, whose interests may not be aligned with ours or yours.

Investment funds owned by Bain Capital will beneficially own a substantial majority of our outstanding equity interests. As a result, such funds are in a position to control all matters affecting us, including decisions regarding extraordinary business transactions, fundamental corporate transactions, appointment of members of our management, election of directors and our corporate and management policies. The interests of the funds affiliated with Bain Capital could conflict with your interests. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of such funds might conflict with your interests as a holder of the notes. Bain Capital may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to you as a holder of the notes.

You may be unable to enforce judgments against the Issuer, the guarantors or our respective directors and officers.

Neither the Issuer nor most of the guarantors are incorporated in the United States. In addition, most of our assets are outside the United States and certain of the Issuer's directors and officers live outside the United States. Although the Issuer and the guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, it may be difficult or impossible to serve process against any of these persons in the United States. Furthermore, because a substantial part of the assets of these persons are located outside of the

United States, it may not be possible to enforce judgments obtained in courts in the United States predicated upon civil liability provisions of the federal securities laws of the United States against these persons. Additionally, there is doubt as to the enforceability in many non-U.S. jurisdictions of civil liabilities based on the civil liability provisions of the federal or state securities laws of the United States against the Issuer, the guarantors, the directors, controlling persons and management and any experts named in this offering circular who are not residents of the United States. Please see ''Enforceability of Judgments''.

The notes will initially only be issued in global certificated form and held through Euroclear and Clearstream and unless and until the notes are issued in definitive registered form in exchange for book entry interests, owners of book entry interest will not be considered owners or holders of the notes.

The notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the Global Notes (as such term is defined in ''Book Entry, Delivery and Form for the Notes'') will trade in book-entry form only. Unless and until the notes in definitive registered form are issued in exchange for book entry interests, owners of book entry interests will not be considered owners or holders of the notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream will be the registered holder of the Global Notes. Payments in respect of the Global Notes representing the notes (including principal, premium, interest and additional amounts, if any) will be made to the paying agent. The paying agent will then make such payments to the common depositary (or its nominee) for Euroclear and Clearstream. The common depositary (or its nominee) will in turn distribute such payments to participants in accordance with its procedures. After payment to the common depositary (or its nominee), we, the trustee and the paying agent 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, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of notes under the indenture that will govern the notes. See ''Book Entry, Delivery and Form for the Notes''.

Unlike the holders of the notes themselves, owners of book entry interests will not have the direct right to act upon our 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 or Clearstream or, if applicable, 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 request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the indenture that will govern the notes, unless and until notes in definitive registered form are issued in respect of all book entry interests, if you own a book entry interest, you will be restricted to acting through Euroclear or Clearstream. We, the trustee and the paying agent cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the notes. See ''Book Entry, Delivery and Form for the Notes''.

Insolvency proceedings and fraudulent transfer laws concerning the Issuer or any of the guarantors in the United States or certain non-U.S. jurisdictions may adversely affect a recovery by the holders of the notes.

In the event that the Issuer, any guarantor or any of the Issuer's other subsidiaries or affiliates were to experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, the outcome of such proceedings, or whether the insolvency laws of such jurisdiction would be favorable to your interests. The commencement of an insolvency proceeding by or against the Issuer or a guarantor in the United States or certain non-U.S. jurisdictions in which the Issuer or a guarantor is organized may adversely affect a recovery by the holders of the notes. See ''Limitations on the Validity and Enforceability of Guarantees and Certain Insolvency Considerations'' for summaries of the limitations on recovery in such jurisdictions.

Enforcing your rights as a holder of the notes or under the guarantees across multiple jurisdictions may prove difficult or provide less protection than U.S. bankruptcy law.

The notes will be issued by the Issuer, a company incorporated under the laws of the Netherlands. The notes will be guaranteed by the guarantors, which we expect will include material wholly-owned entities incorporated or organized under the laws of Australia, Austria, Brazil, Belgium, Canada, Denmark , France, Germany, Hong Kong, Mexico, the Netherlands, Poland, Spain, Sweden, Switzerland, the United Kingdom and the United States (subject to customary limitations). In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any, all or any combination of the above jurisdictions. Such jurisdictions may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar, and proceedings in these jurisdictions are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights in and under the notes and the guarantees will be subject to the bankruptcy, insolvency and administrative laws of the relevant jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings. See ''Limitations on the Enforceability of Guarantees and Certain Insolvency Considerations'' and ''Enforceability of Judgements''.

In addition, in the event that one or more of the Issuer, the guarantors and any future guarantor, if any, or any other of our subsidiaries experiences financial difficulty, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the guarantors' jurisdictions of organization and location of assets 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, contractual subordination, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether the law of any particular jurisdiction should apply, and may adversely affect your ability to enforce your rights under the notes and the guarantees.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a guarantor's obligations under its guarantee, (ii) direct that the holders of the notes return any amounts paid under a guarantee to the relevant guarantor or to a fund for the benefit of the guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the relevant guarantor or, in certain jurisdictions, when the granting of the guarantee has the effect of giving a creditor a preference or when the recipient was aware that the relevant guarantor was insolvent when it granted the relevant guarantee;
- the relevant guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant guarantee and such guarantor was: (i) insolvent or rendered insolvent because of the relevant guarantee; (ii) undercapitalized or became undercapitalized because of the relevant guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the relevant guarantee was 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 was executed in the absence of corporate approvals required under the applicable law; or
- the amount paid or payable under the relevant guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the indenture that will govern the notes.

We cannot assure you which standard a court would apply in determining whether a guarantor was ''insolvent'' at the relevant time or that, regardless of the method of valuation, a court would not determine that a guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a guarantor was insolvent on the date its guarantee was issued, that payments to holders of the notes constituted preferences, fraudulent transfers or fraudulent conveyances on other grounds. The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or
- it cannot pay its debts as they become due.

Each guarantor's liability under its guarantees may be reduced to zero, voided or released under certain circumstances, and holders of notes may not receive any payments from some or all of the guarantors.

The guarantors will guarantee the notes on a senior unsecured basis. Each guarantee will provide the holders of the notes with a direct claim against the relevant guarantor. However, each guarantee will be limited to the maximum amount that can be guaranteed by the relevant guarantor without rendering the relevant guarantee voidable or otherwise ineffective under applicable law, and enforcement of each guarantee will 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, as well as regulations or defenses affecting the rights of creditors generally. As a result, a guarantor's liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such guarantor. See ''Limitations on the Enforceability of Guarantees and Certain Insolvency Considerations''. In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under ''Description of Notes—Note Guarantees''.

Risks Related to the Escrow of Proceeds

In the event that the Acquisition is not consummated on or prior to the Outside Date and the other Escrow Release Conditions are not satisfied, the notes will be subject to a Special Mandatory Redemption and, as a result, you may not obtain the return you expect on the notes.

This offering will be consummated prior to the consummation of the Acquisition. Consequently, concurrently with the consummation of the offering, the Issuer will enter into the Escrow Agreement with the trustee and the Escrow Agent. Pursuant to the Escrow Agreement, on the closing date of this offering the Issuer will deposit (or cause to be deposited) the gross proceeds of this offering into the Escrow Account.

Pursuant to the Escrow Agreement, the release of the escrowed funds will be subject to the satisfaction of the Escrow Release Conditions, including the closing of the Acquisition. If the Acquisition is not consummated on or prior to the Outside Date, or upon the occurrence of certain other events, the notes will be subject to a Special Mandatory Redemption at the Special Mandatory Redemption Price in accordance with the terms of the indenture that will govern the notes. Upon such Special Mandatory Redemption, you may not be able to invest the proceeds therefrom in an investment that yields returns comparable to the notes. In addition, if you purchase the notes at a price greater than the issue price of the notes, you may suffer a loss on your investment.

The escrowed funds will be initially limited to the gross proceeds of this offering and will not be sufficient to pay the Special Mandatory Redemption Price, which is equal to the aggregate principal amount of the notes plus accrued and unpaid interest and additional amounts, if any, from the issue date to, but excluding, the redemption date. In the event that the escrowed funds are insufficient to pay the Special Mandatory Redemption Price, the Bain Capital Fund will be required to transfer an amount of cash in euro to enable the Issuer to pay the Special Mandatory Redemption Price in full.

If the Issuer commences a bankruptcy or reorganization case or one is commenced against the Issuer in the United States, federal bankruptcy laws may prevent the release of the escrowed funds.

If the Issuer commences a bankruptcy or reorganization case, or one is commenced against the Issuer, while amounts remain in the Escrow Account, applicable U.S. bankruptcy laws may prevent the Escrow Agent from releasing the funds in the Escrow Account or applying those funds to effect a Special Mandatory Redemption of the notes or otherwise applying those funds for the benefit of the holders of the notes. The court adjudicating that case might find that the Escrow Account is the property of the bankruptcy estate. Although the amounts in the Escrow Account will be pledged as collateral for payment, if required, of the Special Mandatory Redemption Price, the automatic stay provisions of the federal bankruptcy laws generally prohibit secured creditors from foreclosing upon or disposing of a debtor's property without bankruptcy court approval. As a result, holders of the notes may not be able to have the funds in the Escrow Account applied at the time or in the manner contemplated by the indenture that will govern the notes and could suffer a loss as a result.

In addition, if the court adjudicating the Issuer's bankruptcy or reorganization case finds that the escrowed funds are property of the bankruptcy estate, the court could authorize the use of these funds by the bankruptcy estate or the bankruptcy trustee, if one is appointed, with or without restrictions. As a result, the holders of the notes could become unsecured creditors of the bankruptcy estate. In such event, the only remedy available to the holders of the notes would be to sue for payment on the notes.

If an insolvency case is commenced against the Issuer in the Netherlands, Dutch insolvency law may prevent the release of the escrowed funds.

If the Issuer becomes the subject of bankruptcy proceedings (*faillissement*) or suspension of payments (*surseance van betaling*) is granted, while amounts remain in the Escrow Account, applicable Dutch insolvency laws may prevent the Escrow Agent from releasing the funds in the Escrow Account or applying those funds to effect a Special Mandatory Redemption of the notes or otherwise applying those funds for the benefit of the holders of the notes. As a result, holders of the notes may not be able to have the funds in the Escrow Account applied at the time or in the manner contemplated by the indenture that will govern the notes and could suffer a loss as a result. A liquidator (*curator*) or an administrator (*bewindvoerder*) may find that the escrowed funds are the property of the bankruptcy estate. As a result, the holders of the notes would be left with only an unsecured claim in the bankruptcy estate. See ''Limitations on the Enforceability of Guarantees and Certain Insolvency Considerations—The Netherlands''.

Until the consummation of the Transactions, the Issuer will have limited assets and the Issuer's subsidiaries, including those subsidiaries to be acquired by the Issuer pursuant to the Acquisition, will not guarantee the notes or be subject to the restrictive covenants in the indenture that will govern the notes.

On the issue date the notes will be issued solely by the Issuer and will not be guaranteed. Prior to the consummation of the Transactions, holders of the notes will not have any recourse to the Issuer's subsidiaries, including those subsidiaries to be acquired by the Issuer pursuant to the Acquisition. Prior to the Escrow Release Date, holders of the notes will only have (i) a first priority security interest in any interest the Issuer may be deemed to have in the Escrow Account and the funds held therein and (ii) a right to receive the funds held in the Escrow Account if the Escrow Release Conditions are not satisfied, as described under ''Description of Notes—Escrow of Proceeds; Special Mandatory Redemption''. The Issuer does not conduct any material operations and will have limited assets (except for the Issuer's interest in the Escrow Account) until the consummation of the Transactions. As a result, in the event of a bankruptcy of the Issuer prior to the consummation of the Transactions, holders of the notes will have a secured claim as to the funds deposited into the Escrow Account and an unsecured claim as to any other assets of the Issuer, such that the sole recourse of the holders of the notes prior to such time will be to the escrowed funds.

Prior to the Escrow Release Date, the Issuer's subsidiaries, including those subsidiaries to be acquired by the Issuer pursuant to the Acquisition, will not be subject to the restrictive covenants in the indenture that will govern the notes. Pursuant to the Purchase Agreement, Sealed Air will be required to operate Diversey in the ordinary course of business prior to the consummation of the Acquisition. We cannot assure you that Diversey will be operated during this interim period in the same way that Diversey would be operated by the Issuer.

USE OF PROCEEDS

We expect the net proceeds from this offering will be approximately $ million, after deducting the initial purchasers' discounts and commissions. We converted the net proceeds of this offering of €545.0 million aggregate principal amount of euro dominated senior notes into U.S. dollars using the , 2017 exchange rate of €1.00=$. As further described in the table and the accompanying footnotes below, upon release from escrow, we intend to use the proceeds from the issuance and sale of the notes offered hereby, together with the borrowings under the Senior Secured Credit Facilities and the Equity Contribution, to (i) finance the Acquisition and (ii) pay fees and expenses in connection with the Transactions.

The following table illustrates the estimated sources and uses of funds for the Transactions. Actual amounts could vary from estimated amounts depending on several factors, including changes in the cash purchase price for Diversey based on any change in the amount of estimated cash and working capital of Diversey at closing and changes in our actual amount of expenses related to the Transactions. You should read the following together with the information included under the headings "Summary—The Transactions" and "Unaudited Pro Forma Condensed Combined Financial Information" included elsewhere in this offering circular.

Sources of Funds		Uses of Funds	
(U.S. dollars in millions)			
Senior Secured Credit Facilities:			
Revolving Credit Facility[1]	$ —	Equity purchase price[5]	$2,965
Term Loan Facility[2]	1,802	Cash to balance sheet	102
Notes offered hereby[3]	600	Estimated fees and expenses[6]	150
Equity Contribution[4]	815		
Total sources of funds	$3,217	**Total uses of funds**	$3,217

(1) The Revolving Credit Facility is expected to be undrawn upon the completion of the Transactions. However, at closing we may draw (x) up to $40.0 million to fund acquisition and transaction costs, (y) amounts to pay certain OID or upfront fees, if any, and (z) additional amounts to fund working capital needs (including purchase price adjustment payments owed under the Purchase Agreement). See "Summary—The Transactions" and "Description of Certain Other Indebtedness".

(2) Represents (i) a $900.0 million U.S. dollar denominated tranche and (ii) an €820.0 million euro-denominated tranche, or $902.0 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement. See "Description of Certain Other Indebtedness".

(3) Represents the aggregate principal amount of the notes offered hereby, excluding any offering discount. The notes offered hereby will be denominated in euro in an aggregate principal amount of €545.0 million, or $599.5 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement.

(4) Represents the approximate Equity Contribution to be made by investment funds advised by Bain Capital.

(5) The cash purchase price to be paid at closing is subject to certain adjustments set forth in the Purchase Agreement based on estimated and actual working capital, cash and indebtedness of Diversey at closing. If necessary, we expect to pay any increases in the equity purchase price with borrowings under the Revolving Credit Facility, subject to the limitations set forth in note (1) above.

(6) Reflects estimated fees and expenses associated with the Transactions, commitment, placement and other financing fees, financial advisory costs and other transaction costs and professional fees. We expect any fees and expenses in excess of this estimate to be paid with borrowings under the Revolving Credit Facility, subject to the limitations set forth in note (1) above.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and consolidated capitalization as of March 31, 2017 (i) on a historical basis and (ii) on an as-adjusted basis after giving effect to the Transactions. This information should be read in conjunction with the sections entitled ''Summary—The Transactions'', ''Summary—Summary Historical and Pro Forma Financial Data'', ''Use of Proceeds'', ''Unaudited Pro Forma Condensed Combined Financial Information'' and ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and our combined financial statements and related notes thereto, which are included elsewhere in this offering circular.

	As of March 31, 2017	
	Actual	Pro Forma
	(U.S. dollars in millions)	
Cash and cash equivalents	$ 131.6	$ 139.7
Long-term debt (including current portion):		
Sealed Air term loan facility(1)	$ 203.0	$ —
Senior Secured Credit Facilities:		
Revolving Credit Facility(2)	—	—
Term Loan Facility(2)	—	1,775.3
Notes offered hereby(3)	—	581.7
Capital lease obligations	3.0	3.0
Total debt(4)	$ 206.0	$2,360.0
Sealed Air net investment(5)	1,728.6	—
Stockholders' equity(6)	—	778.9
Total capitalization	$1,934.6	$3,138.9

(1) Certain subsidiaries of Diversey are borrowers under the delayed draw Term Loan A tranche of Sealed Air's senior secured credit facilities. Our prepayments related to this Term Loan A Facility are included in the current portion of the long-term debt. The release of the obligations of (and liens on) Diversey under Sealed Air's senior secured credit facilities will be completed prior to the consummation of the Acquisition. For information with respect to Sealed Air's senior secured credit facilities and Diversey's borrowings thereunder, see the notes to our audited combined financial statements included elsewhere in this offering circular.

(2) The Senior Secured Credit Facilities are expected to consist of (i) the approximately $1,800 million Term Loan Facility, consisting of a $900.0 million U.S. dollar denominated tranche and an €820.0 million euro-denominated tranche or approximately $875.3 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017 and (ii) the $250.0 million Revolving Credit Facility. The amount outstanding under the Term Loan Facility is presented before giving effect to estimated issuance costs of approximately $53.5 million, for a total balance of $1,775.3 million. Using an exchange rate of $1.1000 (which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement), the aggregate principal amount of the euro-denominated tranche of the Term Loan Facility would be $902.0 million. The Revolving Credit Facility is expected to be undrawn upon the completion of the Transactions. However, at closing we may draw (x) up to $40.0 million to fund acquisition and transaction costs, (y) amounts to pay certain OID or upfront fees, if any, and (z) additional amounts of fund working capital needs (including purchase price adjustment payments owed under the Purchase Agreement). As of March 31, 2017, on a pro forma basis after giving effect to the Transactions, we would have had $250.0 million of availability under the Revolving Credit Facility. No letters of credit are expected to be issued and outstanding under the Revolving Credit Facility as of the date of the consummation of the Transactions, but letters of credit, if issued, may be drawn after the closing date of the Transactions or, subject to certain limitations, on such closing date. See ''Summary—The Transactions'' and ''Description of Certain Other Indebtedness''.

(3) Represents the aggregate principal amount of the notes offered hereby, before giving effect to estimated issuance costs of approximately $14.6 million. The notes offered hereby will be denominated in euro in an aggregate principal amount of €545.0 million, or approximately $581.7 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017. Using an exchange rate of $1.1000 (which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement), the aggregate principal amount of the notes offered hereby would be $599.5 million.

(4) Total debt excludes $20.6 million of short-term borrowings outstanding under various lines of credit.

(5) Sealed Air's investment in us is presented in our combined financial statements as a net investment in lieu of stockholders' equity because no direct ownership relationship existed among the entities that comprise the Diversey business.

(6) Represents the approximate Equity Contribution to be made by investment funds advised by Bain Capital. In the event that the estimated net working capital is lower than the target net working capital, the equity purchase price will be reduced on a dollar-for-dollar basis. We will either retain the excess cash, reduce the Equity Contribution, or a combination of the two, as we deem appropriate, in the event of any decrease in the equity purchase price due to this adjustment. The equity purchase price will also be reduced on a dollar-for-dollar basis by the estimated amount of any outstanding indebtedness and certain unpaid fees and expenses of the Transactions, in each case prior to closing. The amount of our pro forma invested equity will be increased or decreased, as applicable, on a dollar-for-dollar basis to reflect any changes in the actual amount of the fees and expenses payable on account of the Transactions from the estimated amount other than with respect to fees and expenses of the type to be funded by borrowings under the Revolving Credit Facility. Pro forma stockholders' equity includes the portion of the estimated fees and expenses that do not relate to the issuance of debt, as well as an estimated settlement gain on the forward contract in connection with entry into the Term Loan Facility and the issuance of the notes offered hereby and a loan commitment fee related to the bridge financing, net of their respective estimated tax deductions. These amounts have been calculated as if the Transactions occurred on March 31, 2017. Actual amounts will differ based on the actual expenses incurred and the deductibility of such costs, as well as the exchange rates in effect at closing.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

We derived the following unaudited pro forma condensed combined financial statements by applying pro forma adjustments to our historical combined financial statements appearing elsewhere in this offering circular.

For purposes of this offering circular, the Transactions were accounted for using the acquisition method of accounting in accordance with Financial Accounting Standards Board (''FASB'') Accounting Standard Codification (ASC) Topic 805, Business Combinations, which we refer to as ASC 805, with the Issuer treated as the accounting acquirer in the Transaction. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the Transactions, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the results of operations. Although the parties have entered into the Purchase Agreement, there is no guarantee that the Acquisition will be completed.

The unaudited pro forma condensed combined balance sheet data gives effect to the Transactions as if they had occurred on March 31, 2017. The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2017 and for the fiscal year ended December 31, 2016 and the associated pro forma adjustments give effect to the Transactions as if they had occurred on January 1, 2016. The unaudited pro forma condensed combined statement of operations data for the LTM Period has been derived by adding the historical combined statement of operations data for the fiscal year ended December 31, 2016 to the historical combined statement of operations data for the three months ended March 31, 2017, subtracting the historical combined statement of operations data for the three months ended March 31, 2016 and applying the pro forma adjustments to give effect to the Transactions as if they had occurred on January 1, 2016. The unaudited pro forma condensed combined financial statements were prepared in accordance with GAAP and pursuant to SEC Regulation S-X Article 11, and present the pro forma financial position and results of operations of the consolidated companies based upon the historical information, after giving effect to the Transactions, and the adjustments described in the subsequent footnotes. The unaudited pro forma condensed combined financial statements are presented in U.S. dollars.

We describe the assumptions underlying the pro forma adjustments in the accompanying notes, which should be read in conjunction with these unaudited pro forma condensed combined financial statements. We operated as a business unit/division of Sealed Air and not as a stand-alone entity for each of the historical financial periods used in the preparation of these unaudited pro forma condensed combined financial statements. Following the completion of the Transactions, we expect to be able to perform certain back-office functions and other services with respect to our international operations previously provided to us by Sealed Air on a more cost effective basis than the amounts that have been allocated to us in each of these historical financial periods. We have not made any adjustments in these unaudited pro forma condensed combined financial statements to reflect any of these expected cost-savings as these types of adjustments may not be permitted under the SEC's rules and regulations regarding the preparation of pro forma financial statements included in a registration statement filed under the Securities Act.

The pro forma adjustments related to the business combination accounting and financing of the Transactions are preliminary and based on information obtained to date and are subject to revision as additional information becomes available. The business combination accounting rules, as described in the accompanying notes, require us to record the identifiable assets acquired and liabilities assumed at their fair value as of the closing date of the Transactions and may differ from those reflected in these unaudited pro forma condensed combined financial statements. Revisions to the preliminary business combination accounting and financing of the Transactions may have a significant impact on the pro forma amounts of total assets, total liabilities and equity, general and administrative expenses, depreciation and amortization, interest expense and income taxes.

The unaudited pro forma condensed combined financial statements should not be considered indicative of actual results that would have been achieved had the Transactions been consummated on the date or for the periods indicated and do not purport to indicate consolidated balance sheet data or results of operations as of any future date or for any future period.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the information contained in ‘‘Summary—The Transactions’’, ‘‘Selected Historical Combined Financial Data’’, ‘‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’’ and the audited and unaudited combined financial statements and the respective accompanying notes appearing elsewhere in this offering circular.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of March 31, 2017
(U.S. dollars in millions, except per share data)

	Diversey Historical	Adjustments to Acquired Net Assets[a]	Historical as Adjusted	Financing Adjustments	Acquisition Adjustments	Pro Forma
ASSETS						
Current assets:						
Cash and cash equivalents	$ 131.6	$ (91.9)	$ 39.7	$3,133.6[b]	$(3,033.6)[b]	$ 139.7
Trade receivables, net of allowance for doubtful accounts	436.5	(0.3)	436.2	—	—	436.2
Income tax receivables	13.0	—	13.0	1.9[h]	—	14.9
Other receivables	201.7	(132.0)	69.7	—	—	69.7
Inventories, net of reserves	227.9	(0.1)	227.8	—	20.2[c]	248.0
Assets held for sale	2.6	(2.6)	—	—	—	—
Prepaid expenses and other current assets	94.4	(13.0)	81.4	—	—	81.4
Total current assets	1,107.7	(239.9)	867.8	3,135.5	(3,013.4)	989.9
Property and equipment, net	172.6	—	172.6	—	67.2[c]	239.8
Goodwill	1,242.5	(255.8)	986.7	—	(276.0)[c]	710.7
Intangible assets, net	477.0	176.9	653.9	—	1,521.1[c]	2,175.0
Deferred taxes	35.9	7.1	43.0	—	(43.0)[c]	—
Other non-current assets	179.8	(26.7)	153.1	5.6[f]	145.0[c]	303.7
Total assets	$3,215.5	$(338.4)	$2,877.1	$3,141.1	$(1,599.1)	$4,419.1
LIABILITIES AND INVESTED EQUITY						
Current liabilities:						
Short-term borrowings	$ 20.6	$ —	$ 20.6	$ —	$ —	$ 20.6
Current portion of long-term debt	30.5	(29.5)	1.0	6.5[e][f]	—	7.5
Accounts payable	516.8	(158.9)	357.9	—	—	357.9
Accrued restructuring costs	18.5	(18.5)	—	—	—	—
Other current liabilities	263.5	(3.4)	260.1	10.7[h]	—	270.8
Total current liabilities	849.9	(210.3)	639.6	17.2	—	656.8
Long-term debt, less current portion	175.5	(173.5)	2.0	2,282.4[e][f]	—	2,284.4
Deferred taxes	85.3	22.4	107.7	—	313.6[c][d]	421.3
Other non-current liabilities	376.2	(98.5)	277.7	—	—	277.7
Total liabilities	1,486.9	(459.9)	1,027.0	2,299.6	313.6	3,640.2
Total equity	1,728.6	121.5	1,850.1	841.5[g][h]	(1,912.7)[d]	778.9
Total liabilities and equity	$3,215.5	$(338.4)	$2,877.1	$3,141.1	$(1,599.1)	$4,419.1

See accompanying notes to unaudited pro forma condensed combined balance sheet.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

The unaudited pro forma condensed combined balance sheet as of March 31, 2017 includes the unaudited pro forma adjustments described below:

(a) The pro forma adjustments set forth above adjust our historical financial statements to reflect the terms of the Purchase Agreement under which Sealed Air will retain certain assets and liabilities of the Company. The unaudited pro forma condensed combined balance sheet has been prepared assuming that all of the asset transfers contemplated by the Purchase Agreement were completed as of March 31, 2017. In certain foreign jurisdictions, Sealed Air may not be able to finalize certain asset transfers prior to the actual closing date of the principal components of the Acquisition. In that event, we have agreed with Sealed Air to cooperate to satisfy such requirements as promptly as practicable following the closing date and Sealed Air has agreed that it will continue to operate our businesses in the ordinary course for our benefit. In addition, until such asset transfers are completed, Sealed Air has agreed to pay to Holdings an amount equal to the after tax net income (as defined in the Purchase Agreement), and we have agreed to pay to Sealed Air an amount equal to the after tax net loss (as defined in the Purchase Agreement), in each case, generated by Diversey in any applicable jurisdiction for which transfer was delayed. If any asset transfer does not occur within eighteen months following the closing date of the Acquisition, Sealed Air will pay us the applicable portion of the purchase price of Diversey for the applicable jurisdiction, which will be calculated in accordance with the terms of the Purchase Agreement, and all obligations with respect to such jurisdictions will terminate. See ''Summary—The Transactions—The Acquisition''.

(b) The unaudited pro forma condensed combined balance sheet reflects the incurrence of debt, contribution of equity, payment of the Acquisition purchase price and the payment of fees and expenses in connection with the Transactions as if they had occurred on March 31, 2017, as follows:

Sources of Funds		Uses of Funds	
(U.S. dollars in millions)			
Senior Secured Credit Facilities:			
Revolving Credit Facility[1]	$ —	Equity purchase price[6]	$2,965
Term Loan Facility[2]	1,775	Cash to balance sheet	100
Notes offered hereby[3]	582	Estimated fees and expenses[7]	150
Equity Contribution[4]	815		
Settlement of forward contract[5]	43		
Total sources of funds	$3,215	**Total uses of funds**	$3,215

(1) The Revolving Credit Facility is expected to be undrawn upon the completion of the Transactions. However, at closing we may draw (x) up to $40.0 million on the Revolving Credit Facility to (i) fund acquisition and transaction costs and (ii) pay fees and expenses related to the Transactions, including any OID or upfront fees, if any, and (y) additional amounts to fund working capital needs (including working capital payments under the Purchase Agreement). See ''Summary—The Transactions'' and ''Description of Certain Other Indebtedness''.

(2) Represents (i) a $900.0 million U.S. dollar denominated tranche and (ii) an €820.0 million euro-denominated tranche, or approximately $1,775.3 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017.

(3) Represents the aggregate principal amount of the notes offered hereby, excluding any offering discount. The notes offered hereby will be denominated in euro in an aggregate principal amount of €545.0 million, or approximately $581.7 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017.

(4) Represents the approximate Equity Contribution to be made by investment funds advised by Bain Capital.

(5) In connection with the Transactions, we entered into a foreign currency forward contract. This amount represents the proceeds that would have been received upon settlement of the contract if the Term Loan Facility as incurred and the notes were issued on March 31, 2017. The actual amount that will be settled will be determined based on the exchange rates in effect at the closing of the Transactions.

(6) The cash purchase price to be paid at closing is subject to certain adjustments set forth in the Purchase Agreement based on estimated and actual working capital, cash and indebtedness of Diversey at closing. If necessary, we expect to pay any increases in the equity purchase price with borrowings under the Revolving Credit Facility, subject to the limitations set forth in note (1) above.

(7) Reflects estimated fees and expenses associated with the Transactions, commitment, placement and other financing fees, financial advisory costs and other transaction costs and professional fees. We expect any fees and expenses in excess of this estimate to be paid with borrowings under the Revolving Credit Facility, subject to the limitations set forth in note (1) above.

Acquisition Adjustments

(c) The Transactions will be accounted for as an acquisition in accordance with FASB Accounting Standards Codification (ASC) 805. The pro forma adjustments reflect the Transactions under the acquisition method of accounting as set forth below. In calculating the pro forma adjustments, the fair value of our identifiable assets acquired and liabilities assumed have been recorded on a preliminary basis. We are in the process of evaluating the fair value of tangible and intangible assets acquired and liabilities assumed. Therefore, the purchase price allocation is subject to adjustment, which could be material.

(U.S. dollars in millions)	Amount
Consideration transferred[1]	$ 2,964.7
Less: Book value of net assets acquired[2]	(1,850.1)
Excess of consideration transferred over book value of net assets acquired	$ 1,114.6
Preliminary fair value adjustments:	
Inventory[3]	$ 20.2
Property and equipment and leased systems[4]	158.1
Intangible assets[5]	1,521.1
Deferred taxes[6]	(362.9)
Indemnification asset[7]	54.1
Goodwill[8]	(276.0)
Total	$ 2,964.7

(1) Represents the purchase price of approximately $3,200 million pursuant to the Purchase Agreement, adjusted for unfunded pension obligations and other assumed indebtedness expected to be outstanding at closing.

(2) Represents the book value of the net assets acquired, excluding certain assets and liabilities of the Company, which will remain with Sealed Air at the closing date of the Transactions.

(3) Reflects the preliminary estimate of fair value allocable to inventory. The adjustment represents an increase in the net book value of the assets of approximately $20.2 million. The adjustment has not been reflected in the condensed combined statements of operations as it is non-recurring and the related inventory is expected to be sold within one year after closing.

(4) Reflects the preliminary estimate of fair value allocable to property and equipment and leased systems with finite lives. The adjustment represents an increase in the net book value of property and equipment of approximately $67.2 million and an increase in the net book value of leased systems of approximately $90.9 million for a combined adjustment of $158.1 million, with estimated weighted-average remaining useful lives of 6.3 years.

(5) The following table is a summary of the pre-acquisition balance and the estimated fair value adjustment to other intangible assets based upon a preliminary analysis by a third party appraisal firm. We believe that certain of

our trade names may have an indefinite life while others may need to be amortized over their respective useful lives.

(U.S. dollars in millions)	Pro Forma	Estimated Useful Life (in years)
Customer relationships	$1,100.0	14 - 17
Technology	150.0	8
Capitalized software	25.0	6.4
Total intangible assets with definite lives	$1,275.0	
Trademarks and tradenames with indefinite lives	900.0	Indefinite
Total identifiable intangible assets	$2,175.0	
Less historical intangible assets	(653.9)	
Total pro forma adjustment	$1,521.1	

(6) Reflects the net adjustment to deferred taxes as a result of (i) the increase to the book value of inventory, property and equipment and intangible assets to reflect their acquisition-date fair values in jurisdictions with stock acquisitions at a weighted average statutory tax rate of 34.0%, and (ii) the elimination of historical deferred taxes that existed in jurisdictions with asset acquisitions, for which the existing book to tax basis differences will be eliminated upon acquisition. The adjustment also reflects a reclassification of historical deferred tax assets to reflect a net deferred tax liability position on a pro forma basis, as a result of the incremental deferred tax liabilities recorded in those jurisdictions.

(7) Represents the estimated amount that may be received in connection with the future settlement of certain uncertain tax positions that have been indemnified as part of the Transactions. The estimated receivable approximates the value of the related liability at March 31, 2017 and is recorded as an adjustment to other non-current assets in the pro forma condensed combined balance sheet.

(8) Represents the preliminary excess of purchase price over the fair values of assets acquired and liabilities assumed as a result of the Transactions. The goodwill will not be deductible for income tax purposes, except for certain immaterial foreign jurisdictions where we may be purchasing assets or structuring the acquisition as an asset purchase.

(d) The pro forma adjustment to total equity represents the elimination of historical net parent equity, and adjustments for certain expenses related to the Transactions that are not reflected in the pro forma condensed combined statements of income.

Historical invested equity	(1,850.1)
Expenses recognized in connection with the Transactions not reflected in the pro forma condensed combined statement of operations	
Transaction-related expenses[1]	(68.9)
Tax benefit associated with the above[2]	6.3
Pro forma adjustment to total equity	$(1,912.7)

(1) Fees and expenses associated with the Transactions include amounts paid by Bain Capital for services it received in connection with the Transactions, and other professional fees and expenses that are not capitalized in our deferred financing costs.

(2) Represents the tax benefit for the portion of transaction costs that are estimated to be deductible for tax purposes, which has been reflected as a deferred tax asset in the unaudited pro forma condensed combined balance sheet.

Financing Adjustments

(e) Represents new borrowings from the issuance and sale of the €545.0 million of notes offered hereby and new borrowings from the Term Loan Facility. The proceeds from the issuance of the notes offered hereby and borrowings under the Term Loan Facility will be used to fund a portion of the Transactions.

(f) Reflects estimated deferred financing costs related to the notes offered hereby and the Senior Secured Credit Facilities that will be entered into in connection with the Transactions. Costs include placement fees for the notes, Revolving Credit Facility fees and financial advisory, accounting and other professional fees. The deferred financing costs associated with the notes and the Term Loan Facility are presented net of debt and the deferred financing costs associated with the Revolving Credit Facility is presented in other non-current assets.

(g) Reflects the Equity Contribution funded from Holdings in the amount of approximately $814.7 million.

(h) Represents (i) a $43.0 million settlement gain on the forward contract in connection with entry into the Term Loan Facility and the issuance of the notes offered hereby, calculated using an exchange rate of €1.00=$1.0674 as of March 31, 2017, net of an estimated tax liability of $10.7 million, and (ii) a loan commitment fee of $7.4 million related to the bridge financing to be funded in the event the notes offered hereby are not issued at closing, net of estimated tax deduction of approximately $1.9 million. Assuming the notes were issued at closing, the bridge financing would expire undrawn and the commitment fee associated with the bridge facility would be immediately expensed concurrent with the closing of the Transactions. The tax effects were calculated using the statutory tax rate for the respective jurisdiction.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
For the Fiscal Year Ended December 31, 2016
(U.S. dollars in millions)

	Diversey Historical	Adjustments to Net Assets Acquired[(a)]	As Adjusted Diversey	Financing Adjustments	Acquisitions Adjustments	Pro Forma
Net sales	$2,568.8	(0.8)	$2,568.0	—	—	$2,568.0
Cost of sales	1,448.2	(0.5)	1,447.7	—	27.0[(b)]	1,474.7
Gross profit	1,120.6	(0.3)	1,120.3	—	(27.0)	1,093.3
Selling, general and administrative expenses	939.8	1.4	941.2	—	11.5[(b)(c)]	952.7
Amortization expense of intangible assets acquired	57.3	—	57.3	—	37.0[(b)]	94.3
Restructuring and other charges	10.8	(0.6)	10.2	—	—	10.2
Other income (expense):						
Interest income (expense)	(13.8)	9.0	(4.8)	(116.1)[(e)]	—	(120.9)
Foreign currency exchange loss related to Venezuelan subsidiaries	(1.7)	—	(1.7)	—	—	(1.7)
Other income (expense), net	3.6	4.5	8.1	—	—	8.1
Earnings (losses) before income tax expense (benefit)	100.8	12.4	113.2	(116.1)	(75.5)	(78.4)
Income tax expense (benefit)	(7.4)	(0.9)	(8.3)	(34.8)[(f)]	(23.0)[(d)]	(66.1)
Net income (loss)	$ 108.2	$13.3	$ 121.5	$ (81.3)	$(52.5)	$ (12.3)

See accompanying notes to unaudited pro forma condensed combined statements of operations.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2017
(U.S. dollars in millions)

	Diversey Historical	Adjustments to Net Assets Acquired[(a)]	As Adjusted Diversey	Financing Adjustments	Acquisitions Adjustments	Pro Forma
Net sales	$582.0	(0.3)	$581.7	—	—	$581.7
Cost of sales	333.0	(0.3)	332.7	—	6.8[(b)]	339.5
Gross profit	249.0	—	249.0	—	(6.8)	242.2
Selling, general and administrative expenses	229.0	(5.7)	223.3	—	2.9[(b)(c)]	226.2
Amortization expense of intangible assets acquired	14.2	—	14.2	—	9.4[(b)]	23.6
Restructuring and other charges	(2.1)	—	(2.1)	—	—	(2.1)
Other income (expense):						
Interest income (expense)	(4.3)	2.2	(2.1)	(28.4)[(e)]	—	(30.5)
Foreign currency exchange loss related to Venezuelan subsidiaries	(0.2)	—	(0.2)	—	—	(0.2)
Other income (expense), net	1.4	—	1.4	—	—	1.4
Earnings (losses) before income tax expense (benefit)	4.8	7.9	12.7	(28.4)	(19.1)	(34.8)
Income tax expense (benefit)	7.7	12.7	20.4	(8.6)[(f)]	(5.8)[(d)]	6.0
Net income (loss)	$ (2.9)	$ (4.8)	$ (7.7)	(19.8)	$(13.3)	$ (40.8)

See accompanying notes to unaudited pro forma condensed combined statements of operations.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2016
(U.S. dollars in millions)

	Diversey Historical	Adjustments to Net Assets Acquired[(a)]	As Adjusted Diversey	Financing Adjustments	Acquisitions Adjustments	Pro Forma
Net sales	$584.9	(0.2)	$584.7	—	—	$584.7
Cost of sales	332.2	0.1	332.3	—	6.8[(b)]	339.1
Gross profit	252.7	(0.3)	252.4	—	(6.8)	245.6
Selling, general and administrative expenses	239.6	0.1	239.7	—	2.9[(b)(c)]	242.6
Amortization expense of intangible assets acquired	14.1	—	14.1	—	9.5[(b)]	23.6
Restructuring and other charges	0.5	—	0.5	—	—	0.5
Other income (expense):						
Interest income (expense)	(3.8)	2.1	(1.7)	(29.1)[(e)]	—	(30.8)
Foreign currency exchange loss related to Venezuelan subsidiaries	(0.7)	—	(0.7)	—	—	(0.7)
Other income (expense), net	(1.2)	—	(1.2)	—	—	(1.2)
Earnings (losses) before income tax expense (benefit)	(7.2)	1.7	(5.5)	(29.1)	(19.2)	(53.8)
Income tax expense (benefit)	5.4	(1.3)	4.1	(8.7)[(f)]	(5.8)[(d)]	(10.4)
Net income (loss)	$ (12.6)	$ 3.0	$ (9.6)	$(20.4)	$(13.4)	$ (43.4)

See accompanying notes to unaudited pro forma condensed combined statements of operations.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
For the Last Twelve Months Ended March 31, 2017
(U.S. dollars in millions)

	Diversey Historical	Adjustments to Net Assets Acquired[(a)]	As Adjusted Diversey	Financing Adjustments	Acquisitions Adjustments	Pro Forma
Net sales	$2,565.9	(0.9)	$2,565.0	$ —	$ —	$2,565.0
Cost of sales	1,449.0	(0.9)	1,448.1	—	27.0[(b)]	1,475.1
Gross profit	1,116.9	—	1,116.9	—	(27.0)	1,089.9
Selling, general and administrative expenses	929.2	(4.4)	924.8	—	11.5[(b)(c)]	936.3
Amortization expense of intangible assets acquired	57.4		57.4	—	36.9[(b)]	94.3
Restructuring and other charges	8.2	(0.6)	7.6	—	—	7.6
Other income (expense):						
Interest income (expense)	(14.3)	9.1	(5.2)	(115.4)[(e)]	—	(120.6)
Foreign currency exchange loss related to Venezuelan subsidiaries	(1.2)	—	(1.2)	—	—	(1.2)
Other income (expense), net	6.2	4.5	10.7	—	—	10.7
Earnings (losses) before income tax expense (benefit)	112.8	18.6	131.4	(115.4)	(75.4)	(59.4)
Income tax expense (benefit)	(5.1)	13.0	7.9	(34.7)[(f)]	(23.0)[(d)]	(49.8)
Net income (loss)	$ 117.9	$ 5.6	$ 123.5	$ (80.7)	$(52.4)	$ (9.6)

See accompanying notes to unaudited pro forma condensed combined statements of operations.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

The unaudited pro forma condensed combined statements of operations include the unaudited pro forma adjustments described below for each respective period presented.

(a) The pro forma adjustments set forth above adjust our historical financial statements to reflect the terms of the Purchase Agreement under which Sealed Air will retain certain assets and liabilities of the Company. The unaudited pro forma condensed combined statements of operations have been prepared assuming that all of the asset transfers contemplated by the Purchase Agreement were completed as of March 31, 2017. In certain foreign jurisdictions, Sealed Air may not be able to finalize certain asset transfers prior to the actual closing date of the principal components of the Acquisition. In that event, we have agreed with Sealed Air to cooperate to satisfy such requirements as promptly as practicable following the closing date and Sealed Air has agreed that it will continue to operate our businesses in the ordinary course for our benefit. In addition, until such asset transfers are completed, Sealed Air has agreed to pay to Holdings an amount equal to the after tax net income (as defined in the Purchase Agreement), and we have agreed to pay Sealed Air an amount equal to the after tax net loss (as defined in the Purchase Agreement), in each case, generated by Diversey in any applicable jurisdiction for which transfer was delayed. If any asset transfer does not occur within eighteen months following the closing date of the Acquisition, Sealed Air will pay us the applicable portion of the purchase price of Diversey for the applicable jurisdiction, which will be calculated in accordance with the terms of the Purchase Agreement, and all obligations with respect to such jurisdictions will terminate.

Acquisition Adjustments

(b) Represents the following adjustments to depreciation and amortization expense. Depreciation expense for finite-lived property and equipment that are considered manufacturing assets or non-manufacturing assets will be recorded within cost of sales or selling, general and administrative expenses, respectively. Amortization expense for finite lived intangible assets is recorded in amortization expense of intangible assets acquired on the statement of operations.

(U.S. dollars in millions)	Fiscal Year Ended December 31, 2016	Three Months Ended March 31, 2016	Three Months Ended March 31, 2017	Twelve Months Ended March 31, 2017
Amortization expense[1]	$37.0	$ 9.5	$ 9.4	$36.9
Depreciation expense[2]	31.0	7.8	7.8	31.0
Total pro forma adjustment	$68.0	$17.3	$17.2	$67.9

(1) Represents adjustments to reflect the differences in amortization expense we have historically recorded and what we would have recorded during the same periods resulting from the increase in the estimated fair values of intangible assets.

(U.S. dollars in millions)	Fiscal Year Ended December 31, 2016	Three Months Ended March 31, 2016	Three Months Ended March 31, 2017	Twelve Months Ended March 31, 2017
Pro forma amortization	$94.3	$23.6	$23.6	$94.3
Less: Amortization, historical	57.3	14.1	14.2	57.4
Pro forma adjustment	$37.0	$ 9.5	$ 9.4	$36.9

(2) Represents adjustments to reflect the incremental depreciation expense that we would have recorded during the same periods resulting from the increase in the estimated fair value of property and equipment and leased systems. Based on a preliminary valuation of the fair value of property and equipment and leased systems, the book value increased by approximately $158.1 million, to be expensed over a weighted average period of 6.3 years.

Cost of sales:

(U.S. dollars in millions)	Fiscal Year Ended December 31, 2016	Three Months Ended March 31, 2016	2017	Twelve Months Ended March 31, 2017
Incremental depreciation	$27.0	$6.8	$6.8	$27.0

Selling, general and administrative expenses:

(U.S. dollars in millions)	Fiscal Year Ended December 31, 2016	Three Months Ended March 31, 2016	2017	Twelve Months Ended March 31, 2017
Incremental depreciation	$4.0	$1.0	$1.0	$4.0

(c) Represents the aggregate annual fee of $7.5 million to be paid to affiliates of Bain Capital in accordance with the Management Agreement to be entered into at the closing of the Transactions. See ''Certain Relationships and Related Transactions—Payments to Bain Capital''.

(d) To reflect the tax effect of the pro forma adjustments, using a combined federal and state statutory tax rate of approximately 30%.

Financing Adjustments

(e) Represents the following adjustments to interest expense:

(U.S. dollars in millions)	Fiscal Year Ended December 31, 2016	Three Months Ended March 31, 2016	2017	Twelve Months Ended March 31, 2017
Pro forma cash interest expense[1]	$106.3	$26.7	$25.9	$105.5
Pro forma deferred financing fees[1] . . .	9.8	2.4	2.5	9.9
	$116.1	$29.1	$28.4	$115.4

(1) To reflect the adjustments to interest expense as a result of the increase in annual interest expense associated with the Term Loan Facility and the notes offered hereby, including the commitment fee for the unused portion of the Revolving Credit Facility and the amortization of deferred financing costs associated with the Term Loan Facility and the notes offered hereby. The interest expense included in the unaudited pro forma condensed combined financial information reflects a weighted-average interest rate of 4.4%. Actual interest rates may vary from those depicted in the pro forma amounts and a 0.125% variance in the weighted-average interest rate would result in a $2.9 million change in income before income taxes. The pro forma adjustments to interest expense do not reflect the write-off of commitment fees related to €545.0 million in bridge financing to be funded in the event the notes offered hereby are not issued at closing. Assuming the notes were issued at closing, the bridge financing would expire undrawn and the commitment fee associated with the bridge facility would be immediately expensed concurrent with the closing of the Transactions.

(f) To reflect the tax effect of the pro forma adjustments, using a combined federal and state statutory tax rate of approximately 30%.

Items Not Included in Pro Forma Condensed Combined Statements of Operations

The unaudited pro forma condensed combined statements of operations do not include any cost savings or restructuring actions which may be achievable in connection with the Transactions, or the impact of any non-recurring activity, including one-time transaction-related or bridge commitment fees or certain one-time compensation arrangements that may be payable in connection with the Transactions, including costs related to the Transactions that were or will be paid subsequent to March 31, 2017.

In addition, the unaudited pro forma condensed combined statements of operations do not reflect any costs associated with transition services agreements that will be entered into in connection with the Transactions. These items may have an impact on the statement of operations, but as they are currently being negotiated such amounts are not currently factually supportable for purposes of the pro forma condensed combined statements of operations.

In connection with the issuance of the Term Loan Facility, we plan to enter into a net investment hedge, for the $900.0 million of debt that will be denominated in U.S. dollars, outside the functional currency of the Issuer. Accordingly, unrealized gains and losses from fluctuations in the U.S. dollars to euro exchange rates will be recorded in other comprehensive income. To the extent that the net investment is not effective, gains and losses will be recorded in the statement of operations. The unaudited pro forma condensed combined statements of operations assume the net investment hedge is effective for all periods presented and therefore does not include any currency gains or losses related to the Term Loan Facility.

SELECTED COMBINED HISTORICAL FINANCIAL INFORMATION

The following table sets forth our selected historical combined data as of and for the periods indicated. We have derived the selected combined financial data as of and for the fiscal years ended December 31, 2015 and 2016 from our audited combined financial statements for such years. We have derived the selected combined financial data as of and for the three months ended March 31, 2016 and 2017 from our unaudited combined financial statements for such periods, which contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair statement of our financial position and results of operations for the periods presented. Operating results for the three months ended March 31, 2016 and 2017 are not necessarily indicative of results for a full fiscal year, or any other periods. Our audited combined financial statements as of and for the fiscal years ended December 31, 2015 and 2016 and our unaudited combined financial statements as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 have been included in this offering circular.

The selected historical combined data presented below is only a summary and should be read in conjunction with ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and our combined audited and unaudited financial statements and the related notes thereto included elsewhere in this offering circular.

	Fiscal Year Ended December 31,		Three Months Ended March 31,	
	2015	2016	2016	2017
			(unaudited)	(unaudited)
	(U.S. dollars in millions, except ratio data)			
Combined Statement of Operations Data:				
Net sales	$2,620.7	$2,568.8	$584.9	$ 582.0
Cost of sales	1,492.4	1,448.2	332.2	333.0
Gross profit	1,128.3	1,120.6	252.7	249.0
Selling, general and administrative expenses	968.3	939.8	239.6	229.0
Amortization expense of intangible assets acquired	54.6	57.3	14.1	14.2
Restructuring and other charges	29.3	10.8	0.5	(2.1)
Operating profit (loss)	76.1	112.7	(1.5)	7.9
Interest expense	(16.3)	(13.8)	(3.8)	(4.3)
Foreign currency exchange loss related to Venezuelan subsidiaries	(5.9)	(1.7)	(0.7)	(0.2)
Other income (expense), net	(1.8)	3.6	(1.2)	1.4
Earnings (loss) before income tax benefit	52.1	100.8	(7.2)	4.8
Income tax provision (benefit)	(33.1)	(7.4)	5.4	7.7
Net income (loss)	$ 85.2	$ 108.2	$ (12.6)	$ (2.9)
Statement of Cash Flow Data:				
Net cash provided by (used in):				
Operating activities[1]	$ 51.1	$ 174.2	$ (8.6)	$ (93.9)
Investing activities	(17.7)	(20.4)	(7.4)	(2.2)
Financing activities[1]	(12.2)	(181.5)	(2.5)	94.1
Capital expenditures[2]	(37.1)	(17.7)	(7.8)	(3.4)
Balance Sheet Data (at end of period):				
Property and equipment, net	$ 192.9	$ 171.3		$ 172.6
Total assets	3,330.7	3,146.6		3,215.5
Total liabilities	1,617.0	1,538.1		1,486.9
Total debt	224.9	216.4		226.6
Total stockholder's equity	1,713.7	1,608.5		1,728.6

(1) During each of the periods presented, we participated in Sealed Air's centralized cash management system. As a result, certain non-cash items allocated from Sealed Air, including stock-based compensation expense and hedging (gains) losses, were not reflected in our calculation of our historical cash flow from operating activities. Such non-cash items were reflected within our historical cash flow from financing activities.

(2) Excludes expenditures on dosing and dispensing equipment, which consisted of $45.2 million, $50.7 million, $2.8 million, and $16.5 million for the year ended December 31, 2015, the year ended December 31, 2016, the three months ended March 31, 2016, the three months ended March 31, 2017, respectively.

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

The following discussion and analysis is intended to provide a summary of the significant factors relevant to the financial performance and condition of our business. You should read the following discussion and analysis in conjunction with the ''Unaudited Pro Forma Condensed Combined Financial Statements'' and the ''Selected Historical Combined Financial Data'' sections of this offering circular and our combined audited and unaudited financial statements and the notes to those statements, included elsewhere in this offering circular. The statements in this discussion and analysis regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the ''Risk Factors'' and ''Disclosure Regarding Forward-Looking Statements'' sections of this offering circular. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Unless otherwise indicated or the context otherwise requires, in this ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' section of this offering circular, references to ''we'', ''our'', ''us'' and the ''Company'' refer to Diversey and its subsidiaries before giving effect to the consummation of the Transactions.

The following discussion and analysis of our historical combined financial statements covers periods before the consummation of the Transactions. Accordingly, the discussion and analysis of these periods do not reflect the significant impact the Transactions will have on us. In particular, we have not operated historically as a stand-alone business, but as a division of Sealed Air. As a result, the historical financial information included in this offering circular may not reflect what our results of operations, financial position and cash flows would have been had we operated as a separate, stand-alone company for the periods presented. See ''Unaudited Pro Forma Condensed Combined Financial Statements'', ''—Factors Affecting Our Operating Results—Effects of the Transactions'', and ''—Liquidity and Capital Resources—Post-Transactions'' for further information regarding the Transactions, and their related accounting, financing and operating effects.

Overview

We are a leading global provider of high-performance cleaning, sanitation and hygiene products for the food safety and service, food and beverage plant operations, healthcare, floor care, housekeeping and room care, laundry and hand care markets. In addition, we offer a wide range of value-added services, including food safety and application training and consulting, as well as auditing of hygiene and water management. We serve institutional and industrial end-users such as food service providers, lodging establishments, food and beverage processing plants, building service contractors, building managers and property owners, retail outlets, schools and healthcare facilities globally. We trace our history back to 1886 and since then have predominantly operated within larger, diversified, product-driven manufacturing companies including Molson, Unilever, SCJ and most recently, Sealed Air. Although our cleaning products represent only a small portion of our customers' total cleaning costs, they are typically viewed as being non-discretionary given they can have a meaningful impact on the efficacy of cleaning solutions and operational costs.

Our fully integrated suite of solutions combine chemicals, dispensing equipment, cleaning machines, services and digital analysis across two distinct business product categories: Professional and Food & Beverage. Our Professional product category, which represented approximately 76% of net sales for the year ended December 31, 2016, develops and delivers integrated solutions comprised of chemicals, floor care machines, cleaning tools and utensils, and digitally enabled systems for the institutional and janitorial markets. Our Food & Beverage product category, which represented approximately 24% of net sales for the year ended December 31, 2016, develops and delivers solutions integrating chemicals, design engineering, cleaning protocols and equipment, remote data monitoring and predictive analytics for food and beverage manufacturers.

We are headquartered in Charlotte, North Carolina, operate 16 chemical facilities on a global basis and two equipment plants, and have a global customer facing team of approximately 6,000 employees including sales, marketing and technical service representatives along with approximately 500 customer service representatives. For the LTM Period, on a pro forma basis after giving effect to the Transactions, we generated $2,565.0 million in net sales and $387.1 million in Further Adjusted EBITDA.

Factors Affecting Our Operating Results

Our operating results have been, and will likely continue to be, affected by numerous factors, including the increasing worldwide demand for our products and services, increasing regulatory compliance costs, macroeconomic and political conditions, introduction of new and upgraded products, recent acquisitions, foreign currency exchange rates and the effects of the Transactions. Each of these factors is briefly discussed below.

Increasing Demand for Our Products and Services

Governmental regulations for food safety and disease control and consumer focus on hygiene and cleanliness have both increased significantly across the world in recent years. Climate change, water scarcity and environmental concerns have combined to create further demand for products, services and solutions designed to minimize waste and support broader sustainability. In addition, many of our customers require tailored cleaning solutions that can assist in reducing labor, energy, water use and the costs related to cleaning, sanitation and hygiene activities. We help our customers realize efficiencies throughout the operation of their facilities by developing customized solutions. We believe that our value-added customer service approach and proven commitment to providing cost-savings and sustainable solutions position us well to address these and other critical demand drivers in order to drive revenue growth.

Increasing Regulatory Compliance Costs

Although our industry has always been highly regulated, our industry is becoming more regulated with the introduction of, among other things, the Biocidal Product Regulation and the Globally Harmonized System of Classification and Labelling of Chemicals. Compliance costs associated with these new regulations have impacted our cost of doing business and we expect these regulations and other existing and new regulations to continue to affect our cost of doing business in the future.

Macroeconomic and Political Conditions

Uncertain global economic conditions have had and could continue to have an adverse effect on our consolidated financial condition and results of operations.

Uncertain global economic conditions have had and may continue to have an adverse impact on our business in the form of lower net sales due to weakened demand, unfavorable changes in product price/mix, or lower profit margins. For example, global economic downturns have adversely impacted some of our end-users and customers, such as food processors, distributors, supermarket retailers, hotels, restaurants, retail establishments, business service contractors, e-commerce fulfillment firms, and other end-users that are particularly sensitive to business and consumer spending.

During economic downturns or recessions, there can be a heightened competition for sales and increased pressure to reduce selling prices as our customers may reduce their volume of purchases from us. If we lose significant sales volume or reduce selling prices significantly, then there could be a negative impact on our consolidated financial condition or results of operations, profitability and cash flows.

Also, reduced availability of credit may adversely affect the ability of some of our customers and suppliers to obtain funds for operations and capital expenditures. This could negatively impact our ability to obtain necessary supplies as well as our sales of materials and equipment to affected customers. This also could result in reduced or delayed collections of outstanding accounts receivable.

Political and economic instability and risk of government actions affecting our business and our customers or suppliers may adversely affect our business, results of operations and cash flows.

We are exposed to risks inherent in doing business in each of the countries or regions in which we or our customers or suppliers operate, including: civil unrest, acts of terrorism, sabotage, epidemics, force majeure, war or other armed conflict and related government actions, including sanctions or embargoes, the deprivation of contract rights, the inability to obtain or retain licenses required by us to operate our plants or import or export our goods or raw materials, the expropriation or nationalization of our assets, and restrictions on travel, payments or the movement of funds. In particular, if additional restrictions on trade with Russia were adopted by the European Union or the U.S. and were applicable to our products, we could lose sales and experience lower growth rates in the future.

In the event we are unable to replace the products and related revenues associated with our brand licensing agreement with SCJ, which expired this year, our business and results of operations could be adversely affected.

We reached a mutual agreement to end our existing business relating to our distribution of SCJ-branded products under the brand licensing agreement with SCJ, which accounted for approximately 3.8% of our net sales in 2016. The brand licensing agreement with SCJ expired in May 2017 (with the exception of Australia, New Zealand, Argentina, Chile, Czech Republic and Poland, where the brand licensing agreement expired on January 1, 2017). Although we are actively engaged in efforts to replace these SCJ-branded products and the related revenues by, among other things, developing new partnerships, expanding existing supplier relationships and growing our brand into new channels, it is uncertain when and if we will be able to fully replace these SCJ-branded products and/or the related revenues. In the event we are unable to do so, our results of operations could be negatively impacted.

Introduction of New and Upgraded Products

An important element of our business strategy is to continue to focus on introducing upgraded products with new innovative, value-added features and functionalities that replace an existing product and other new products that we do not currently offer. To date, we have been successful in increasing our sales by introducing upgraded products with such new features and functionalities, which in many cases accelerates and drives replacement demand from our existing customers and provides us with supplementary sales opportunities.

Recent Acquisitions

Acquisition of Intellibot Robotics, LLC

During the first quarter of 2015, we acquired the business of Intellibot Robotics LLC (''Intellibot''), a U.S.-based privately owned company that has pioneered the development of robotic commercial floor cleaning machines. The combination of Diversey's industry expertise and global reach and Intellibot's artificial intelligence technology will help accelerate the development of the robotic floor cleaning machines market — ultimately driving efficiencies and business value for the hygiene industry. The fair value of consideration transferred was $17.9 million, which included cash paid of $8.5 million and $9.4 million related to the fair value of contingent consideration. We recorded fair value of the assets acquired and the liabilities assumed on the acquisition date, which included $11.0 million of intangible assets. Goodwill of $6.6 million was recorded and 100% will be deductible for tax purposes. For more information see our combined financial statements and the related notes thereto included elsewhere in this offering circular.

Acquisition of Dry Lube Ltd.

During the fourth quarter of 2015, we acquired Dry Lube Ltd. as part of Diversey Europe and Dry Lube Inc. as part of Diversey North America. As of December 31, 2016, the total purchase price was $7.8 million of which $6.7 million was allocated to goodwill.

Acquisition of Tampereen Teollisuussähkö Oy

During the third quarter of 2016, we acquired Tampereen Teollsuussähkö Oy as pmi of Diversey Europe. The fair value of the consideration transferred was $8.3 million which included $2.3 million related to the fair value of contingent consideration. The purchase price allocation had not been completed as of March 31, 2017, as such, $8.5 million of the purchase price has been preliminarily allocated to goodwill.

Acquisition of UVC disinfection portfolio of Daylight Medical

On April 1, 2017, we acquired the UVC disinfection portfolio of Daylight Medical, a manufacturer of innovative medical devices. The preliminary fair value of the consideration transferred was approximately $28.7 million, which included $3.5 million of cash paid at closing as well as a preliminary fair value for liability-classified contingent consideration. The assets and liabilities acquired as part of the acquisition will be classified as held for sale on our condensed consolidated balance sheet in future periods.

Foreign Currency Exchange Rates

We have significant international operations with approximately 80% of our net sales for the year ended December 31, 2016 being generated from sales to global customers located outside of the U.S. The percentage of our sales to international customers has generally increased in recent periods as we continue to penetrate new markets and geographies and diversify our current revenue base.

We present our combined financial statements in U.S. dollars. As a result, we must translate the assets, liabilities, revenues and expenses of all of our operations into U.S. dollars at applicable exchange rates. Consequently, increases or decreases in the value of the U.S. dollar may affect the value of these items with respect to our non-U.S. dollar businesses in our combined financial statements, even if their value has not changed in their local currency. For example, a stronger U.S. dollar will reduce the relative value of reported results of non-U.S. dollar operations, and, conversely, a weaker U.S. dollar will increase the relative value of the non-U.S. dollar operations.

These translations could significantly affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and stockholders' equity.

In addition, we generate a significant portion of our sales in currencies other than the U.S. dollar, primarily the euro, the Canadian dollar and the British pound, but incur substantially all of our expenses in U.S. dollars. As a result, our results of operations are impacted by currency exchange rate fluctuations because we are generally unable to match revenues received in foreign currencies with expenses incurred in the same currency. For example, where we have significantly more sales than expenses incurred in a foreign currency, our profit from operations in that location would be adversely affected in the event that the U.S. dollar appreciates against that foreign currency. From time to time, as and when we determine it is appropriate and advisable to do so, we will seek to mitigate the effect of exchange rate fluctuations through the use of derivative financial instruments.

Effects of the Transactions

Purchase Agreement

On March 25, 2017, the Issuer, a newly-formed holding company owned by affiliates of Bain Capital, entered into the Purchase Agreement with respect to the purchase of Diversey from Sealed Air for an aggregate purchase price of approximately $3,200.0 million, excluding fees and expenses and subject to a customary working capital adjustment and certain other adjustments.

We will enter into the Transition Services Agreement pursuant to which Sealed Air will provide us with various transition services, including finance, accounting, human resources, customer service, information technology, quality control services and, for our operations outside the U.S., warehousing, logistics and access to sales offices for our sales personnel. We generally expect to use these services for approximately three to twelve months following the consummation of the Transactions, depending on the type of service and the location at which they are provided.

For additional information regarding the Purchase Agreement, the Transition Services Agreement and the other agreements to be entered into in connection with the Transactions and governing our relationship with Sealed Air going forward, see ''Certain Relationships and Related Party Transactions''.

Estimated Cost Savings

We believe the operation of our business as a stand-alone company will provide us the opportunity to realize significant cost savings across multiple areas. Primarily, we expect to maximize the benefits of scale through consolidated purchasing. These cost savings initiatives can be grouped into four major categories: (1) reducing back-office costs, (2) improving our procurement strategy, (3) enhancing the efficiency of our manufacturing and supply chain networks and (4) continuing our focus on improving commercial excellence and sales force productivity. We have identified approximately $55.0 million of selling, general and administrative and procurement cost savings that we believe can be realized by the end of 2018 following the consummation of the Acquisition. Additionally, we expect to incur approximately $35.0 million of related one-time costs over the next 12 to 18 months in order to achieve these savings. Over the longer term, we expect that there will be additional opportunities to achieve further cost savings through these initiatives as well as by optimizing our manufacturing and supply chain networks and focusing on productivity and commercial excellence.

The following table sets forth the estimated cost savings that we believe could have been realized during the LTM Period assuming the Transactions were completed as of the beginning of such period. These adjustments are reflected in our presentation of Further Adjusted EBITDA for the LTM Period. See ''Summary—Summary Unaudited Historical and Pro Forma Financial Data''. Amounts shown have not been adjusted to reflect any of the one-time expenses that we expect to incur in connection with achieving such cost savings. These cost savings are based on estimates and assumptions made by us that are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond our control. See ''Risk Factors—Risks Related to the Acquisition—We may not achieve some or all of the expected benefits of the Transactions, and the Transactions may adversely affect our business''. The following calculations should not be viewed as indicative of future results:

(U.S. dollars in millions)	Pro Forma Twelve Months Ended March 31, 2017
Estimated selling, general and administrative cost savings[(i)]	$30.0
Estimated procurement cost savings[(ii)]	25.0
Total estimated cost savings	$55.0

(i) Represents the estimated impact of headcount rationalization.

(ii) Includes cost savings from consolidation of select suppliers and a reduction of expenses related to raw materials, packaging and contract manufacturing.

Effects on Our Financial Statements

Purchase Accounting. Our financial statements in the future will vary in important respects from the historical combined financial statements contained in this offering circular. The acquisition of our company will be accounted for using the purchase method of accounting. As a result, the purchase price for our company of approximately $2,964.7 million will be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values as of the date of the Acquisition. The excess of the purchase price over these allocations will be assigned to goodwill, which is not amortized for accounting purposes but is subject to testing for impairment at least annually. The allocation of the purchase price of the assets acquired in the Acquisition will result in a significant increase in amortization and depreciation expense relating to our acquired intangible assets and manufacturing assets, because we will record the fair value of the acquired intangible assets and adjust the book value of the acquired manufacturing assets to fair value. We will depreciate the manufacturing assets and amortize the intangible assets over their estimated useful lives. We will also adjust the value of the inventory to its respective fair value, which will lower our gross margin in the period subsequent to the closing of the Transactions. See ''Unaudited Pro Forma Condensed Combined Financial Information''.

Increased Leverage. As of March 31, 2017, after giving pro forma effect to the Transactions, we would have had approximately $2,357.0 million of outstanding indebtedness represented by Term Loan Facility and the notes offered hereby, with $250.0 million of additional borrowing capacity available under the Revolving Credit Facility. For the LTM Period, after giving pro forma effect to the Transactions, our interest expense would have been $120.6 million. As a result of the Transactions, we will be a highly leveraged company and our interest expense will be significant in the periods following the consummation of the Transactions. Our large amount of indebtedness may limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities since a substantial portion of our cash flow from operations will be dedicated to servicing our indebtedness, and this may place us at a competitive disadvantage as some of our competitors are less leveraged. Our leverage may make us more vulnerable to a downturn in our business, industry or the economy in general. See ''Risk Factors—Risks Relating to the Notes and Our Indebtedness—Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes''.

Stand-Alone Company. We have historically operated as a business unit/division of Sealed Air and not as a stand-alone company. The historical carve-out financial statements included in this offering circular have been derived from the historical consolidated financial statements of Sealed Air using our historical results of operations and the historical basis of our assets and liabilities. The historical financial information included in this offering circular may not reflect what our results of operations, financial position and cash flows would have been had we operated as a separate, stand-alone company without the shared resources of Sealed Air for the periods presented, and may not be indicative of our future results of operations, financial position and cash flows. See our combined financial statements and related notes thereto included elsewhere in this offering circular.

Sealed Air has historically provided various services to us, including finance, accounting, human resources, customer service, information technology and quality control services, as well as warehousing, logistics and access to sales offices for our sales personnel. The costs of these services have been allocated or directly charged to us as shown in our historical financial statements included elsewhere in this offering circular, and amounted to $110.0 million and $118.9 million for the years ended December 31, 2016 and 2015. These expenses and all other centralized operating costs were allocated first on the basis of direct usage when identifiable, with the remainder being allocated among Sealed Air's business units on the basis of their respective revenue, headcount or other appropriate measure. We believe these allocations are a reasonable reflection of the use of these services from Sealed Air. The allocated costs included in our historical financial statements could differ from amounts that would have been incurred by us if we operated on a stand-alone basis and are not necessarily indicative of costs to be incurred in the future. During the period that Sealed Air will provide services for us pursuant to the Transition Services Agreement, we expect to incur higher costs than the allocated costs included in our historical financial statements because we will incur additional expenses to build up our organization to perform such functions internally in addition to the amounts we will pay Sealed Air for such services. After the termination of the Transition Services Agreement, we expect to incur lower costs than the allocated costs included in our historical financial statements because we believe we will able to perform such functions at a lower cost than the allocated amounts.

During the periods presented, most of our employees were eligible to participate in various Sealed Air employee benefit retirement plans, including defined benefit, defined contribution and retiree healthcare benefit plans. Sealed Air has managed its employee benefit retirement plans on a consolidated basis and separate information for us with respect to these periods is not readily available. Pursuant to the Purchase Agreement, Sealed Air will retain substantially all the obligations to our employees under its post-retirement benefit plans. Our combined statements of income include an allocation of the costs of the employee benefit plans. These costs were allocated based on our employee population for each of the periods presented. In conjunction with purchase accounting for the Transactions, we will reflect the projected benefit obligations and value of the transferred assets for our post-retirement benefit plans on our opening balance sheet. In addition, our employees were eligible to participate in various Sealed Air employee benefit programs, including health and dental plans, 401k plans, equity awards plans and deferred compensation arrangements for qualifying employees. Our combined statements of income include the costs of these benefit plans for our employees based on our employee population for each of the periods presented. The allocated costs included in our historical financial statements could differ from amounts that would have been incurred by us if we operated on a stand-alone basis and are not necessarily indicative of costs to be incurred in the future.

During each of the periods presented, we participated in Sealed Air's centralized cash management system. Cash receipts attributable to our operations were collected by Sealed Air and cash disbursements were funded by Sealed Air. Cash advances necessary to fund our major improvements to and replacements of property, and acquisitions and expansion, to the extent not provided through internally generated funds, were provided by Sealed Air's cash or funded with a capital lease. As a result, none of Sealed Air's cash, cash equivalents or debt has been allocated to our historical combined balance sheets.

For all periods presented, we were included in the consolidated income tax returns of Sealed Air. However, in our historical combined financial statements included in this offering circular, income taxes have been presented based on a calculation of the income tax expense that would have been incurred if we had operated as a separate taxpayer. Income taxes have been estimated for all items included in the statements of income included herein, regardless of whether such items were reported for tax purposes or when the taxes were actually paid or refunded.

Components of Our Sales and Expenses

Net Sales

We sell our products primarily through a direct sales force in the U.S. and a combination of direct sales representatives and independent distributors in international markets. We recognize revenue when title to the goods and risk of loss transfers to customers, provided there are no material remaining performance obligations required of us or any matters requiring customer acceptance. In cases where we utilize distributors or ship product directly to the end-user, we recognize revenue upon shipment provided all revenue recognition criteria have been met. For multiple-element arrangements, we specifically identify revenue from the arrangement for each element based on the relative fair value of each element, which is based on reliable and objective evidence. The fair value is generally based on the relative sales price of each element when sold separately. Revenue related to service contracts is recognized ratably over the contract period and any unrecognized amounts are included as deferred revenue in the combined balance sheets. We record estimated sales returns, discounts, and rebates as a reduction of net sales in the same period revenue is recognized.

Cost of Sales

Cost of sales is primarily comprised of direct materials and supplies consumed in the production of product, as well as labor and direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished products. Also included are expenses associated with service organization, quality oversight and warranty costs. A portion of the employee benefit cost and corporate overhead allocated to us by Sealed Air has been recorded as cost of products sold based on various allocation methodologies.

Operating Expenses

Selling, General and Administrative Expense

Selling, general and administrative expense includes employee compensation, clinical trial expenses, professional services, customer promotions and events, employee travel, shipping, rent and utilities, stock-based employee compensation expense, depreciation expense, maintenance and security, and other miscellaneous expenses. A portion of the employee benefit cost and corporate overhead allocated to us by Sealed Air has been recorded as selling, general and administrative expense based on various allocation methodologies.

Amortization Expense of Intangible Assets Acquired

Amortization expense of intangible assets acquired includes amortization expense for intangible assets and other intellectual property that has been acquired through various acquisitions of businesses by us.

Restructuring and Other Charges

Restructuring and other charges include expenses related to our participation in Sealed Air's combined restructuring program. These expenses relate to reduction in headcount, relocation of certain facilities and people to other offices and other expenses, as well as labor and direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished products. Also included are expenses associated with service organization, quality oversight and warranty costs. A portion of the employee benefit cost and corporate overhead allocated to us by Sealed Air has been recorded as cost of products sold based on various allocation methodologies.

Non-Operating Expense, net

Non-operating expense, net includes interest expense, interest income, foreign currency exchange gains and losses related to our Venezuelan subsidiaries and other income (expense), net. Our interest expense relates to our outstanding debt, including our short-term borrowings, the delayed draw Term Loan A tranche of Sealed Air's senior secured credit facilities, our lines of credit and other debt. The foreign currency exchange loss related to our Venezuelan subsidiaries relates to the required re-measurement of all bolivar-denominated monetary assets and liabilities into U.S. dollars using the current exchange rate available to us, as Venezuela has been designated as a highly inflationary economy under GAAP. Other income (expense), net relates to our interest and dividend income, our net foreign exchange transaction gains (losses), parent intercompany expense primarily consisting of royalty expenses, net, income from our equity method investment, net gain (loss) on disposals of property and equipment and other, bank fee expenses and other items, net.

Income Taxes

The provision for income taxes is determined using the asset and liability approach. Tax laws require items to be included in tax filings at different times than the items are reflected in the financial statements. The income tax provisions have been prepared on a separate return basis as if we were a stand-alone entity. Historically, we were included in tax filings with other Sealed Air entities. The results from being included in the combined tax returns are included in net parent investment. Sealed Air's global tax structure and model has been developed based on its entire portfolio of businesses. Accordingly, our tax results as presented are not reflective of the tax results that we will generate in the future or would have generated on a stand-alone basis.

Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. Deferred taxes are adjusted for enacted changes in tax rates and tax laws. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

We do not maintain taxes payable to/from Sealed Air, and we are deemed to settle the annual current tax balances immediately with the legal taxpaying entities in the respective jurisdictions. These settlements are reflected as changes in net parent investment.

We record tax benefits for uncertain tax positions based upon management's evaluation of the information available at the reporting date. To be recognized in the financial statements, a tax benefit must be at least more likely than not of being sustained based on technical merits. The benefit for positions meeting the recognition threshold is measured as the largest benefit more likely than not of being realized upon settlement with a taxing authority that has full knowledge of all relevant information.

Results of Operations

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Highlights of Financial Performance

Highlights of our financial performance for the three months ended March 31, 2017 and March 31, 2016 are as follows:

	Three Months Ended March 31,		Change	
(U.S. dollars in millions)	2017	2016	Amount	Percentage
Net sales	$582.0	$584.9	$(2.9)	(0.5)%
Gross profit	249.0	252.7	(3.7)	(1.5)%
Gross margin	42.8%	43.2%	NA	(0.4)%
Operating profit (loss)	7.9	(1.5)	9.4	NM
Operating margin	1.4%	(0.3)%	NA	1.7%
Net income (loss)	(2.9)	(12.6)	9.7	77.0%
Adjusted EBITDA	$ 51.8	$ 47.2	$ 4.6	9.7%

Net Sales

Our net sales by product category for the three months ended March 31, 2017 and March 31, 2016 were as follows:

	Three Months Ended March 31,		Change	
(U.S. dollars in millions)	2017	2016	Amount	Percentage
Net sales:				
Professional	$434.5	$441.4	$(6.9)	(1.6)%
As a % of total net sales	74.7%	75.5%		
Food & Beverage	$147.5	$143.5	$ 4.0	2.8%
As a % of total net sales	25.3%	24.5%		
Total Net Sales	$582.0	$584.9	$(2.9)	(0.5)%

Total net sales decreased $2.9 million, or 0.5% for the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

Professional

Net sales from our Professional product category decreased by $6.9 million, or 1.6%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. On a constant currency basis, net sales from our Professional product category increased $3.3 million, or 0.8%, for the three months ended March 31, 2017 compared to the three months ended March 31,

2016. This 0.8% growth was primarily driven by increased volume in APAC, particularly in our China dishwasher rentals, budget hotels and our food service platforms, India, and MEA, particularly Turkey and Egypt. In addition, price increases as a result of various pricing actions taken in Turkey, Egypt and LATAM also contributed to this increase. This increase has been partially offset by destocking initiatives by distributors as part of their inventory optimization strategy.

Food & Beverage

Net sales from our Food & Beverage product category increased by $4.0 million, or 2.8%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. On a constant currency basis, net sales from our Food & Beverage product category increased $7.1 million, or 4.9%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, primarily driven by increases in volume as a result of customer wins in LATAM, South Africa and North America and increases in prices from pricing actions taken in LATAM and Nigeria. This increase was partially offset by decreases due to customer losses in China.

Gross Profit

Our gross profit and gross margin for the three months ended March 31, 2017 and March 31, 2016 were as follows:

	Three Months Ended March 31,		Change	
(U.S. dollars in millions)	2017	2016	Amount	Percentage
Professional	$189.2	$195.7	$(6.5)	(3.3)%
Gross margin	43.5%	44.3%	NA	(0.8)%
Food & Beverage	$ 59.8	$ 57.0	$ 2.8	4.9%
Gross margin	40.5%	39.7%	NA	0.8%
Total gross profit	$249.0	$252.7	$(3.7)	(1.5)%
Total gross margin	42.8%	43.2%	NA	(0.4)%

Gross profit decreased by $3.7 million, or 1.5%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. Gross profit from our Professional product category decreased by $6.5 million, 3.3%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. On a constant currency basis, gross profit from our Professional product category decreased by $2.6 million for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. This decrease on a constant currency basis was primarily due to the impact of Brexit in the UK and increased spending for additional dosing and dispensing equipment to meet the needs for our new customer wins in North America and Europe. Gross profit from our Food & Beverage product category increased by $2.8 million, or 4.9%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. On a constant currency basis, gross profit from our Food & Beverage product category increased by $3.4 million for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. This increase on a constant currency basis was primarily driven by volume growth in LATAM, MEA and North America as well as increased prices in LATAM resulting from pricing actions taken in LATAM.

Operating Expenses

Our operating expenses for the three months ended March 31, 2017 and March 31, 2016 were as follows:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Change Amount	Change Percentage
Selling, general and administrative expenses	$229.0	$239.6	$(10.6)	(4.4)%
Amortization expenses of intangible assets acquired	14.2	14.1	0.1	0.7%
Restructuring and other charges	(2.1)	0.5	(2.6)	NM
Total	$241.1	$254.2	$(13.1)	(5.2)%
As a percentage of net sales:				
Selling, general and administrative expenses	39.4%	41.0%		
Amortization expenses of intangible assets acquired	2.4%	2.4%		
Restructuring and other charges	(0.4)%	0.1%		
Total	41.4%	43.5%		

Selling, general and administrative expenses decreased by $10.6 million, or 4.4%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. On a constant currency basis, selling, general and administrative expenses decreased by $6.8 million for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, which reflected a $4.7 million refund of excess wage taxes previously paid on stock appreciation rights in 2017. The remaining decrease was primarily attributable to a reduction in expenses allocated from Sealed Air, driven by the timing of those allocations and not expected to repeat, partially offset by an increase in expenses incurred in 2017 related to our separation from Sealed Air.

Adjustments to restructuring related liabilities resulted in a gain of $2.1 million for the three months ended March 31, 2017 which compares to expense of $0.5 million for the three months ended March 31, 2016.

Non-Operating Results

Our non-operating results for the three months ended March 31, 2017 and March 31, 2016 were as follows:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Change Amount	Change Percentage
Interest expense	$(4.3)	$(3.8)	$(0.5)	13.2%
Foreign currency exchange loss related to Venezuelan subsidiaries	(0.2)	(0.7)	0.5	(71.4)%
Other income (expense), net	1.4	(1.2)	2.6	NM
Total	$(3.1)	$(5.7)	$ 2.6	45.6%

As reported, non-operating expenses decreased by $2.6 million, or 45.6%, in the three months ended March 31, 2017 compared to the three months ended March 31, 2016, primarily due to a decrease in foreign currency transaction losses, which are included in other (income) expense, net.

Our other income (expenses), net for the three months ended March 31, 2017 and March 31, 2016 was as follows:

	Three Months Ended March 31,		Change	
	2017	2016	Amount	Percentage
	(unaudited)	(unaudited)		
	(U.S. dollars in millions)			
Interest and dividend income	$ 1.3	$ 1.9	$(0.6)	31.6%
Net foreign exchange transaction gain (losses)	(0.5)	(2.6)	2.1	80.8%
Bank fee expense	(0.1)	(0.1)	NA	NA
Net gain (loss) on disposals of property and equipment and other	(0.1)	(0.1)	NA	NA
Income from equity method investment	—	—	—	—
Sealed Air intercompany expense	—	—	—	—
Other, net	0.8	(0.3)	1.1	NM
Total other income (expense), net	$ 1.4	$(1.2)	$ 2.6	NM

Income Taxes

Our income tax expense and effective income tax rate for the three months ended March 31, 2017 and March 31, 2016 were as follows:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Change Amount	Change Percentage
Earnings (loss) before income taxes	$ 4.8	$ (7.2)	$12.0	NM
Income tax expense	7.7	5.4	2.3	42.6%
Effective income tax rate	160.4%	(75.0)%		

For the three months ended March 31, 2017 and the three months ended March 31, 2016, the tax expense differs from that calculated based on statutory rates primarily due to valuation allowances on domestic income tax assets.

Net Income

As reported, net income increased by $9.7 million, or 77.0%, in the three months ended March 31, 2017 compared to the three months ended March 31, 2016. The increase in net income is all driven by the savings in selling, general and administrative expenses.

Adjusted EBITDA

Our Adjusted EBITDA and Adjusted EBITDA margin for the three months ended March 31, 2017 and the three months ended March 31, and 2016 were as follows:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Adjusted EBITDA	$51.8	$47.2
Adjusted EBITDA margin	8.9%	8.1%

The following table shows a reconciliation of net income to Adjusted EBITDA for the three months ended March 31, 2017 and the three months ended March 31, 2016:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income (loss)	$ (2.9)	$(12.6)
Interest expense	4.3	3.8
Interest income	(1.3)	(1.9)
Income tax provision	7.7	5.4
Depreciation and amortization[(a)]	26.7	25.7
EBITDA	34.5	20.4
Restructuring, associated costs and other charges[(b)]	(0.7)	3.2
One-time and non-recurring costs[(c)]	5.9	1.1
Non-cash items[(d)]	4.9	9.6
Stand-alone adjustment[(e)]	7.2	12.9
Adjusted EBITDA	$51.8	$ 47.2

(a) Includes share-based incentive compensation of $6.1 million and $3.1 million for the three months ended March 31, 2017 and the three months ended March 31, 2016, respectively.

(b) Includes expenses related to a combined restructuring program maintained by Sealed Air, in which Diversey previously participated.

(c) Represents the following one-time or non-recurring cost adjustments:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Charges incurred related to the sale of Diversey	6.1	—
Other unusual and non-recurring costs[(i)]	(0.2)	1.1
Total one-time and non-recurring costs	$ 5.9	$1.1

(i) Represents a one-time gain from a sales and use audit in Wisconsin, tax credits in Switzerland and Brazil and other one-time and non-recurring income/costs.

(d) Represents the following non-cash adjustments:

(U.S. dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Depreciation and amortization of customer equipment[(i)]	$11.4	$ 9.3
Stock appreciation rights	(4.7)	0.1
Foreign currency exchange (loss) gains related to Venezuelan subsidiaries	0.2	0.7
Non-cash pension expenses[(ii)]	(2.1)	(0.4)
Other-non cash expenses (income)[(ii)]	0.1	(0.1)
Total non-cash adjustments	$ 4.9	$ 9.6

(i) Represents depreciation and amortization of customer dosing equipment included within cost of goods sold in Diversey's statement of operations. These depreciation and amortization expenses were included within cost of goods sold in Sealed Air's historical statement of operations. Following consummation of the Transactions, these depreciation and amortization expenses will be included within the depreciation and amortization expense described in note (a) above.

(ii) Represents non-cash expenses related to Diversey's pension plans.

(iii) Represents other non-cash expenses incurred by Diversey.

(e) Represents the removal of certain sales and marketing expenses and selling, general and administrative expenses to reflect Diversey's operation as a stand-alone entity separate and apart from Sealed Air. These amounts reflect the historical overhead expenses allocated by Sealed Air to Diversey which were identified by management through its analysis of Diversey's personnel and functional areas as the expenses that would not have been incurred by Diversey had it been operated as a stand-alone entity. The Diversey business has historically been operated by Sealed Air on a substantially stand-alone basis.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Highlights of our financial performance for the years ended December 31, 2016 and December 31, 2015 are as follows:

	Year Ended December 31,		Change	
(U.S. dollars in millions)	2016	2015	Amount	Percentage
Net sales	$2,568.8	$2,620.7	$(51.9)	(2.0)%
Gross profit	1,120.6	1,128.3	(7.7)	(0.7)%
Gross margin	43.6%	43.1%	NA	0.5%
Operating profit	112.7	76.1	36.6	48.1%
Operating margin	4.4%	2.9%	NA	1.5%
Net income	108.2	85.2	23.0	27.0%
Adjusted EBITDA	$ 327.6	$ 303.5	$ 24.1	8.0%

Net Sales

Our net sales for the year ended December 31, 2016 and the year ended December 31, 2015 were as follows:

	Year ended December 31,		Change	
(U.S. dollars in millions)	2016	2015	Amount	Percentage
Net sales:				
Professional	$1,964.1	$1,998.0	$(33.9)	(1.7)%
As a % of total net sales	76.5%	76.2%		
Food & Beverage	$ 604.7	622.7	(18.0)	(2.9)%
As a % of total net sales	23.5%	23.8%		
Total net sales	$2,568.8	$2,620.7	$(51.9)	(2.0)%

Total net sales decreased $51.9 million, or 2.0%, for the year ended December 31, 2016 compared to the year ended December 31, 2015.

Professional

Net sales from our Professional product category decreased by $33.9 million, or 1.7%, for the year ended December 31, 2016 compared to the year ended December 31, 2015. On a constant currency basis, net sales from our Professional product category increased by $42.9 million, or 2.1%, for the year ended December 31, 2016 compared to the year ended December 31, 2015.

This 2.1% growth was primarily driven by increased growth in APAC, particularly in China, India, and Southeast Asia as a result of new customer wins and price increases, growth in LATAM as a result of increased prices, growth in Europe as a result of pricing increases and increased volume from our distributors particularly in the Netherlands and Germany and growth in North America due to increases in volume. This increase was partially offset by a decrease in MEA driven by turbulent market conditions in Turkey and Egypt, which experienced a decline in tourism impacting our customers in the hospitality and restaurant end-markets.

Food & Beverage

Net sales from our Food & Beverage product category decreased by $18.0 million, or 2.9%, for the year ended December 31, 2016 compared to the year ended December 31, 2015. On a constant currency basis, net sales from our Food & Beverage product category increased $23.1 million, or 3.7%, for the year ended December 31, 2016 compared to the year ended December 31, 2015. This 3.7% growth was primarily driven by increased pricing resulting from pricing actions taken in LATAM, APAC, Europe, and the MEA. This increase was also due to increased volumes in North America, Europe, MEA and LATAM.

Gross Profit

Our gross profit and gross margin for the year ended December 31, 2016 and the year ended December 31, 2015 were as follows:

	Year ended December 31,		Change	
(U.S. dollars in millions)	2016	2015	Amount	Percentage
Professional	$ 880.4	$ 881.2	$(0.8)	(0.1)%
Gross margin	44.8%	44.1%	NA	0.7%
Food & Beverage	$ 240.2	$ 247.1	$(6.9)	(2.8)%
Gross margin	39.7%	39.7%	NA	0.0%
Total gross profit	$1,120.6	$1,128.3	$(7.7)	(0.7)%
Total gross margin	43.6%	43.1%	NA	0.5%

Gross profit decreased by $7.7 million, or 0.7%, for the year ended December 31, 2016 compared to the year ended December 31, 2015. Gross profit from our Professional product category increased by $0.8 million for the year ended December 31, 2016 compared to the year ended December 31, 2015. On a constant currency basis, gross profit from our Professional product category increased by $27.0 million for the year ended December 31, 2016 compared to the year ended December 31, 2015. This increase on a constant currency basis was primarily due to topline growth, favorable price variance to our raw materials and cost savings related to our supply chain. Gross profit from our Food & Beverage product category decreased by $6.9 million for the year ended December 31, 2016 compared to the year ended December 31, 2015. On a constant currency basis, gross profit from our Food & Beverage product category increased by $7.1 million for the year ended December 31, 2016 compared to the year ended December 31, 2015. This increase on a constant currency basis was primarily driven by a favorable price-cost spread as price increases outpaced increases in raw materials and freight expenses.

Operating Expenses

Our operating expenses for the year ended December 31, 2016 and the year ended December 31, 2015 were as follows:

(U.S. dollars in millions)	Year Ended December 31, 2016	Year Ended December 31, 2015	Change Amount	Change Percentage
Selling, general and administrative expenses	$ 939.8	$ 968.3	$(28.5)	(2.9)%
Amortization expenses of intangible assets acquired	57.3	54.6	2.7	4.9%
Restructuring and other charges	10.8	29.3	(18.5)	(63.1)%
Total	$1,007.9	$1,052.2	$(44.3)	(4.2)%
As a percentage of net sales:				
Selling, general and administrative expenses	36.6%	36.9%		
Amortization expenses of intangible assets acquired	2.2%	2.1%		
Restructuring and other charges	0.4%	1.1%		
Total	39.2%	40.1%		

Selling, general and administrative expenses decreased by $28.5 million, or 2.9%, for the year ended December 31, 2016 compared to the year ended December 31, 2015. On a constant currency basis, selling, general and administrative expenses increased by $6.0 million for the year ended December 31, 2016 compared to the year ended December 31, 2015, primarily driven by salary and wage inflation and targeted investments in sales and marketing as well as an increase in corporate allocations from Sealed Air, primarily related to the timing of those allocations. These were partially offset by savings resulting from restructuring programs.

Amortization expenses of intangible assets acquired increased $2.7 million, or 4.9%, for the year ended December 31, 2016 compared to the year ended December 31, 2015, primarily due to the accelerated amortization of intangible assets related to ceasing operations in Venezuela.

Restructuring and other charges for the year ended December 31, 2016 decreased by $18.5 million, or 63.1%, reflecting increased spend in 2015 related to the closure and consolidation of certain facilities, and the relocation of Sealed Air's corporate headquarters to Charlotte, North Carolina.

Non-Operating Results

Our non-operating results for the year ended December 31, 2016 and the year ended December 31, 2015 were as follows:

(U.S. dollars in millions)	Year Ended December 31, 2016	Year Ended December 31, 2015	Change Amount	Change Percentage
Interest expense	$(13.8)	$(16.3)	$ 2.5	15.3%
Foreign currency exchange loss related to Venezuelan subsidiaries	(1.7)	(5.9)	4.2	71.2%
Other income (expense), net	3.6	(1.8)	5.4	NM
Total	$(11.9)	$(24.0)	$12.1	50.4%

As reported, non-operating (income) expenses decreased by $12.1 million, or 50.4%, in the year ended December 31, 2016 compared to the year ended December 31, 2015, primarily due to a decrease in foreign currency transaction losses included within other income (expense), net, a decrease in foreign currency remeasurement losses related to our Venezuelan subsidiaries and due to the strengthening in the U.S. dollar against the Brazilian Real which reduced our interest expense on our Real denominated debt.

Our income (expense), net for the year ended December 31, 2016 and the year ended December 31, 2015 were as follows:

	Year Ended December 31,		Change	
	2016	2015	Amount	Percentage
	(U.S. dollars in millions)			
Interest and dividend income	$ 5.7	$ 6.4	$(0.7)	(10.9)%
Net foreign exchange transaction gain (losses)	2.4	(6.8)	9.2	135.3%
Bank fee expense	(0.5)	(0.1)	(0.4)	NM
Net gain (loss) on disposals of property and equipment and other	0.1	(0.7)	0.8	114.3%
Income from equity method investment	1.2	0.4	0.8	NM
Sealed Air intercompany expense	(4.5)	(2.1)	(2.4)	114.3%
Other, net	(0.8)	1.1	(1.9)	172.7%
Total other income (expense), net	$ 3.6	$(1.8)	$ 5.4	NM

Income Taxes

The following table summarizes our income tax benefit and effective income tax rate for the year ended December 31, 2016 compared to the year ended December 31, 2015:

	Year Ended December 31,		Change	
(U.S. dollars in millions)	2016	2015	Amount	Percentage
Earnings before income tax benefit	$100.8	$ 52.1	$ 48.7	93.5%
Income tax benefit	(7.4)	(33.1)	(25.7)	(77.6)%
Effective income tax rate	(7.3)%	(63.5)%		

For the year ended December 31, 2016, the tax benefit differs from that calculated based on statutory rates primarily due to a reduction in tax reserves on uncertain tax positions, primarily related to the expiration of the statute of limitations.

The effective income tax rate for the year ended December 31, 2015 differs from the statutory rate primarily due to a reduction in tax reserves on uncertain tax positions, primarily related to the expiration of the statute of limitations.

Net Income (Loss)

For the year ended December 31, 2016, net income was $108.2 million, an increase of $23.0 million or 27.0%, from $85.2 million for the year ended December 31, 2015. The increase was primarily due to a decrease in selling, general and administrative expenses as discussed above.

Adjusted EBITDA

Our Adjusted EBITDA and Adjusted EBITDA margin for the year ended December 31, 2016 and year ended December 31, 2015 were as follows 2015:

(U.S. dollars in millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Adjusted EBITDA	$327.6	$303.5
Adjusted EBITDA margin	12.8%	11.6%

The following table shows a reconciliation of net income to Adjusted EBITDA:

(U.S. dollars in millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Net income	$108.2	$ 85.2
Interest expense	13.8	16.3
Interest income	(5.7)	(6.4)
Income tax provision (benefit)	(7.4)	(33.1)
Depreciation and amortization[(a)]	113.0	110.3
EBITDA	221.9	172.3
Restructuring, associated costs and other charges[(b)]	17.8	43.0
One-time and non-recurring costs[(c)]	(1.8)	(3.0)
Non-cash items[(d)]	39.1	49.6
Stand-alone adjustment[(e)]	50.6	41.6
Adjusted EBITDA	$327.6	$303.5

(a) Includes share-based incentive compensation of $14.4 million and $22.9 million for the year ended December 31, 2016 and the year ended December 31, 2015, respectively.

(b) Includes expenses related to a combined restructuring program maintained by Sealed Air, in which Diversey previously participated, and restructuring charges incurred by Diversey in connection with the cessation of operations in Venezuela in the second quarter of 2016. Such restructuring charges related primarily to costs associated with headcount reductions and relocation expenses.

(c) Represents the following one-time or non-recurring cost adjustments:

(U.S. dollars in millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Environmental credit[(i)]	$(6.8)	$ —
Transaction costs[(ii)]	0.3	0.3
Intercompany expenses[(iii)]	4.5	2.1
Gain (loss) related to sale of business	—	(3.5)
Charges incurred related to the sale of Diversey	—	—
Other unusual and non-recurring costs[(iv)]	0.2	(1.9)
Total one-time and non-recurring costs	$(1.8)	$(3.0)

(i) Represents a one-time benefit stemming from a legal settlement related to an acquisition in 2001.

(ii) Represents professional fees incurred by Diversey.

(iii) Represents royalty expenses paid by Diversey to Sealed Air for the licensing of certain Sealed Air intellectual property that will no longer be licensed by Diversey.

(iv) Represents a one-time gain from a sales and use audit in Wisconsin, tax credits in Switzerland and Brazil and other one-time and non-recurring income/costs.

(d) Represents the following non-cash adjustments:

(U.S. dollars in millions)	Fiscal Year Ended December 31, 2016	2015
Depreciation and amortization of customer equipment(i)	$39.6	$38.0
Depreciation and amortization adjustments	(4.8)	—
Stock appreciation rights	(0.1)	3.9
Foreign currency exchange gains related to Venezuelan subsidiaries	1.7	5.9
Charges related to ceasing operations in Venezuela	4.5	—
Non-cash pension expenses(ii)	(1.6)	(0.3)
Other-non cash expenses (income)(iii)	(0.2)	2.1
Total non-cash adjustments	$39.1	$49.6

(i) Represents depreciation and amortization of customer dosing equipment included within cost of goods sold in Diversey's statement of operations. These depreciation and amortization expenses were included within cost of goods sold in Sealed Air's historical statement of operations. Following consummation of the Transactions, these depreciation and amortization expenses will be included within the depreciation and amortization expense described in note (a) above.

(ii) Represents non-cash expenses related to Diversey's pension plans.

(iii) Represents other non-cash expenses incurred by Diversey.

(e) Represents the removal of certain sales and marketing expenses and selling, general and administrative expenses to reflect Diversey's operation as a stand-alone entity separate and apart from Sealed Air. These amounts reflect the historical overhead expenses allocated by Sealed Air to Diversey which were identified by management through its analysis of Diversey's personnel and functional areas as the expenses that would not have been incurred by Diversey had it been operated as a stand-alone entity. The Diversey business has historically been operated by Sealed Air on a substantially stand-alone basis.

Liquidity and Capital Resources

Historical

Our principal sources of cash have historically been from operating activities and our principal uses of cash have historically been capital expenditures and the financing of working capital. Our principal source of liquidity in excess of cash from operating activities has historically been advances from Sealed Air.

Cash Flows

During each of the three months ended March 31, 2017, the three months ended March 31, 2016, the year ended December 31, 2016 and the year ended December 31, 2015, we participated in Sealed Air's centralized cash management system. As a result, none of Sealed Air's cash or cash equivalents has been allocated to our historical combined financial statements.

Below are our primary sources and uses of cash and capital expenditures for the three months ended March 31, 2017, the three months ended March 31, 2016, the year ended December 31, 2016 and the year ended December 31, 2015:

	Three Months Ended March 31,		Year Ended December 31,	
	2017	2016	2016	2015
	(unaudited)	(unaudited)		
	(U.S. dollars in millions)			
Net cash provided by (used in):				
Operating activities	$(93.9)	$(8.6)	$ 174.2	$ 51.1
Investing activities	(2.2)	(7.4)	(20.4)	(17.7)
Financing activities	94.1	(2.5)	(181.5)	(12.2)
Capital expenditures	(3.4)	(7.8)	(17.7)	(37.1)

Operating Activities. Net cash used for operations was $93.9 million and $8.6 million for the three months ended March 31, 2017 and the three months ended March 31, 2016, respectively. Key elements of net cash used for operating activities during the three months ended March 31, 2017 were primarily driven by a net loss of $2.9 million, adjustments to reconcile net income to net cash provided by operating activities of $26.0 million, primarily driven by depreciation and amortization, and a decrease in net operating assets and liabilities of $117.0 million primarily related to decreases in other assets and liabilities and inventories, partially offset by an increase in trade receivables, net, and accounts payable.

Key elements of net cash used for operating activities during the three months ended March 31, 2016 were primarily driven by a net loss of $12.6 million, adjustments to reconcile net income to net cash provided by operating activities of $28.0 million, primarily driven by depreciation and amortization, and a decrease in net operating assets and liabilities of $24.0 million primarily related to decreases in other assets and liabilities and inventories, partially offset by an increase in accounts payable.

We generated cash flow from operations of $174.2 million and $51.1 million in the year ended December 31, 2016 and the year ended December 31, 2015, respectively. Key elements of net cash provided by operating activities during the year ended December 31, 2016 were primarily driven by net income of $108.2 million, adjustments to reconcile net income to net cash provided by operating activities of $103.7 million, primarily driven by depreciation and amortization, and a decrease in net operating assets and liabilities of $37.7 million primarily related to decreases in our other assets and liabilities and trade receivables, net, partially offset by an increase in accounts payable. The decreases in our other assets and liabilities and trade receivables and increase in accounts payable were due to timing.

Key elements of net cash provided by operating activities during the year ended December 31, 2015 were primarily driven by net income of $85.2 million, adjustments to reconcile net income to net cash provided by operating activities of $97.1 million, primarily driven by depreciation and amortization, and a decrease in net operating assets and liabilities of $131.2 million primarily related to decreases in our other assets and liabilities, partially offset by an increase in accounts payable. The decrease in our other assets and liabilities and increase in accounts payable were due to timing.

Investing Activities. Net cash used in investing activities was $2.2 million and $7.4 million in the three months ended March 31, 2017 and 2016, respectively. Net cash used in investing activities for the three months ended March 31, 2017 consisted of $3.4 million of capital expenditures partially offset by $1.2 million of net cash provided by other investing activities.

Net cash used in investing activities for the three months ended March 31, 2016 consisted of $7.8 million of capital expenditures partially offset by $0.4 million of net cash provided by other investing activities.

Net cash used in investing activities was $20.4 million and $17.7 million for the year ended December 31, 2016 and the year ended December 31, 2015, respectively. Net cash used in investing activities for the year ended December 31, 2016 consisted of $17.7 million of capital expenditures, $5.8 million of businesses acquired in purchase transactions, net of cash and cash equivalents acquired, and $1.4 million of settlement of foreign currency forward contracts. Net cash provided by investing activities consisted of $4.5 million in proceeds from the sale of property, plant, equipment and other assets.

Net cash used in investing activities for the year ended December 31, 2015 consisted of $37.1 million of capital expenditures and $12.1 million of businesses acquired in purchase transactions net of cash and cash equivalents acquired. Net cash provided by investing activities consisted of $31.5 million in proceeds from the sale of property, plant, equipment and other assets.

Financing Activities. Net cash provided by financing activities was $94.1 million for the three months ended March 31, 2017 and net cash used in financing activities was $2.5 million for the three months ended March 31, 2016. Net cash used in financing activities represents net transfers of cash from / (to) Sealed Air under its centralized cash management system.

Net cash provided by financing activities for the three months ended March 31, 2017 consisted of $4.9 million in net proceeds from borrowings and $91.2 million for change in net parent investment, partially offset by $2.0 million in other financing activities.

Net cash used in financing activities for the three months ended March 31, 2016 consisted $7.4 million change in net parent investment and $0.1 million in other financing activities, partially offset by $5.0 million in net proceeds from borrowings.

Net cash used in financing activities was $181.5 million and $12.2 million in the years ended 2016 and fiscal 2015, respectively. Net cash used in financing activities for the year ended December 31, 2016 consisted of $4.0 million in net payments from borrowings, a $185.6 million change in Sealed Air's investment, and was partially offset by a $1.9 million change in cash used as collateral on borrowing arrangements and $6.2 million in other financing activities.

Net cash used in financing activities for the year ended December 31, 2015 consisted of $1.5 million in net payments from borrowings, a $3.8 million change in Sealed Air's investment and a $6.9 million change in cash used as collateral on borrowing arrangements.

Capital Expenditures. Capital expenditures were $17.7 million in the year ended December 31, 2016 and $37.1 million in the year ended December 31, 2015. Historic capital expenditures do not include expenditures on dosing and dispensing equipment. Capital expenditures on dosing and dispensing equipment in fiscal 2017 are expected to be $45.0 million.

Post-Transactions

Following the Transactions, our primary sources of liquidity from our business will continue to be cash flows from operations. We will have additional liquidity under the Revolving Credit Facility. We expect that our primary liquidity requirements will be for debt service, working capital and capital expenditures.

After the consummation of the Transactions, we will have a significant amount of indebtedness. As of March 31, 2017, on a pro forma basis after giving effect to the Transactions, we would have had approximately $2,357.0 million of aggregate principal amount of indebtedness outstanding and an additional $250.0 million of unused commitments available to be borrowed under our Revolving Credit Facility. No letters of credit are expected to be issued and outstanding under the Revolving Credit Facility as of the date of the consummation of the Transactions, but letters of credit, if issued, may be drawn after the closing date of the Transactions or, subject to certain limitations, on such closing date. Our liquidity requirements will be significant, primarily due to debt service requirements. On a pro forma basis after giving effect to the Transactions, our interest expense for the LTM Period would have been approximately $120.6 million and our pro forma cash interest expense would have been approximately $110.8 million for such period. See ''Unaudited Pro Forma Condensed Combined Financial Information''.

For a summary of the terms of the Senior Secured Credit Facilities, see ''Description of Certain Other Indebtedness''. For a summary of the terms of the notes, see ''Description of Notes''.

Following the completion of the Transactions, we intend to rely primarily upon cash funded onto our balance sheet as part of the Transactions together with cash generated from operations to fund our debt service requirements, capital expenditures and working capital and believe that these amounts will be sufficient to meet our liquidity needs for the foreseeable future. We generally expect to utilize our borrowing capacity under the Revolving Credit Facility in limited circumstances and in order to take advantage of strategic opportunities or initiatives. Our ability to fund these items and otherwise to reduce our indebtedness may be affected by general economic, financial, competitive, legislative and regulatory factors, and the cost of litigation claims, among other things.

We believe that our current financial position and financing plans will provide flexibility in financing activities and permit us to respond to changing conditions in credit markets. We cannot make assurances, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the Revolving Credit Facility in an amount sufficient to enable us to pay our indebtedness, including the notes, or to fund our other liquidity needs.

Contractual Obligations and Commercial Commitments

The following table reflects our contractual obligations as of March 31, 2017, on a pro forma basis after giving effect to the Transactions. Some of the figures we include in this table are based on management's estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties, and other factors. Because these estimates and assumptions are necessarily subjective, the obligations we will actually pay in future periods may vary from those reflected in the table:

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(U.S. dollars in millions)				
Long-term debt obligations acquired[1]	$ 3.0	$ 1.0	$ 1.0	$ 0.6	$ 0.4
Operating lease obligations[2]	55.8	17.2	22.4	10.6	5.6
Contractual obligations[3]	31.9	18.3	13.6	—	—
Long-term debt obligations (pro forma)[4]	2,357.0	13.4	35.5	35.5	2,272.6
Total[5]	$ 2447.7	$49.9	$72.5	$46.7	$2,278.6

(1) These amounts include principal maturities for capital lease obligations.

(2) Certain leases require us to pay real estate taxes, insurance, maintenance, and other operating expenses associated with the leased premises. These future costs are not included in the table above. The operating leases above reflect

Sealed Air's operating leases outside of the U.S. We expect to enter into replacement operating leases after the closing date of the Transactions as we continue to build our stand-alone organization outside the U.S.

(3) Other principal contractual obligations include agreements to purchase an estimated amount of goods, including raw materials, or services, including energy, in the normal course of business. These obligations are enforceable and legally binding and specify all significant terms, including fixed or minimum quantities to be purchased, minimum or variable price provisions and the approximate timing of the purchase. The amounts included in the table above represent estimates of the minimum amounts we are obligated to pay, or reasonably likely to pay under these agreements. We may purchase additional goods or services above the minimum requirements of these obligations and, as a result use additional cash.

(4) In connection with the Transactions, we expect to enter into the Senior Secured Credit Facilities and the notes offered hereby, which have pro forma balances as of March 31, 2017 related to (i) a new approximately $1,800 million Term Loan Facility consisting of (A) a $900.0 million U.S. dollar denominated tranche and (B) an €820.0 million euro-denominated tranche, or approximately $875.3 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017 and (ii) the notes offered hereby in an aggregate principal amount of €545.0 million, or approximately $581.7 million using an exchange rate of €1.00=$1.0674 as of March 31, 2017. The amounts reflected in the table above are the expected principal payments to be made under the Senior Secured Credit Facilities and the notes offered hereby. Using an exchange rate of $1.1000 (which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement), the aggregate principal amount of the euro-denominated tranche of the Term Loan Facility would be $902.0 million and the aggregate principal amount of the notes offered hereby would be $599.5 million.

(5) At March 31, 2017, we had liabilities for unrecognized tax benefits and related interest and penalties of $54.1 million, most of which is included in other liabilities and the remaining balance is included as a reduction to deferred tax assets on our consolidated balance sheet. At March 31, 2017, we cannot reasonably estimate the future period or periods of cash settlement of these liabilities. See Note 13, ''Income Taxes'', of the notes to our combined financial statements included elsewhere in this offering circular for further discussion. In addition, obligations related to defined benefit pension plans and other post-employment benefit plans have been excluded from the table above. Due to factors such as the retirement of employees, it is not reasonably possible to estimate when these obligations will become due.

Off-Balance Sheet Arrangements

We have reviewed our off-balance sheet arrangements and have determined that none of those arrangements has a material current effect or is reasonably likely to have a material future effect on our consolidated financial statements, liquidity, capital expenditures or capital resources.

Guarantees and Indemnification Obligations

We are a party to many contracts containing guarantees and indemnification obligations. These contracts primarily consist of:

- product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products will conform to specifications. We generally do not establish a liability for product warranty based on a percentage of sales or other formula. We accrue a product warrant liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and annual expense related to product warranties are immaterial to our condensed combined balance sheet or statement of operations; and
- licenses of intellectual property by us to third parties in which we have agreed to indemnify the licensee against third party infringement claims.

Inflation

We believe inflation has not had a material effect on our financial condition or results of operations in recent years.

Critical Accounting Policies

Our discussion and analysis of our combined financial condition and results of operations are based on our combined financial statements, which are prepared in accordance with GAAP. The preparation of our financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities.

Our estimates and assumptions are evaluated on an ongoing basis and are based on all available evidence, including historical experience and other factors believed to be reasonable under the circumstances. To derive these estimates and assumptions, management draws from those available sources that can best contribute to its efforts. These sources include our officers and other employees, outside consultants and legal counsel, third-party experts and actuaries. In addition, we use internally generated reports and statistics, such as aging of trade receivables, as well as outside sources such as government statistics, industry reports and third party research studies. The results of these estimates and assumptions may form the basis of the carrying value of assets and liabilities and may not be readily apparent from other sources. Actual results may differ from estimates under conditions and circumstances different from those assumed, and any such differences may be material to our combined financial statements.

We believe the following accounting policies are critical to understanding our combined results of operations and affect the more significant judgments and estimates used in the preparation of our combined financial statements. The critical accounting policies discussed below should be read together with our significant accounting policies set forth in Note 2, ''Summary of Significant Accounting Policies and Recently Issued Accounting Standards'' of the notes to our combined financial statements included elsewhere in this offering circular.

Financial Instruments

We may use financial instruments, such as cross-currency swaps, interest rate swaps, caps and collars, U.S. treasury lock agreements and foreign currency exchange forward contracts and options relating to our borrowing and trade activities. We may use these financial instruments from time to time to manage our exposure to fluctuations in interest rates and foreign currency exchange rates. We do not purchase, hold or sell derivative financial instruments for trading purposes. We face credit risk if the counterparties to these transactions are unable to perform their obligations. Our policy is to have counterparties to these contracts that are rated at least BBB− by S&P and Baa3 by Moody's.

We report derivative instruments at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes. Before entering into any derivative transaction, we identify our specific financial risk, the appropriate hedging instrument to use to reduce this risk, and the correlation between the financial risk and the hedging instrument. We use forecasts and historical data as the basis for determining the anticipated values of the transactions to be hedged. We do not enter into derivative transactions that do not have a high correlation between the transaction risks and the hedging instruments.

We account for derivative instruments as hedges of the related underlying risks if we designate these derivative instruments as hedges and the derivative instruments are effective as hedges of recognized assets or liabilities, forecasted transactions, unrecognized firm commitments or forecasted intercompany transactions. We record gains and losses on derivatives qualifying as cash flow hedges in other comprehensive loss, to the extent that hedges are effective and until the underlying transactions are recognized on the combined statements of operations, at which time we recognize the gains and losses on the combined statements of operations.

Generally, our practice is to terminate derivative transactions if the underlying asset or liability matures or is old or terminated or if we determine the underlying forecasted transaction is no longer probable of occurring. Any deferred gains or losses associated with the derivative instrument are recognized on the combined statements of operations over the period in which the income or expense on the underlying hedged transaction is recognized. See our combined financial statements and the related notes thereto included elsewhere in this offering circular for further details.

Fair Value Measurements of Financial Instruments

In determining the fair value of financial instruments, we utilize various techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and consider counterparty credit risk in our assessment of fair value. We determine fair value for our financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- *Level 1 Inputs*: Unadjusted quoted prices in active markets for identical assets or liabilities to the reporting entity at the measurement date.
- *Level 2 Inputs*: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- *Level 3 Inputs*: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Our fair value measurements in our financial instruments are subjective and involve uncertainties and matters of significant judgment. Changes in assumptions could significantly affect our estimates. See Note 11 of our combined financial statements included elsewhere in this offering circular for further details on our fair value measurements.

Share-Based Incentive Compensation

We record share-based compensation awards exchanged for employee services at fair value on the date of grant and record the expense for these awards in cost of sales and in selling, general and administrative expense, as applicable, on our combined statements of operations over the requisite employee service period. Share-based incentive compensation expense includes an estimate for forfeitures and anticipated achievement levels and is generally recognized over the expected term of the award on a straight-line basis. We accelerate expense using a graded vesting schedule for employees who meet retirement eligibility requirements prior to the end of the award's service period. For performance-based awards, we reassess at each reporting date whether achievement of the performance condition is probable and accrues compensation expense if and when the achievement of the performance condition is probable. For market-based awards, the fair value of the award is determined at the grant date and is recognized at 100% over the performance period regardless of actual market condition performance.

Income Taxes

Our taxable income was historically included in the U.S. federal and certain state income tax returns of Sealed Air. In our combined financial statements included elsewhere in this offering circular, our provision for income taxes is computed following the separate return method. On a consolidated basis, Sealed Air has significant tax attributes such as foreign tax credit carryovers and net operating loss carryovers in various jurisdictions and around the world. Because Diversey is part of the same Sealed Air legal entities that generated many of these tax attributes, Sealed Air has allocated certain of these attributes to Diversey. We have recorded a tax benefit for these attributes in a separate return tax provision. These attributes may not be transferred to newly-created legal entities in an asset sale transaction or other disposition transactions.

Estimates and judgements are required in the calculation of tax liabilities and in the determination of the recoverability of our deferred tax assets. In assessing the need for a valuation allowance, we estimate future taxable earnings, with consideration for the feasibility of ongoing planning strategies and the realizability of tax benefit carry forwards and past operating results, to determine which deferred tax assets are more likely than not to be realized in the future. Changes to tax laws, statutory tax rates and future taxable earnings can have an impact on valuation allowances related to deferred tax assets. In the event that actual results differ from these estimates in future periods, we may need to adjust the valuation allowance, which could have a material impact on our consolidated financial position and results of operations.

In calculating our worldwide provision for income taxes, we also evaluate our tax positions for years where the statutes of limitations have not expired. Based on this review, we may establish reserves for additional taxes and interest that could be assessed upon examination by relevant tax authorities. We adjust these reserves to take into account changing facts and circumstances, including the results of tax audits and changes in tax law. If the payment of additional taxes and interest ultimately proves unnecessary or less than the amount of the reserve, the reversal of the reserves would result in tax benefits being recognized in the period in which we determine the reserves are no longer necessary. If an estimate of tax reserves proves to be less than the ultimate assessment, a further charge to income tax provision would result. These adjustments to reserves and related expenses could materially affect our consolidated financial position and results of operations.

We recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. Tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon the ultimate settlement. We evaluate such likelihood based on relevant facts and tax law.

See our combined financial statements and the related notes thereto included elsewhere in this offering circular for further discussion.

Impairment of Long-Lived Assets

For definite-lived intangible assets, such as customer relationships, contracts, intellectual property, and for other long-lived assets, such as property and equipment, whenever impairment indicators are present, we perform a review for impairment. We calculate the undiscounted value of the projected cash flows associated with the asset, or asset group, and compare this estimated amount to the carrying amount. If the carrying amount is found to be greater, we record an impairment loss of the excess of book value over the fair value. In addition, in all cases of an impairment review, we re-evaluate the remaining useful lives of the assets and modify them, as appropriate.

For indefinite-lived intangible assets, such as trademarks and trade names, each year and whenever impairment indicators are present, we determine the fair value of the asset and record an impairment loss for the excess of book value over the fair value, if any. In addition, in all cases of an impairment review we re-evaluate whether continuing to characterize the asset as indefinite-lived is appropriate. See our combined financial statements and the related notes thereto included elsewhere in this offering circular for additional details.

Goodwill

Goodwill is reviewed for possible impairment at least annually on a reporting unit level during the fourth quarter of each year, using a measurement date of October 1st. A review of goodwill may be initiated before or after conducting the annual analysis if events or changes in circumstances indicate the carrying value of goodwill may no longer be recoverable.

We are permitted to conduct a qualitative assessment to determine whether it is necessary to perform a two-step quantitative goodwill impairment test for our annual goodwill impairment test in the fourth quarter of 2016 and 2015. As such, we performed a qualitative test for all of our reporting units that have goodwill allocated and determined that the two-step goodwill impairment test is not necessary for the years ending December 31, 2016 and 2015 for any of our regional reporting units. If the qualitative factors had indicated that it was more likely than not that the fair value of the reporting units was less than its carrying amount, we would have tested goodwill for impairment at the reporting unit level using a quantitative two-step approach.

The quantitative goodwill impairment test involves a two-step process. In step one, we compare the fair value of each of our reporting units with goodwill to its carrying value, including the goodwill allocated to the reporting unit. If the fair value of the reporting unit exceeds its carrying value, there is no indication of impairment and no further testing is required. If the fair value of the reporting unit is less than the carrying value, we must perform step two of the impairment test to measure the amount of impairment loss, if any. In step two, the reporting unit's fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the reporting unit were being acquired in a business combination. If the implied fair value of the reporting unit's goodwill is less than the carrying value, the difference is recorded as an impairment loss.

Self-Insurance

The obligations for specified claims and losses related to property, casualty, workers' compensation and employee benefit claims have been allocated to us from Sealed Air based on headcount. We accrue for outstanding reported claims and claims that have been incurred but not reported based upon management's estimates of the aggregate liability for retained losses using historical experience, insurance companies' assumptions regarding economic conditions, the frequency and severity of claims and claim development patterns and settlement practices. These estimates and assumptions are monitored and evaluated on a periodic basis by management and are adjusted when warranted by changing circumstances. Although management believes it has the ability to adequately project and record estimated claim payments, actual results could differ significantly from the recorded liabilities.

Pensions

For a number of our U.S. and international employees, we maintain defined benefit pension plans. Under current accounting standards, we are required to make assumptions regarding the valuation of projected benefit obligations and the performance of plan assets for our defined benefit pension plans.

The projected benefit obligation and the net periodic benefit cost are based on third-party actuarial assumptions and estimates that are reviewed and approved by management on a plan-by-plan basis each fiscal year. The principal assumptions concern the discount rate used to measure future obligations, the expected future rate of return on plan assets and the expected rate of future compensation increases. We revise these assumptions based on an annual evaluation of long-term trends and market conditions that may have an impact on the cost of providing retirement benefits.

In determining the discount rate, we utilize market conditions and other data sources management considers reasonable based upon the profile of the remaining service life of eligible employees. The expected long-term rate of return on plan assets is determined by taking into consideration the weighted-average expected return on our asset allocation, asset return data, historical return data, and the economic environment. We believe these considerations provide the basis for reasonable assumptions of the expected long-term rate of return on plan assets. The rate of compensation increase is based on our long-term plans for such increases. The measurement date used to determine benefit obligations and plan assets is December 31 for all material plans (November 30 for non-material plans).

At December 31, 2016, the total projected benefit obligation for our U.S. pension plans was $133.8 million, and the total benefit expense (income) for the year ended December 31, 2016 was ($1.2) million. At December 31, 2016, the total projected benefit obligation for our international pension plans was $822.7 million, and the total benefit cost for the year ended December 31, 2016 was $3.7 million.

In general, material changes to the principal assumptions could have a material impact on the costs and liabilities recognized on our combined financial statements.

See our combined financial statements and the related notes thereto included elsewhere in this offering circular for information about our benefit plans. See ''Unaudited Pro Forma Condensed Combined Financial Information'' for adjustments relating to pensions as we will not assume all of the pension liabilities once the Transactions are closed.

New Accounting Pronouncements

The following recent accounting pronouncements have been issued but are not yet effective, and as such, will be applied in future periods. We have not yet determined the effect that any of the accounting pronouncements will have on our results of operations, statement of financial position, or financial statement disclosures.

- In January 2017, the FASB issued ASU 2017-04, Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment (''ASU 2017-04''). ASU 2017-04 eliminates step 2 as part of the goodwill impairment test. The amount of the impairment charge to be recognized would now be the amount by which the carrying value exceeds the reporting unit's fair value. The loss to be recognized cannot exceed the amount of goodwill allocated to that reporting unit. The amendments in ASU 2017-04 are effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim and annual goodwill impairment tests performed on testing dates after January 1, 2017.
- In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business (''ASU 2017-01''). ASU 2017-01 provides a screen to determine when a set is not a business. This screen states that when substantially all of the fair value of the group assets acquired (or disposed of) is concentrated in a single identifiable asset or group of similar identifiable assets, the set is not a business. The amendments in ASU 2017-01 are effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early application is permitted for transactions for which the acquisition date occurs before the issuance date or effective date

of the amendments, only when the transaction has not been reported in financial statements that have been issued.

- In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (''ASU 2016-18''). ASU 2016-18 requires that entities include restricted cash and restricted cash equivalents with cash and cash equivalents in the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU 2016-18 are effective for fiscal years beginning after December 15, 2017, including interim reporting periods within those fiscal years. Early adoption, including adoption in interim periods, is permitted for all entities. Retrospective transition method is to be applied to each period presented.
- In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory (''ASU 2016-16''). ASU 2016-16 requires entities to recognize income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in ASU 2016-16 are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements have not been issued or made available for issuance.
- In August 2015, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230) — Classification of Certain Cash Receipts and Cash Payments (''ASU 2016-15''). ASU 2016-15 provides guidance on eight specific cash flow issues in regard to how cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in ASU 2016-15 are effective for fiscal years beginning after December 15, 2017, including interim periods within those years, with early adoption permitted.
- In June 2016, the FASB issued ASU 2016-13, Financial Instruments — Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments (''ASU 2016-13''). ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, and reasonable and supportable forecasts. Entities will now use forward-looking information to better form their credit loss estimates. ASU 2016-13 also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. ASU 2016-13 is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal periods. Entities may adopt earlier as of the fiscal year beginning after December 15, 2018, including interim periods within those fiscal years.
- In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (''ASU 2016-02''). ASU 2016-02 requires an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. Similar modifications have been made to lessor accounting in-line with revenue recognition guidance. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The updated guidance requires a modified retrospective adoption.
- In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), (''ASU 2014-09'') and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016 and May 2016 within ASU 2015-04, ASU 2016-08,

ASU 2016-10 and ASU 2016-12, respectively (ASU 2014-09, ASU 2015-04, ASU 2016-08, ASU 2016-10 and ASU 2016-12 collectively, Topic 606). Previous revenue recognition guidance in GAAP comprised broad revenue recognition concepts together with numerous revenue requirements for particular industries or transactions, which sometimes resulted in different accounting for economically similar transactions. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, ASU 2014-09 expands and enhances disclosure requirements which require disclosing sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This includes both qualitative and quantitative information. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, (''ASU 2015-14''). The amendments in ASU 2015-14 delay the effective date of ASU 2014-09 by one year to annual reporting periods beginning after December 15, 2018 for entities other than public business entities, certain not-for-profit entities, and certain employee benefit plans.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk associated with changes in interest rates. Historically, we were subject to interest rate risk associated with the delayed draw tranche of Sealed Air's Term Loan A facility. Following the consummation of the Transactions, we will be subject to interest rate risk associated with our Senior Secured Credit Facilities. We currently do not intend to hedge borrowings under our Senior Secured Credit Facilities in the near term but we are continuing to evaluate various hedging strategies that we may put in place in the future with respect to interest rate risk. While changes in interest rates do not affect the fair value of our variable-interest rate debt, they do affect future earnings and cash flows. For more information with respect to our Senior Secured Credit Facilities, see ''Description of Certain Other Indebtedness''.

Following the Transactions, we will have €545.0 million of fixed rate debt as a result of the issuance of the notes offered hereby. For fixed rate debt, interest rate changes affect the fair market value of such debt but do not impact earnings or cash flows.

Foreign Currency Risk

We conduct operations in many countries around the world. Our results of operations are subject to both currency transaction risk and currency translation risk. We incur currency transaction risk when we enter into either a purchase or sale transaction using a currency other than our functional currency, which is the U.S. dollar. With respect to currency translation risk, our financial condition and results of operations are measured and recorded in the relevant domestic currency and then translated into U.S. dollars for inclusion in our combined financial statements. Exchange rates between these currencies and U.S. dollars have fluctuated significantly over the last few years and may do so in the future. A substantial portion of our revenue and costs are denominated in or effectively fluctuate with U.S. dollars, and we also have significant revenue and costs in euros, Canadian dollars, British pounds and other currencies.

Approximately 80% of our net sales for the year ended December 31, 2016 were associated with operations in jurisdictions that have a currency other than the U.S. dollar.

Foreign Currency Forward Contracts

Our subsidiaries have foreign currency exchange exposure from buying and selling in currencies other than their functional currencies. We use foreign currency forward contracts to fix the amounts payable or receivable on some transactions denominated in foreign currencies. Our foreign currency forward contracts are described in Note 11, ''Derivatives and Hedging Activities'', which is contained in the notes to our combined financial statements included elsewhere in this offering circular.

In connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (i) the euro-denominated tranche of the Term Loan Facility and (ii) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement.

Interest Rate and Currency Swap

In 2014, in connection with exercising the $100 million delayed draw under Sealed Air's senior secured credit facility, we entered into a series of interest rate and currency swaps in a notional amount of $100 million. On September 30, 2016, the first $20 million swap contract matured and was settled. As a result of the settlement, we received $4.9 million. These swaps convert the U.S. dollar denominated variable rate obligation under Sealed Air's senior secured credit facility into a fixed Brazilian Real-denominated obligation. The delayed draw and the interest rate and currency swaps were used to fund expansion and general corporate purposes of our Brazilian subsidiaries.

Net Investment Hedge

During the second quarter of 2015, we entered into a series of foreign currency exchange forwards totaling €270 million. These foreign currency exchange forwards hedged a portion of the net investment in a certain European subsidiary against fluctuations in foreign exchange rates and expired in June 2015. The loss of $3.5 million ($2.2 million after tax) is recorded in accumulated other comprehensive income on our combined balance sheet.

In March 2015, we entered into a series of cross-currency swaps with a combined notional amount of $425 million, hedging a portion of the net investment in a certain European subsidiary against fluctuations in foreign exchange rates. The fair value of this hedge as of December 31, 2016 was $(5.3) million ($(3.3) million after tax) on our combined balance sheet.

For derivative instruments that are designated and qualify as hedges of net investments in foreign operations, settlements and changes in fair values of the derivative instruments are recognized in unrealized net gains or loss on derivative instruments for net investment hedge, a component of accumulated other comprehensive loss, net of taxes, to offset the changes in the values of the net investments being hedged. Any portion of the net investment hedge that is determined to be ineffective is recorded in other income, net on the combined statements of operations.

Other Derivative Instruments

We may use other derivative instruments from time to time to manage exposure to foreign exchange rates and to access international financing transactions. These instruments can potentially limit foreign exchange exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency.

Commodities

We use various commodity raw materials such as plastic resins and other chemicals and energy products such as electric power and natural gas in conjunction with our manufacturing processes. Generally, we acquire these components at market prices in the region in which they will be used and do not use financial instruments to hedge commodity prices. Moreover, we seek to maintain appropriate levels of commodity raw material inventories thus minimizing the expense and risks of carrying excess inventories. We do not typically purchase substantial quantities in advance of production requirements. As a result, we are exposed to market risks related to changes in commodity prices of these components.

BUSINESS

Company Overview

We are a leading global provider of high-performance cleaning, sanitation and hygiene products for the food safety and service, food and beverage plant operations, healthcare, floor care, housekeeping and room care, laundry and hand care markets. In addition, we offer a wide range of value-added services, including food safety and application training and consulting, as well as auditing of hygiene and water management. We serve institutional and industrial end-users such as food service providers, lodging establishments, food and beverage processing plants, building service contractors, building managers and property owners, retail outlets, schools and healthcare facilities globally. We trace our history back to 1886 and since then have predominantly operated within larger, diversified, product-driven manufacturing companies including Molson, Unilever, SCJ and most recently, Sealed Air. Although our cleaning products represent only a small portion of our customers' total cleaning costs, they are typically viewed as being non-discretionary given they can have a meaningful impact on the efficacy of cleaning solutions and operational costs.

Our fully integrated suite of solutions combine chemicals, dispensing equipment, cleaning machines, services and digital analysis across two distinct business product categories: Professional and Food & Beverage. Our Professional product category, which represented approximately 76% of net sales for the year ended December 31, 2016, develops and delivers integrated solutions comprised of chemicals, floor care machines, cleaning tools and utensils, and digitally enabled systems for the institutional and janitorial markets. Our Food & Beverage product category, which represented approximately 24% of net sales for the year ended December 31, 2016, develops and delivers solutions integrating chemicals, design engineering, cleaning protocols and equipment, remote data monitoring and predictive analytics for food and beverage manufacturers.

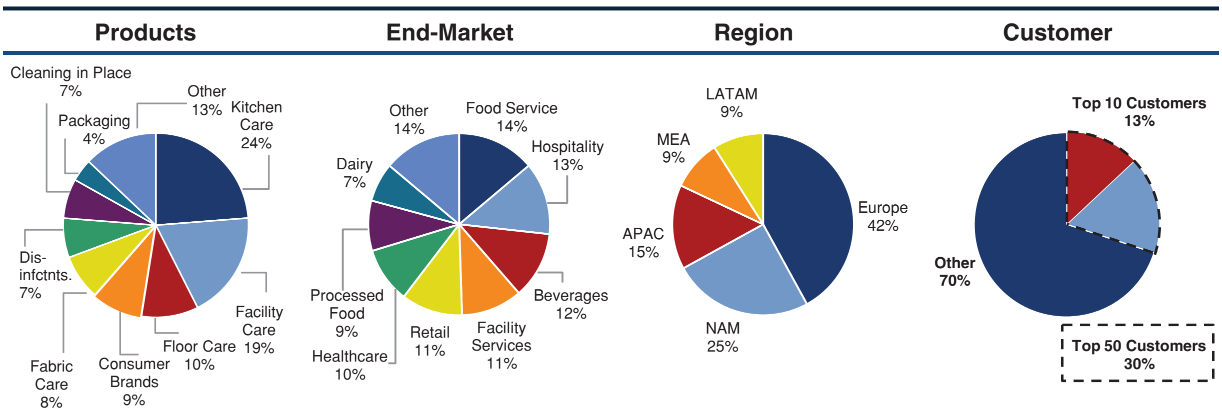
We are highly diversified across products and services, end-markets and geographies. Our global operations have broad exposure and a significant presence throughout Europe, North America, APAC, MEA and Latin America LATAM. We have little reliance on any individual country. We serve more than 85,000 customers across in excess of 260,000 sites globally. Our extensive portfolio breadth reduces our exposure to any one solution, with no individual product or service representing more than 0.9% of total sales for the year ended December 31, 2016. We are further diversified across stable end-markets, including food service, hospitality, beverages, building services and healthcare, among others, with no individual end-market accounting for more than 14% of total sales for the year ended December 31, 2016. We believe this high degree of diversification with low customer concentration has generated revenue stability for us.

We believe that we are differentiated from our competitors by our global footprint that reaches a diverse customer base, as well as by the integrated high-touch service and end-to-end solutions we provide, our customized chemical formulations and our extensive suite of dosing and dispensing equipment. We believe our products improve customers' operational efficiency and their cleaning, sanitizing and hygiene results, which has led to deeper customer relationships. Working in a highly fragmented industry, we have a balance of direct selling capabilities and a global and regional distribution network that reaches thousands of end-use customers. We have invested in research that helps us understand our customers' business needs, which we believe positions us as an innovator and strong collaborative partner and enables us to deepen our customer relationships and drive growth.

We are headquartered in Charlotte, North Carolina, operate 16 chemical facilities on a global basis and two equipment plants, and have a global customer facing team of approximately 6,000 employees including sales, marketing and technical service representatives along with approximately 500 customer service representatives. For the LTM Period on a pro forma basis after giving effect to the Transactions, we generated $2,565.0 million in net sales and $387.1 million in Further Adjusted EBITDA. See ''Summary—Summary Historical and Pro Forma Financial Data'' for a definition of Further Adjusted EBITDA and a reconciliation of our pro forma net income (loss) to Further Adjusted EBITDA.

The following charts set forth our net sales by product, end-market, region and customer concentration category for the year ended December 31, 2016.

2016 Net Sales Breakdown



(1) Sales breakdown by end-market excludes distributor sales with multiple end-markets, which comprised 32% of our net sales for the year ended December 31, 2016.

Professional

Our Professional product category offers floor and building care chemicals, floor care machines, cleaning tools, dosing and dispensing equipment, kitchen and mechanical washing solutions, infection prevention and personal care, fabric care, odor control, carpet care and restroom care. Our sustainable cleaning and hygiene solutions drive labor productivity, infection prevention, food safety and enhance the customer experience. In addition to sales of chemicals and equipment, we offer a range of solutions including engineering, consulting and training services yielding higher productivity, risk management, data provided through its digital solutions and sustainability benefits to customers across a wide range of end-markets. Many of the products we offer in this product category are consumable in nature and require periodic replacement, generating recurring revenue which we believe provides stability to our business.

We are a global leader in our Professional product category. Based on 2016 net sales, we believe we held the #1 market position in the Europe, MEA, LATAM and APAC regions and the #2 market position in North America. Our broad footprint, global presence and scale enable us to consistently serve large global customers with added local insight and regional support to provide a tailored solution and enhanced high-touch, value-added service offering. Our Professional product category is focused on serving five primary institutional and industrial sectors globally: food service, hospitality, facility service, food retail, and healthcare. Key representative customers include ISS, Aramark, ABM, Sodexo, McDonalds, Walmart and Hilton.

Our extensive suite of cleaning products for the food service market includes chemicals for washing dishes, utensils and kitchen equipment, food handling and storage products. Our broad range of floor care products and systems include finishes, waxes and cleaners for all types of flooring surfaces, including vinyl, granite, concrete, marble and wood. Our floor care products also include carpet cleaning and floor care machines, utensils and tools, which support floor cleaning and maintenance process. We also offer a fully integrated line of products and dispensing systems for hard surface cleaning, disinfecting and sanitizing, handwashing, air deodorizing and freshening and laundry care. Additionally, we provide technical assistance for efficacious application of these chemicals and installation of our equipment at the customers' sites increasing our stickiness with the customers and thereby providing stability to our revenue base.

We also operate a Consumer Brands business within the Professional product category which accounted for approximately $250.0 million of our 2016 net sales. This business distributes a broad range of trusted consumer-branded cleaning and hygiene products such as DOVE Skin and Body and OMO detergent to professional market customers such as hotels and professional laundries, among others. As a partner for FMCG companies, including a longstanding strategic partnership with Unilever, we help create unique FMCG brand experiences for customers in the non-residential markets (''out-of-home''). Our focus on creating long-term consumer brand partnerships continues as evidenced by our newly established agreements with Nakoma and Spectrum.

Our Professional product category accounted for $1,964.1 million, or approximately 76%, of our net sales for the year ended December 31, 2016. Our gross margin in the Professional product category for the year ended December 31, 2016 was 44.8%.

Food & Beverage

Our Food & Beverage product category provides CIP and open plant systems that integrate cleaning chemicals, lubricants, floor care equipment and cleaning and dispensing tools within the food and beverage end-market. We offer value-added knowledge-driven engineering and project design solutions and installations including automated equipment for dosing and distributing cleaning and sanitation solutions. Our hygiene and engineering solutions are designed to improve productivity and food safety as well as generate water and energy savings for our customers. To ensure proper implementation, we employ highly sophisticated technical application experts to help customers achieve production efficiencies. Although cleaning chemicals represent a small portion of total overall costs, they can have a high cost of failure due to their significant impact on both the efficacy of cleaning solutions and operational costs. We believe our customized product offerings enhance customer retention through mutual investment in infrastructure and solutions.

We are also a global leader in our Food & Beverage product category. Based on 2016 net sales, we believe we held the #1 position in MEA, #2 in Europe, APAC and LATAM and #3 in North America. Our global scale enables us to consistently serve large multi-national customers with added local insights and regional support to ensure a tailored, high-quality solution across customer sites. Our Food & Beverage product category is focused on serving four key sectors globally: food processing, beverage companies, dairy, and other food and beverage establishments. Key representative customers of the Food & Beverage product category include Coke, Ab InBev, Cargill, Diageo, Pepsi, Nestle, Danone, Kraft, Heinz, Heineken and Unilever.

Our extensive suite of products and services includes detergents, cleaners, sanitizers and lubricants, as well as cleaning systems, electronic dispensers and chemical injectors for the application of chemical products and improvement of operational efficiency. Through this platform, we also offer gel and foam products for manual open plant cleaning, acid and alkaline cleaners and membrane cleaning products. In addition, we provide consulting services in the areas of food safety, water and energy use reduction and quality management. Through our data monitoring and predictive analytics capabilities, we also help customers maximize efficiency of operations as well as their profitability.

Our Food & Beverage product category accounted for $604.7 million, or approximately 24%, of our net sales for the year ended December 31, 2016. Our gross margin in the Food & Beverage product category for the year ended December 31, 2016 was 39.7%.

Our Operations and Sales Model

We manufacture a diverse portfolio of finished goods utilizing a combination of internal manufacturing sites and strategic contract manufacturing. Our internal manufacturing global footprint consists of five factories in North America, six factories in Europe, two factories in MEA, three factories in LATAM and two factories in APAC, which provide a strong base of owned asset production facilities in established geographies and key emerging markets.

Our manufacturing strategy, which combines both internal and external manufacturing, enables a flexible and geographically effective supply chain network for our chemical finished goods and equipment. Contract manufacturing complements our internal manufacturing capability and supports our existing offerings as well as innovations and new product launches, while limiting capital investment. We contract with approximately 25 large strategic contract manufacturers which we believe augments our global supply chain network with additional geographic coverage and production capabilities. In developed markets, strategic contract manufacturers are used to leverage variable capacity or for unique production capabilities. In emerging markets, contract manufacturers provide strategic capacity where we do not yet have critical mass. In addition, we use approximately 200 third-party manufacturers for sourcing highly unique or specialty products included in our product portfolio. Our primary raw material inputs include caustic soda, solvents, waxes, phosphates, surfactants, polymers and resins, chelates and fragrances. We also source packaging components and equipment and accessories. Our packaging purchases include bag-in-the-box containers, bottles, corrugated boxes, drums, pails, totes, aerosol cans, caps, triggers and valves. Our equipment and accessories purchases include dilution control, ware washing and laundry equipment, floor care machines, air care dispensers, floor care applicators, mops, microfiber, buckets, carts and other items used in facility maintenance. Where contract manufacturing is used, the production processes mirror those of our internal manufacturing plants to ensure quality control. We believe all components related to raw materials, equipment and accessories are readily available from multiple sources and to the extent possible, we offset higher costs of materials through pricing increases.

We have long-term relationships with an extensive network of suppliers. Supplier contracts are typically multiyear, with set pricing and renewal features built in and flexibility to adjust prices on the basis of underlying fluctuation in raw material costs. The majority of our critical raw material inputs are common to the industry and produced in all regions by multiple large, global suppliers, ensuring attractive input prices.

We reach customers via a combination of direct sales channels (which represented approximately 76% of our net sales for the year ended December 31, 2016, including ''ship-through'' sales, which involve a distributor-facilitated fulfillment where the customer relationship is managed by Diversey and not the distributor) and distribution channels (which represented 24% of sales for the year ended December 31, 2016). We employ a balanced marketing strategy with a strong, global direct sales force as well as a broad network of third-party distributors in key locations, whereas many of our competitors sell solely or primarily through third-party distributors. We believe that this hybrid strategy provides us with access to an extensive range of customers, while facilitating optimized operations in a cost-effective manner. We employ a structure of dedicated professionals managing strategic accounts to build long-term customer relationships. Our manufacturing network is supported by a global customer facing team of approximately 6,000 employees including sales, marketing and technical service representatives along with approximately 500 customer service representatives. Our in-house sales force directly manages relationships with our large global and regional customers while our third-party distributor partners enable us to reach end-users for which would not be profitable for us to serve directly. We have invested in extensive training for our direct sales force and the management of our distributor network, and we support our sales force with a deep bench of training and technical service representatives.

Our global strategic accounts help differentiate us from our competitors and are a source of significant profitability and growth through increased customer penetration and new customer wins. They help us build long-term contractual relationships, set standards of cleaning and hygiene, facilitate adoption of industry best practices, and provide a platform for local growth. We have 59 global strategic account contracts in place (which represented approximately 20% of our net sales for the year ended December 31, 2016) and a robust pipeline of strategic accounts with projects under implementation and opportunities to win substantial incremental sales. Sales growth among our top 50 customers (based on 2015 net sales, excluding distribution) from January 1, 2015 through December 31, 2016 outpaced sales growth across the entire company over the same period.

Customer Overview

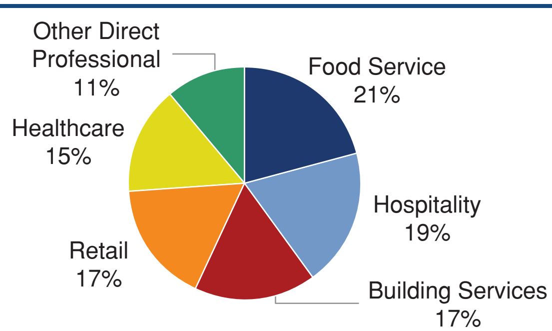
Our Professional and Food & Beverage product categories serve customers across a wide variety of stable and growing end-markets. Approximately three-quarters of our customer relationships exceed 15 years in length. We have minimal concentration and high customer diversity as our largest customer accounted for less than 3% of our net sales for the year ended December 31, 2016, while our top 10 and 50 customers represented only 13% and 30% of our net sales over the same period, respectively. Our highly fragmented customer base adds to stability of our orders and revenue streams as activity across different customer groups is very diverse and independent of activity among other customer categories. Some of our key customers include ISS, ABM, Aramark, Heineken, Hilton, McDonalds, Nestle, Sodexo, Target and Walmart.

Our end-users span a wide range of business sectors, including food service, lodging, retail, healthcare, building managers/service contractors, food and beverage, cash and carry establishments, government institutions, industrial plants and on-premises laundry.

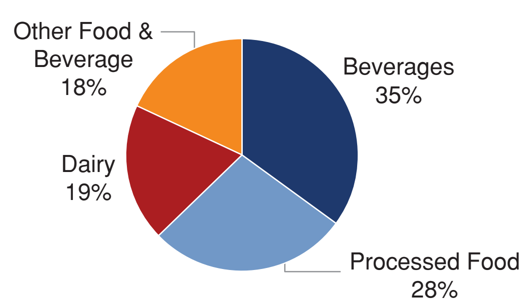
The following charts set forth, for each of our product categories, the end-markets served as a percentage of net sales for the year ended December 31, 2016.

End-Markets Served

Professional Product Category



Food & Beverage Product Category



Our products and systems are sold to global customers through company-trained sales and service personnel, who also advise and assist customers in the proper and efficient use of products and systems in order to meet a full range of cleaning, sanitation and hygiene needs. Our larger customers are served through a combination of direct sales and service, with either direct or ship through logistics, while our small independent customers are reached indirectly through a spectrum of distributors, wholesalers and cash and carry.

In addition to providing cleaning and hygiene products, our application expertise, deep industry process knowledge, and project engineering maximize product and operational efficiency, resulting in sticky customer relationships. Additionally, we provide customized solutions for customers which are integrated into customer sites, encouraging mutual investment in infrastructure and increasing customer loyalty.

Research and Development

We maintain significant R&D capabilities to ensure we continue to remain an innovator and technological leader. We develop new products, applications, services, and processes while providing technical assistance to improve our customers' operations. We are increasingly leveraging our digital capabilities in R&D, which we believe further differentiates us from our competitors. Our value proposition is rooted in the integration of our proprietary technologies with our customers' manufacturing and service delivery value chain. We have R&D and application support facilities in locations around the globe, including in North America, South America, Europe and Asia, to facilitate hands-on interaction with our customers.

Substantially all of our principal products have been sourced and/or developed through R&D endeavors by our in-house engineering personnel, and we maintain a robust pipeline of new product development projects, which are in various stages of discovery and development.

R&D expenses were $49.2 million for the year ended December 31, 2016.

Our Digital Innovation Capabilities

We maintain a portfolio of smart, connected, and data driven solutions that differentiate us from our peers and lay the foundation for substantial future growth. Diversey's digital innovation initiative, called the ''Internet of Clean'', uses the 'Internet of Things' and robotics to create differential value for its customers. This initiative intelligently connects facilities, equipment and people, thereby resulting in improved internal operations and more efficient service. This trend of digital integration supports improvements in customer productivity and labor savings via smart cleaning devices and services. We believe we offer an industry-leading suite of innovative digital products, which include:

Product	Description
IntelliDish	Remote monitoring system to optimize performance, productivity and resources in commercial dishwashing operations
IntelliTrail	A web-based GPS tracking solution which enables locating, monitoring and managing fleets of machines
Intellibot	Fully autonomous floor cleaning robots that drive safety, productivity and operational improvement
IntelliLinen	Reliable precision dosing of products, reporting and remote monitoring features that drive improvement in fabric care operations
IntelliCare	Remote maintenance and control of dispensers to optimize refilling, routing and stock replanning
IntelliConsult	Modular suite of food safety diagnostic tools and value-added digital services

Industry Overview

We estimate that the global market for traditional cleaning and hygiene products and related services generated annual industry-wide sales of approximately $32 billion for the year ended

December 31, 2016, of which professional comprises approximately $27 billion and food and beverage the remainder. These figures exclude sales and industry growth related to digital innovation/Internet of Clean and cleaning machines for the hygiene and cleaning industry. Our industry has demonstrated stable growth trends over time due to its broad end-market exposure, the consumable and recurring nature of its products and services, and secular demand driven by underlying end-market trends such as increased regulation and heightened public awareness of health, hygiene and infection risk.

We believe that we are one of the two largest global providers of institutional and industrial cleaning, sanitation and hygiene products and related services globally and in most of the regions in which we operate. Our industry is highly fragmented, and consists of several regional players which we believe have a more limited product offering than ours. Large, multi-national customers seek out our services given our scale, which is another competitive advantage, particularly relative to competitors with a regional focus.

Our leadership position in these highly fragmented markets gives us an opportunity to make accretive acquisitions, adding new technologies, end-market capabilities and sales and service assets to our global platform. We have completed several tuck-in acquisitions over the last few years and we continue to evaluate new opportunities in every geography.

	Professional Product Category(1)		Food & Beverage Product Category(1)	
Region	Market Position	Market Share	Market Position	Market Share
Europe	#1	10%	#2	19%
NAM	#2	6%	#3	5%
MEA	#1	5%	#1	11%
APAC	#1	4%	#2	6%
LATAM	#1	12%	#2	33%

(1) Our market shares by product category and by region are sourced from a leading consulting firm's research analysis (including Global Industry Analysts, IHS and market participants' published statements) and are based on 2016 net sales. Our market positions by product category and by region are estimated from this a leading consulting firm's research and analysis and management's estimates.

Industry Growth Drivers

We believe that the Professional and Food & Beverage product categories of the traditional cleaning and hygiene industry have demonstrated stable growth trends over time due to the growing importance of hygiene and cleanliness across our highly diversified end-markets and geographies. Governmental regulations for food safety and customer focus on hygiene and cleanliness have also increased significantly across the world. Climate change, water scarcity and environmental concerns have combined to create further demand for products, services and solutions designed to minimize waste and drive broader sustainability.

We believe that the principal end-markets in which we operate will continue to grow at attractive rates, supported by a number of key industry trends. The table below sets forth for each of the end-markets that we serve the percentage of our net sales for the year ended December 31, 2016 allocated to that end-market and the estimated growth rate of that end-market from 2016 to 2021.

Projected End-Market Growth

End-Market	Projected Market Growth from 2016 to 2021[(1)]
Healthcare	8%
Retail	6%
Facility Services	4%
Food Service / Hospitality	4%
Food & Beverage	3-4%
Other	3%

(1) Our projected market growth by end-market from 2016 to 2021 is sourced from a leading consulting firm's research and analysis, including Global Industry Analysts, IHS and market participants' published statements.

Industry trends like the high cost of absenteeism, increased hygiene standards, rising HAI costs, stringent food safety laws, high turnover in facilities management staff and increased automation and digitization represent key drivers that underpin these expected market growth rates. Specifically, we see six broad trends driving these growth rates:

- *Food Safety*: Combatting the rise and frequency of foodborne illnesses, particularly as the trend towards fast casual dining continues to grow.
- *Regulatory*: Changes in the regulatory environment continue to impact labeling and classification of chemicals.
- *Infection Prevention*: Continued high incidence of HAIs increases demand for continuous improvements in infection prevention and hand hygiene.
- *Sustainability*: Eco resource scarcity is increasingly a concern as the world becomes more populated and resource needs outpace resource supply. In addition, increased urbanization is driving greater awareness of resource conservation. This driver is particularly relevant across all of our Professional product category end-markets, where regulation increasingly requires sustainable solutions. In addition, our customers are becoming increasingly aware of ''green cleaning'', which uses cleaning methods and products with environmentally friendly ingredients, and procedures which are designed to preserve human health and environmental quality.
- *Fast Moving Consumer Goods Penetration*: Consumers look for products specifically designed to fit their own unique profiles, needs and lifestyles.
- *Innovation*: Shift toward the use of network-connected, physical devices embedded with electronic, software, sensors and actuators that collect and exchange data, which creates demand for our unique digitally-enabled solutions.

Although the industry is experiencing some shifting trends, we believe we are well positioned relative to our global competition. While customers pay for chemicals, we focus on the importance of providing a comprehensive solution, yielding high productivity, risk management and sustainability to our customers. We have become an entrenched part of our customers' value chain and continue to help them protect their brands and drive profitability.

Our Competitive Strengths

Global Leader in Large and Fragmented Market — We believe that we are one of the two largest global providers of institutional and industrial cleaning, sanitation and hygiene products and related services. We estimate the size of the market in which we operate to be approximately $32 billion, and that we hold a leading market position in each of the geographies that we serve. We believe our scale and strong market position around the world differentiate us from the numerous smaller local and regional competitors that make up a significant majority of the market, enabling us to not only provide end-to-end solutions for the diverse needs of our customers but also to consistently deliver our value-added products, services and solutions to global customers with multiple points of contact and ensure our quality and standards of service are met across all customer sites. Our scale and differentiated capabilities also allow us to invest in R&D aimed at creating next-generation products and services designed to meet the specific needs of our customers. We focus on designing solutions that deliver meaningful labor, energy and water savings, thereby reducing customers' operating costs while also supporting sustainability and minimizing environmental impact. We are increasingly leveraging our digital capabilities in the development of these products and services, which we believe further differentiates us from our competitors.

Highly Diversified Across Structurally Attractive End-Markets — We believe that our broad exposure to a variety of attractive and stable end-markets across the globe mitigate the potential volatility of cyclical downturns in specific industries or regions. We have historically focused on the more developed European and North American markets, but we are also expanding into higher growth, emerging markets that are experiencing a greater focus on cleaning and hygiene standards, thereby providing us an entry point into higher growth environments as compared to the more mature regions we have historically served. We focus on serving the non-industrial, non-energy end-markets such as food service, hospitality, beverages, building services and healthcare, which historically are less prone to volatile swings in performance during periods of macroeconomic weakness due to such end-markets having more consistent demand through economic cycles. We believe that this strategy helps mitigate the adverse effects of economic cycles on our business. In addition to providing this downside protection, we believe these end-markets will continue to grow at attractive rates in the future supported by a number of key industry trends that drive demand for Diversey's products and services.

Broad Portfolio of Product and Service Offerings — We believe we offer our customers the most extensive range of cleaning, sanitizing and hygiene products and services, many of which are consumable and must therefore be periodically replaced. While our products and services generally represent a small percentage of our customers' cost structure, our products and services are often viewed as critical to our customers' operations and brand protection, particularly in an environment of increasing regulation and scrutiny of, and concern over, food safety, hygiene and infection control. In addition, we offer our customers integrated solutions that consist of providing an on-going supply of customized cleaning chemistries, machines, tools and utensils, as well as providing installation, maintenance, training and technical support. We believe that these integrated offerings appeal to our customers because they promote higher productivity and generate operational savings.

Established Long-Term Relationships Across an Attractive Customer Base — The products and services we provide our customers are critical to meeting their cleaning and hygiene needs. Our customers include many of the largest, most established, and most well-known companies in their industries, including leading global building service contractors, hotel operators, food and beverage processors, retail and consumer products companies, educational institutions and healthcare facilities. Among our largest customers are beverage companies The Coca-Cola Company and Heineken, pharmaceutical retailer Walgreens and global facilities services providers ISS and Aramark.

While we service many of the largest companies in their respective sectors, our customer base is highly fragmented, with no single customer representing more than 3% of net sales for the year ended December 31, 2016, and our ten largest customers representing approximately 13% of net sales for the same period. In addition, we have been able to maintain long-term relationships with many of our top customers, promoting a stable and recurring revenue stream. Approximately three-quarters of our customer relationships exceed 15 years in length. Our consultative sales and service model often involves either installation of our technologies at customers' facilities or investments in training our customers' employees to effectively use our products and operate our cleaning systems. We believe that these investments make us a valuable and entrenched partner to our customers, providing meaningful incentives for long-term relationships and continued use of our products, services and solutions. This is evidenced by our consistently high rate of customer retention, which was on average 98% for our Professional product category, 96% for our Food & Beverage product category and 98% for our company as a whole, in each case, over the 2015 and 2016 fiscal years.

Strong, Resilient Financial Performance and Stable Free Cash Flow Characteristics — We have an attractive financial profile highlighted by our stable and diversified revenue streams, historical margin expansion and strong free cash flow generation. Our strong free cash flow generation, which we define as Adjusted EBITDA less capital expenditures, is attributable to attractive gross margins, a high degree of operational leverage across our selling, general and administrative expenses, and minimal capital expenditures. For the 2015 and 2016 fiscal years, we converted, on average, approximately 80% of Adjusted EBITDA into free cash flow. Our Adjusted EBITDA margin expanded approximately 120 basis points for the year ended December 31, 2016 as compared to the year ended December 31, 2015. During previous economic cycles, our diversified business model and flexible cost structure have allowed us to perform well in the cyclical down-turns in the end-markets we serve. Additionally, the Transactions have been structured in a tax-efficient manner and are expected to further optimize our required cash tax obligations, following their consummation. We believe that our business has the capability to support further growth while also taking advantage of operating leverage and the benefits of the cost rationalization initiatives described below, all of which we believe will allow us to continue to sustainably generate strong cash flow.

Experienced Management Team with Strong Sponsorship — We are led by a senior management team with significant industry, manufacturing and marketing experience which has implemented various initiatives that have contributed, and will continue to contribute, to our operational and financial performance. We will also benefit from the support and expertise of Bain Capital, which has extensive expertise in investments in industrial companies and carve-out transactions and has delivered attractive returns to its investors by driving operational improvements in its portfolio companies. Bain Capital has a successful track record of operating businesses through transformative periods and is committed to helping us continue to execute on our growth strategies, broaden our customer reach, continue to innovate and develop new products, and achieve the expected benefits from the cost rationalization initiatives we intend to undertake.

Our Business Strategy

Capitalize on Attractive Trends to Drive Growth — Governmental regulations for food safety and disease control and consumer focus on hygiene and cleanliness have both increased significantly across many of the jurisdictions in which we operate in recent years. Climate change, water scarcity and environmental concerns have combined to create further demand for products, services and solutions designed to minimize waste and support broader sustainability. In addition, many of our customers require tailored cleaning solutions that can assist in reducing labor, energy, water use and the costs related to cleaning, sanitation and hygiene activities. We help our customers realize efficiencies throughout the operation of their facilities by developing customized solutions. We are targeting high growth end-markets like healthcare through our registered disinfection portfolio based on AHP. Our AHP products are targeted for use in hospitals, nursing homes and other locations where virus outbreaks are most common. We believe that our value-added customer service approach and proven commitment to providing cost-savings and sustainable solutions position us well to address these and other critical demand drivers in order to drive revenue growth.

Leverage Our Global Scale to Serve National and Multinational Customers — As a global provider offering a full range of cleaning and hygiene products, services and solutions, we believe we can leverage our scale and expertise to meet our customers' increasingly complex needs and support them as they pursue expansion into new geographies. We believe that a significant percentage of the total customer base in our industry is served by smaller local and regional players, many of which we believe lack the breadth of capabilities and scale to compete effectively long-term in an industry driven by increasingly stringent regulatory and hygiene standards. We have a long and demonstrated track record of growth with large multinational customers, and we expect that our global scale will continue to attractively position us to win incremental business from these customers. Our enhanced focus on global strategic accounts helps differentiate us by building long-term relationships with global clients, syncing our offerings with client goals, setting industry standards of cleaning and hygiene and providing a platform for local growth.

Continued Focus on Commercial Excellence — We employ a balanced marketing strategy with a strong, global direct sales force complemented by a broad network of third-party distributors in key locations, whereas the majority of our competitors sell solely or primarily through third-party distributors. We believe that this hybrid strategy provides us with access to an extensive range of customers while allowing us to optimize our operations in a cost-effective manner. Our global strategic accounts have historically driven higher organic growth and we have improved sales force efficiency by redesigning our operating model and commercial organization. We believe there is further opportunity to optimize our commercial organization following our separation from Sealed Air. We believe there is meaningful long-term opportunity to continue improving our commercial organization to grow our business and solidify our customer relationships — for example, through integrating CRM systems and eliminating products or services that are not creating value for our customers.

Maintain Our Leadership Through Research and Development and Product Innovation — We intend to build on our portfolio of customized and value-added products, services and solutions to meet current and future demands of end-users. Under Sealed Air's ownership, we centralized our R&D functions, and we believe this reorganization has enhanced our responsiveness to customer needs and time-to-market in product development. Products we have developed, such as Oxivir formulations, Clax Xcellence and Advance, and Taski Swingo 2100 and XP, address our customers' requirements for more cost efficient and environmentally sensitive cleaning solutions and are important to our ability to maintain loyalty in our existing customer base as well as attract new customers. These innovations and their commercialization are the outgrowth of the insights we developed through in-depth attitudinal, behavioral and ethnographic customer research, through which we applied a new level of market analysis and capabilities to our business. We also continually evaluate acquisition opportunities to supplement, and further accelerate, our organically-derived innovation initiatives.

Cost Rationalization Initiatives — We plan to leverage the opportunity offered by the carve-out of Diversey from Sealed Air to improve our operations and generate substantial cost savings as a standalone company. As an independent, service-oriented company, we intend to enhance and simplify our business processes, rationalize our cost base and focus on initiatives to drive growth and improve financial performance. These initiatives can be grouped into four major categories: (1) reducing back-office costs, (2) improving our procurement strategy, (3) enhancing the efficiency of our manufacturing and supply chain networks, and (4) continuing our focus on improving commercial excellence and sales force productivity. The levers available to us to implement these initiatives are numerous and include reducing headcount in non-customer facing areas of our business, consolidating expenditures across our highly fragmented supplier base as well as rationalizing our manufacturing facility footprint to enhance overall utilization and performance. Under Sealed Air's ownership, we lacked control over certain critical business functions, which limited our ability to optimize many of these factors to suit our standalone business needs.

We have included in our Further Adjusted EBITDA an estimated approximately $55 million of benefit from the completion of such initiatives, comprised of $30 million of back office savings related to headcount rationalization to be implemented in early 2018 and $25 million of chemicals, equipment and packaging procurement savings to be implemented by the end of 2018. We expect that there will be additional opportunities to achieve further cost savings through these initiatives as well as by optimizing our manufacturing and supply chain networks and focusing on productivity and commercial excellence.

Manufacturing

We manufacture a diverse portfolio of finished goods utilizing a combination of both internal manufacturing sites and strategic contract manufacturing. We maintain a global manufacturing network, operating 16 chemical facilities on a global basis and two equipment plants, which provides a strong base of owned asset production in established geographies and key emerging markets. Our manufacturing network is supported by a global customer facing team of approximately 6,000 employees, including sales, marketing and technical service representatives along with approximately 500 customer service representatives.

Contract manufacturing complements our internal manufacturing and supports our diverse set of offerings as well as new product launches and innovations while limiting capital investment. Twenty-five large strategic contract manufacturers augment our global supply chain network with additional geographic coverage and production capability. An additional 200 third-party manufacturers are utilized for sourcing highly unique or specialty products required for our portfolio. In developed markets, strategic contract manufacturers are used to leverage variable capacity or for unique production capabilities. In emerging markets, contract manufacturers provide strategic capacity where we do not yet have critical mass.

Properties and Facilities

The table below lists information about our principal manufacturing facilities as of March 31, 2017. We believe that these manufacturing facilities are generally in good operating condition and are adequate to meet anticipated requirements.

Location	Leased/ Owned	Geographic Region	Approximate Square Footage
Watertown, Wisconsin	Owned	North America	171,737
Eau Claire Wisconsin	Owned	North America	53,900
Richmond, Virginia	Leased	North America	19,592
Candiac, Canada	Owned	North America	55,000
London, Canada	Owned	North America	193,200
Sao Paolo, Brazil.	Owned	Latin America	123,000
Buenos Aires, Argentina	Owned	Latin America	77,000
Tlanlapantla, Mexico	Owned	Latin America	57,652
Munchwilen, Switzerland	Owned	Europe	400,000
Kib, Germany	Owned	Europe	83,958
Cotes Park, U.K.	Owned	Europe	140,000
Conde Duque, Spain	Leased	Europe	23,368
Enschede, Netherlands	Owned	Europe	173,000
Bagnolo, Italy	Owned	Europe	129,000
Gebze, Turkey	Leased	MEA	50,000
Wadeville, South Africa	Owned	MEA	110,868
Banfu, China.	Leased	Asia Pacific	75,000
Nalagarh, India	Owned	Asia Pacific	180,000
Total			2,116,285

Raw Materials and Suppliers

Our products are manufactured internally or sourced externally from suppliers or contractors enabling a flexible and geographically effective supply chain network for chemical finished goods and equipment.

Our primary raw material inputs include caustic soda, solvents, waxes, phosphates, surfactants, polymers and resins, chelates and fragrances, all of which are generally available from multiple suppliers. We also source components related to equipment and accessories from multiple suppliers. Where contract manufacturing is used, the production processes mirror those of our internal plants to ensure quality control, and the raw materials purchased from our supplier contracts are used.

Competition

Our Food & Beverage and Professional solutions face a wide spectrum of competitors across each product category. Competition is both global and regional in scope and includes numerous small, local competitors with limited product portfolios and geographic reach. We compete globally on premium product offerings and application expertise, innovative product and dispensing equipment offerings, value-added solution delivery, and strong customer service and support. We differentiate our offerings from competitors by becoming the preferred partner to our customers, and by providing innovative, industry-leading products to make their facilities safer and healthier for both maintenance staff and building occupants. We believe our integrated solutions approach, which includes the supply of machines, tools, chemicals, processes and training to customers to drive productivity improvements, reduce total cost of ownership, reduce risk of food safety events and improve infection control to reduce healthcare acquired infections, is a unique competitive strength. Additionally, the quality, ease of use and environmental profile of our products are unique and have helped support long-standing, profitable relationships with many top customers.

Intellectual Property

We strategically manage our portfolio of patents, trade secrets, copyrights, trademarks and other intellectual property. Specifically, we rely upon trade secrets to protect the formulation of many of our chemical products, as well as our manufacturing processes. We own or have licenses under patents and trademarks which are used in connection with our business. Some of these patents or licenses cover significant product formulations and processes used to manufacture our products. The trademarks of major products in each business are registered in key jurisdictions or licensed from third parties. Certain intellectual property is also protected by confidentiality agreements or other agreements with suppliers, employees and other third parties. In part, our success can be attributed to the existence and continued protection of these trademarks, patents, trade secrets and licenses.

We believe that the Diversey trademark is important to our business. We own the Diversey trademark as used in our business. Other than the Diversey mark, we do not believe that our overall business is materially dependent on any individual trade name, trademark or patent.

Employees

As of May 31, 2017, we had approximately 9,400 employees worldwide. Approximately 1,100 of these employees were in the U.S., and approximately 8,300 employees were outside the U.S. We believe that our employee relations are satisfactory.

Environmental Matters, Health and Safety and Governmental Regulations

As a manufacturer, we are subject to various laws, rules and regulations in the countries, jurisdictions and localities in which we operate. These cover: the safe storage and use of raw materials and production chemicals; the release of materials into the environment; standards for the treatment, storage and disposal of solid and hazardous wastes; or otherwise relate to the protection of the environment. We review environmental, health and safety laws and regulations pertaining to our operations and believe that compliance with current environmental and workplace health and safety laws and regulations has not had a material effect on our capital expenditures or consolidated financial condition.

In some jurisdictions in which our packaging products are sold or used, laws and regulations have been adopted or proposed that seek to regulate, among other things, minimum levels of recycled or reprocessed content and, more generally, the sale or disposal of packaging materials. We maintain programs designed to comply with these laws and regulations and to monitor their evolution. Various federal, state, local and foreign laws and regulations regulate some of our products and require us to register certain products and comply with specified requirements. In the U.S., we must register our sanitizing and disinfecting products with the U.S. Environmental Protection Agency. We are also subject to various federal, state, local and foreign laws and regulations that regulate products manufactured and sold by us for controlling microbial growth on humans, animals and processed foods. In the U.S., these requirements are generally administered by the U.S. Food and Drug Administration (''FDA''). To date, the cost of complying with product registration requirements and FDA compliance has not had a material adverse effect on our business, consolidated financial condition, results of operations or cash flows.

Our emphasis on environmental, health and safety compliance provides us with risk reduction opportunities and cost savings through asset protection and protection of employees.

Legal Proceedings

Diversey is party to routine legal proceedings that arise in the ordinary course of its businesses. We believe that none of the claims and complaints of which we are currently aware will, individually or in the aggregate, materially affect our businesses, financial position, or future operating results, although no assurance can be given with respect to the ultimate outcome of any such claims or with respect to the occurrence of any future claims.

MANAGEMENT

We expect our management team, upon consummation of the Transactions, will include the individuals set forth in the table below who hold positions in the Diversey Care Division of Sealed Air. In addition, we expect to augment our management team in certain functional areas upon or following the consummation of the Transactions.

Name	Position with Diversey Care Division of Sealed Air
Dr. Ilham Kadri	President
Terry Coelho	Vice President of Finance and Global Commercial Excellence

Dr. Ilham Kadri has served as a Senior Vice President of Sealed Air and President of the Diversey Care division of Sealed Air since joining Sealed Air in 2013. Prior to joining Sealed Air, Dr. Kadri held leadership roles at Dow Chemical in Europe and the MEA region and has 20 years of experience in our industry, including global business leadership roles at Shell-Basell, UCB-Cytec, Hunstman and Rohm Haas-Dow. Dr. Kadri is a chemical engineer and has a Ph.D. in Polymer Reactive Extrusion and a Master's Degree in Physics and Chemistry and from the University of Strasbourg, France.

Terry Coelho has served as the Vice President of Finance and Global Commercial Excellence of the Diversey Care division of Sealed Air since joining Sealed Air in 2014. Prior to joining Sealed Air, Ms. Coelho served as Chief Executive Officer and General Manager for Mars' confectionary business in Brazil and Chief Financial Officer and Chief Operating Officer for Mars Direct. Ms. Coelho has 30 years of multinational finance experience. Ms. Coelho has a Master's of Business Administration degree in Finance from Instituto Brasileiro de Mercado de Capitas in Brazil and a Bachelor's Degree in Economics and International Relations, *summa cum laude*, from American University in Washington, D.C.

Board Composition

Following the consummation of the Transactions, our business and affairs will be managed by our board of directors. A majority of the members of our board of directors will be representatives of Bain Capital. Each of our directors will serve until such person's successor is elected and qualified or until such person's death, resignation or removal. Our board of directors has the power to appoint our officers. Each officer will hold office for the term determined by the board of directors and until such person's successor is chosen and qualified or until such person's death, resignation or removal.

SECURITY OWNERSHIP

Upon the consummation of the Transactions, all of our ordinary shares will be indirectly owned by Parent. Approximately 95% of the ordinary shares of Parent will be owned by certain funds affiliated with Bain Capital and the remainder by other investors. See ''Summary—Corporate Structure''.

Certain members of our board of directors affiliated with Bain Capital may be deemed to beneficially own shares owned by such entities. Each such individual disclaims beneficial ownership of any such shares in which such individual does not have a pecuniary interest. No person other than those described above will own directly or indirectly more than 5% of the ordinary shares of Parent. The address of Bain Capital is 200 Clarendon Street, Boston, Massachusetts 02116.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Payments to Bain Capital

In connection with the consummation of the Transactions, certain subsidiaries of ours will enter into a management agreement (the ''Management Agreement'') with an affiliate Bain Capital (the ''manager''), pursuant to which the manager will provide us with general business consulting services; financial, managerial and operational advice; advisory and consulting services with respect to selection of advisors; advice in different fields; and financial and strategic planning and analysis.

Pursuant to the Management Agreement, the manager is entitled to receive an aggregate annual fee equal to $7.5 million, plus reimbursement for out-of-pocket expenses incurred by the manager or its affiliates in connection with the provision of services pursuant to the Management Agreement. The fee will be payable on a quarterly basis in advance. The fee is further subject to adjustment in connection with further acquisitions.

The Management Agreement will provide that the manager is entitled to receive fees in connection with certain subsequent financing, acquisition, disposition and change of control transactions of 1% of the gross transaction value of any such transaction. In addition, the Management Agreement will provide that, upon our initial public offering, the manager will be entitled to receive a one-time payment equal to five times the applicable annual management fee. Under the Management Agreement, we will also provide customary exculpation and indemnification provisions in favor of the manager and its affiliates in connection with the services they provide to us.

The Management Agreement will remain in effect until the earliest to occur of (i) termination by the manager, (ii) the closing of an initial public offering, (iii) the occurrence of a change of control and (iv) termination in accordance with its terms upon a material breach. The manager may terminate the Management Agreement any time by delivery of written notice of termination to us.

Transition Services Agreement

In connection with the Acquisition, the Issuer and Sealed Air will enter into a transition services agreement (the ''Transition Services Agreement''), pursuant to which the Issuer and Sealed Air and their respective subsidiaries will provide to each other, on an interim, transitional basis, various services. The services to be provided by Sealed Air will include specified support services related to corporate functions such as marketing and sales support, customer service, supply chain, purchasing, finance, information systems services, environmental, health and safety, and general consulting for 12 months (or such longer period and with such extensions as provided for pursuant to such agreement) following the Acquisition, unless earlier terminated according to the terms of the Transition Services Agreement.

License Agreement

In connection with the Acquisition, the Issuer will enter into a license agreement with Sealed Air (the ''License Agreement''). Under the License Agreement, Sealed Air will grant us rights to use certain trademarks in connection with our business for a period of four years following the consummation of the Acquisition, subject to an automatic renewal for up to three two-year periods.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

Senior Secured Credit Facilities

Summarized below are the expected principal terms of the agreements that govern the Senior Secured Credit Facilities. This summary does not purport to be a complete summary of all of the terms of such agreements and is subject to, and qualified in its entirety by reference to, all of the provisions of the agreements, including the definitions of certain terms therein that are not otherwise defined in this offering circular.

General

Concurrently with the issuance of the notes, we intend to enter into the Senior Secured Credit Facilities with Credit Suisse AG, Cayman Islands Branch as the administrative agent (the ''Administrative Agent'') and collateral agent, the several lead arrangers and bookrunners named therein and the several lenders from time to time party thereto. The Issuer will be the borrower under the Senior Secured Credit Facilities. The following is a summary description of certain terms of our Senior Secured Credit Facilities. The terms of the credit agreement and related documentation for the Senior Secured Credit Facilities are under discussion, and accordingly their definitive terms may vary from those described below.

The Term Loan Facility will provide financing up to $1,802.0 million consisting of a $900.0 million tranche and an €820.0 million tranche (or $902.0 million using an exchange rate of €1.00=$1.1000, which takes into account that in connection with the Transactions, we entered into a foreign currency forward contract to fix the amount receivable with respect to (x) the euro-denominated tranche of the Term Loan Facility and (y) the notes offered hereby, which such forward contract fixed the euro-to-dollar exchange rate at the rate then in effect at the signing of the Purchase Agreement) *plus* at our election (without duplication of amounts drawn under the Revolving Credit Facility for such purpose), an amount sufficient to fund certain OID or upfront fees required to be funded in connection therewith. The Term Loan Facility will have a seven year term and will amortize in equal quarterly installments in an aggregate annual amount equal to 1.0% of its original principal amount (subject to reduction in connection with debt repayments and debt buybacks), commencing the last business day of the second full fiscal quarter ending after the closing date of the Transactions.

The Revolving Credit Facility will provide financing in the aggregate of up to $250.0 million, including a letter of credit sub-facility. The Revolving Credit Facility will have a five year term. The Revolving Credit Facility is expected to provide for borrowings in U.S. dollars, Canadian dollars, Euros, British Pounds Sterling, Japanese Yen and Australian dollars, and other currencies to be mutually agreed.

Incremental Facilities

We will be able, at our option and subject to certain other conditions described in the credit agreement that will govern the Senior Secured Credit Facilities, to request that the Senior Secured Facilities (in the aggregate) be increased by up to (i) the greater of (x) $370.0 million and (y) an amount equal to pro forma consolidated EBITDA of the Issuer for the most recent four fiscal quarter period for which financial statements have been or are required to be delivered, plus (ii) all voluntary prepayments of the Term Loan Facility, any incremental facility, any incremental equivalent debt, and commitment reductions of the Revolving Credit Facility (except to the extent funded with the proceeds of incurrences of long-term refinancing indebtedness), plus (iii) an unlimited amount so long as, in the case of this clause (iii) only, such amount at such time could be incurred without causing (x) in the case of indebtedness secured on a pari passu lien basis with the Senior Secured Credit Facilities, the pro forma consolidated first lien net leverage ratio to exceed the consolidated first lien leverage ratio as of the closing date of the Transactions, (y) in the case of junior lien indebtedness, the pro forma consolidated secured net leverage ratio to exceed the consolidated secured net leverage ratio as of the closing date of the Transactions, and (z) in the case of unsecured indebtedness or indebtedness secured by assets that do not secure the Senior Secured Credit Facilities, the pro forma interest coverage ratio to be less than 2.00:1.00.

Guarantors and Security

Our obligations under the Senior Secured Credit Facilities and, at our option, certain of our obligations under hedging arrangements and cash management arrangements are expected to be guaranteed on a joint and several basis by Holdings and certain of our material wholly-owned restricted subsidiaries organized in (i) Australia, (ii) Austria, (iii) Brazil, (iv) Belgium, (v) Canada, (vi) Denmark, (vii) France, (viii) Germany, (ix) Hong Kong, (x) Italy, (xi) Mexico, (xii) the Netherlands, (xiii) Poland, (xiv) Spain, (xv) Sweden, (xvi) Switzerland, (xvii) the United Kingdom, and (xviii) the United States and other material jurisdictions to be mutually agreed between us and the Administrative Agent), in each case to the extent permitted by applicable laws or regulations (including capitalization rules and other customary limitations), and subject to certain additional exceptions.

The Senior Secured Credit Facilities are expected to be secured by, subject to permitted liens and certain other exceptions, substantially all of the present and after acquired assets of the Issuer and each of the subsidiary guarantors and a perfected pledge by Holdings of all of the Issuer's capital stock, including, (a) a perfected pledge of all the capital stock of each direct, wholly owned material restricted subsidiary held by the Issuer or any subsidiary guarantor (which pledge, in the case of any CFC Holding Company or CFC will be limited to 65% of the capital stock of such CFC Holding Company or CFC) and (b) a perfected security interest in substantially all other tangible and intangible assets of the Issuer and the subsidiary guarantors (including, but not limited to, accounts receivable, inventory, equipment, general intangibles, investment property, material owned real property, intellectual property and the proceeds of the foregoing), in each case subject to certain exceptions and limitations.

Interest Rate and Fees

Borrowings under the under the Term Loan Facility are expected to bear interest, at our option, at (1) the Adjusted LIBOR rate (as defined below) *plus* 3.00% or EURIBOR, if applicable, *plus* 3.50% or (2) the adjusted base rate (as defined below) *plus* 2.00%. Borrowings under the Revolving Credit Facility are expected to bear interest, at our option, at (1) the Adjusted LIBOR rate *plus* 3.00% or (2) the adjusted base rate *plus* 2.00%, provided that, following delivery of financial statements for our first full fiscal quarter completed after the closing date of the Transactions, interest rate spreads with respect to the Revolving Credit Facility may be subject to as many as two 25 basis point reductions based upon consolidated first lien net leverage ratios to be mutually agreed upon between us and the lead arrangers with respect to the Senior Secured Credit Facilities.

For the purposes of the Senior Secured Credit Facilities, the ''Adjusted LIBOR rate'' means the greater of (i) the London interbank offered rate, adjusted for statutory reserve requirements and (ii) 0.00%.

For the purposes of the Senior Secured Credit Facilities, the ''adjusted base rate'' means the higher of (i) the U.S. prime rate published in the Wall Street Journal from time to time, (ii) the federal funds effective rate, *plus* ½ of 1% and (iii) Adjusted LIBOR *plus* 1.00%.

For the purposes of the Senior Secured Credit Facilities, ''EURIBOR'' means the higher of (i) the rate per annum equal to the Banking Federation of the European union EURIBO rate and (ii) 0.0%

In addition, we will be required to pay certain upfront and recurring fees with respect to the Senior Secured Credit Facilities, including fees on the aggregate principal amount of revolving commitments under the Revolving Credit Facility in effect on such day regardless of usage in the amount of 0.50% per annum (which fee shall be subject to stepdowns to 0.375% and 0.25% based upon our consolidated first lien net leverage ratio, at levels to be agreed) and to pay letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing banks.

Prepayments

We will be required to prepay the Term Loan Facility with 100% of the net cash proceeds of certain issuances of indebtedness (other than certain permitted indebtedness) and 100% of the net cash proceeds of certain non-ordinary course asset sales and casualty and condemnation events (subject to exceptions and customary reinvestment rights), with reductions with respect to asset sale and casualty and condemnation event proceeds to 50% and 0% based upon achieving consolidated first lien net leverage ratios to be agreed.

Voluntary prepayments of the Term Loan Facility may be made at any time (subject to minimum prepayment amounts and customary notice periods) without premium or penalty, other than customary ''breakage'' costs, if applicable, except that in the event that within the first six months after the closing date of the Transactions, (i) any prepayment or repayment of initial term loans borrowed under the Term Loan Facility occurs with the proceeds of, or any conversion is made of such initial term loans into, any new or replacement tranche of broadly syndicated senior secured first lien term loans, or (ii) there is an amendment to the Term Loan Facility, in each case, the primary purposes of which is to (and which does) reduce the all-in-yield applicable to such initial term loans (and subject to certain other exceptions), then the initial term loans so prepaid, repaid or amended will be subject to a prepayment premium of 1.00% of the principal amount thereof.

Unrestricted Subsidiaries

The Senior Secured Credit Facilities will contain provisions pursuant to which, so long as no event of default is continuing or would result therefrom, we will be permitted to designate any existing or subsequently acquired or organized subsidiary as an ''unrestricted subsidiary'' and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary, provided, (x) such designation of a restricted subsidiary as an unrestricted subsidiary shall be deemed to constitute an investment and (y) such redesignation of any unrestricted subsidiary as a restricted subsidiary shall be deemed to constitute the incurrence of indebtedness and liens of such subsidiary (and reduction of the value of an outstanding investment). Unrestricted subsidiaries will not be subject to the mandatory prepayments, representations and warranties, covenants, events of default or other provisions of the Senior Secured Credit Facilities, and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of calculating any financial ratios or baskets contained in the Senior Secured Credit Facilities.

Covenants and Events of Default

The Senior Secured Credit Facilities will contain a number of covenants that, among other things, will restrict, subject to certain exceptions, the Issuer's ability and the ability of its restricted subsidiaries, and solely with respect to (11) below, Holdings' ability, to: (1) incur additional indebtedness; (2) create liens; (3) effect mergers, liquidations, dissolutions and other fundamental changes; (4) sell and otherwise dispose of assets; (5) pay dividends and effect stock repurchases or redemptions of equity interests; (6) make acquisitions and investments; (7) make negative pledge clauses or place restrictions on our subsidiaries' ability make distributions and other payments to us; (8) make voluntary prepayments, redemptions and repurchase of material payment subordinated debt; (9) amend constating documents and material payment subordinated debt documents; (10) engage in transactions with affiliates; and (11) maintain passive holding company status.

The Term Loan Facility will not be subject to a financial covenant. The Revolving Credit Facility is expected to contain a springing financial covenant requiring compliance with a maximum ratio of consolidated first lien net indebtedness to consolidated EBITDA of 7.50 to 1.00. The financial covenant will be tested on the last day of any fiscal quarter (commencing with the second full fiscal quarter ending after the closing date of the Transactions), only if the aggregate principal amount of borrowings under the Revolving Credit Facility and outstanding letters of credit (excluding issued and undrawn letters of credit and for the first four full fiscal quarter ending after the closing date of the Transactions, loans borrowed under the Revolving Credit Facility on the closing date of the Transactions to fund transaction costs and original issue discount) as of the last day of any such fiscal quarter exceeds 35% of the total amount of commitments under the Revolving Credit Facility on such date.

The Senior Secured Credit Facilities will also contain customary affirmative covenants and events of default for facilities of this type, including relating to a change of control. If an event of default occurs, the lenders under the Senior Secured Credit Facilities will be entitled to take various actions, including the acceleration of amounts due under the Senior Secured Credit Facilities and all actions permitted to be taken by secured creditors.

The terms described above with respect to the Senior Secured Credit Facilities are subject to change and a number of conditions, including the consummation of the Transactions and this offering. To the extent that any of the conditions with respect to such indebtedness are not satisfied, such indebtedness may not be available on the terms described herein or at all.

Subordinated Shareholder Loan

In connection with the consummation of the Transactions, the immediate parent company of Holdings will make a subordinated shareholder loan in the amount of approximately $25.2 million to Holdings using a portion of the proceeds from the Equity Contribution. The loan will be unsecured, expressly subordinated pursuant to the terms of any third party subordination arrangement to which the borrower thereunder is, or becomes, a party, and will have a 10-year maturity. The loan will not bear interest or require any prepayments prior to maturity, provided that the loan may be prepaid by Holdings at any time without penalty.

DESCRIPTION OF NOTES

In this description, (i) the term ''*Issuer*'' refers to, Diamond (BC) B.V. and not any of its Affiliates and (ii) the terms ''*we*'', ''*our*'' and ''*us*'' each refer to the Issuer and its consolidated Subsidiaries, assuming completion of the Transactions.

The Issuer will issue €545 million of % Senior Notes due 2025 (the ''*Notes*''). The Issuer will issue the Notes under an indenture (the ''*Indenture*'') to be dated as of the Issue Date, among the Issuer, Wilmington Trust, National Association, as trustee (the ''*Trustee*''), and Citibank, N.A., London Branch, as paying agent, transfer agent and registrar. The Notes will be issued in a private transaction that will not be subject to the registration requirements of the Securities Act. See ''Transfer Restrictions''. The Indenture will not be subject to the provisions of the Trust Indenture Act. Accordingly, the terms of the Notes are to include only those stated in the Indenture.

The following is a summary of certain provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture. You should read the Indenture in its entirety. Copies of the proposed form of the Indenture are available as described under ''Where You Can Find More Information''. You can find the definitions of certain terms used in this description under ''—Certain Definitions''.

Brief Description of the Notes and the Note Guarantees

The Notes will initially be obligations solely of the Issuer and will not be guaranteed but will be secured by a lien on certain escrow property, pending completion of the Acquisition. Following the Escrow Release Date, the Notes will be:

- general senior unsecured obligations of the Issuer;
- *pari passu* in right of payment with any existing and future senior Indebtedness of the Issuer;
- effectively subordinated to all existing and future secured Indebtedness (including obligations under the Credit Agreement) of the Issuer, to the extent of the value of the assets securing such Indebtedness;
- senior in right of payment to any existing and future Subordinated Indebtedness of the Issuer;
- unconditionally guaranteed on a senior unsecured basis by each Guarantor; and
- structurally subordinated to any existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Non-Guarantors.

Following the Escrow Release Date (as defined below), each Note Guarantee by a Guarantor will be:

- a general senior unsecured obligation of such Guarantor;
- *pari passu* in right of payment with any existing and future senior Indebtedness of such Guarantor;
- effectively subordinated to all secured Indebtedness (including Guarantees of obligations under the Credit Agreement) of such Guarantor, to the extent of the value of the assets securing such Indebtedness;
- senior in right of payment to any existing and future Subordinated Indebtedness of such Guarantor; and

• structurally subordinated to any existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Non-Guarantors that are Subsidiaries of such Subsidiary Guarantor.

The obligations and covenants of the Issuer described hereunder are only of the Issuer and not of Holdings, the direct parent company of the Issuer. Although Holdings is a Guarantor of the Notes, it is generally not subject to any of the obligations and covenants described hereunder.

Principal, Maturity and Interest

The Issuer will issue Notes in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to the applicable procedures of Euroclear and Clearstream. 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.

The Issuer will issue an aggregate principal amount of €545 million of Notes on the Issue Date. The Notes will mature on , 2025. Interest on the Notes will accrue at the rate per annum set forth on the cover of this offering circular and will be payable, in cash, semi-annually in arrears on and of each year, commencing on 2018, to Holders of record on the immediately preceding and respectively. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period will end on (but not include) the relevant interest payment date.

Additional Notes

The Issuer may issue additional Notes (the ''*Additional Notes*'') from time to time under the Indenture, subject to compliance with the covenants contained in the Indenture. The Indenture will provide for the issuance of Additional Notes having identical terms and conditions to the Notes offered hereby. Additional Notes will be treated as part of the same class as the Notes offered hereby under the Indenture for all purposes, including waivers, amendments, redemptions and offers to purchase; *provided* that Additional Notes will not be issued with the same CUSIP, ISIN or Common Code, as applicable, as existing Notes unless such Additional Notes are fungible with the existing Notes for U.S. federal income tax purposes. Unless the context requires otherwise, references to ''Notes'' for all purposes of the Indenture and this ''Description of Notes'' include any Additional Notes that are actually issued.

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 Issuer will also maintain a registrar (the ''Registrar'') and a transfer agent (the ''Transfer Agent''). The initial Registrar 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 left at the registered office of the Issuer. In case of inconsistency between the register of 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 such Notes. However, if and for so long as Notes are listed on the Exchange (as defined below) and if and to the extent the rules of the Exchange so require, the Issuer will notify the Exchange of any change of Paying Agent or Registrar in respect of the Notes. The Issuer will notify the Trustee, in writing, of any change to the Paying Agent or Registrar in respect of the Notes

Escrow of Proceeds; Special Mandatory Redemption

This offering will be consummated prior to the consummation of the Acquisition. Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will enter into an escrow agreement (as amended, supplemented or modified from time to time, the ''*Escrow Agreement*'') with the Trustee and JPMorgan Chase Bank, N.A., acting through its London branch, as escrow agent (in such capacity, together with its successors, the ''*Escrow Agent*'') pursuant to which the Issuer will deposit, or cause to be deposited, into an Escrow Account the gross proceeds received by the Issuer from this offering (the ''*Notes Proceeds*''). The Bain Capital Fund will issue an irrevocable equity commitment letter (the ''*Equity Commitment Letter*'') to the Issuer that will require the Bain Capital Fund, upon receipt of a notice of a Special Mandatory Redemption, to transfer an amount of cash in euro to the Issuer, after taking into account the Notes Proceeds, that will be sufficient to fund the redemption of all of the Notes upon notice of a Special Mandatory Redemption at the Special Mandatory Redemption Price on the redemption date set forth in such notice. The Escrow Account will be pledged on a first-priority basis in favor of the Trustee for the benefit of itself and the Holders of the Notes pursuant to an escrow account charge dated the Issue Date among the Issuer, the Trustee and the Escrow Agent; *provided*, *however*, that such lien and security interest shall automatically be released and terminate at such time as the Escrowed Property is released from the Escrow Account on the Escrow Release Date. The Notes Proceeds and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the ''*Escrowed Property*''. The Escrowed Property will be controlled by the Escrow Agent, on behalf of the Trustee and the Holders.

In addition, the Escrow Agreement will provide that on the date that is three Business Days prior to the last calendar day of the last full calendar month prior to the Outside Date (unless the Escrow Release Date has occurred), the Issuer will notify the Trustee and Escrow Agent in writing that it intends to extend the Outside Date (such notice, an ''*Extension Notice*'') through the date specified in such Extension Notice.

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the ''*Escrow Release*''), the following conditions must be met (the ''*Release Conditions*'') on or prior to the Outside Date:

(i) simultaneously or substantially concurrent with the release of funds from the Escrow Account to finance the Acquisition, the Acquisition shall have been consummated pursuant to the Purchase Agreement, without giving effect to any modifications, consents, amendments or waivers thereto after the Issue Date that are materially adverse to the interests of the Holders of the Notes (as reasonably determined by the Issuer), it being understood (including with respect to the second succeeding paragraph) (x) that no reduction of the purchase price in respect of the Acquisition will be deemed to be materially adverse to the interests of the Holders of the Notes if any such reduction is less than 10% of the purchase price determined as of the Issue Date or such reduction is applied to reduce the amount of Indebtedness to be otherwise incurred to finance the Acquisition and (y) no purchase price or similar adjustment provisions set forth in the Purchase Agreement shall constitute an increase or a decrease in the purchase price that is materially adverse to the interests of the Holders of the Notes;

(ii) simultaneously or substantially concurrent with the release of funds from the Escrow Account to finance the Acquisition, the New Senior Secured Credit Facilities shall have become effective, all conditions precedent to initial funding shall have been satisfied or waived (other than the release of the Escrowed Property) and the borrowings under the New Senior Secured Credit Facilities to be drawn in connection with the Acquisition shall have been made available to the Issuer;

(iii) the Acquired Companies (as defined in the Purchase Agreement) that will guarantee the New Senior Secured Credit Facilities as of the consummation of the Acquisition shall also guarantee the Notes pursuant to a supplemental indenture. The timing for entering into such supplemental indenture by an Acquired Company shall be subject to any restrictions under the laws of the jurisdiction of each Acquired Company, as applicable; and

(iv) the Issuer shall have delivered to the Escrow Agent and the Trustee an Officer's Certificate certifying that the foregoing conditions have been satisfied and directing the Escrow Agent to release the Escrowed Property (including investment earnings) to or at the order of the Issuer.

If the Release Conditions are fulfilled and the Escrow Agent and the Trustee receive the Officer's Certificate described above, the Escrow Agent shall release the Escrowed Property (including investment earnings, if any) to or at the order of the Issuer (the date of such release, the ''*Escrow Release Date*'') in accordance with the Escrow Agreement. Upon the Escrow Release, the Escrow Account shall be reduced to zero.

In the event that:

(i) the Escrow Agent and the Trustee have not received the Officer's Certificate described above prior to 5:00 p.m. (New York City time) on the Outside Date, or

(ii) the Escrow Agent and the Trustee receive, at any time prior to 5:00 p.m. (New York City time) on the Outside Date, an Officer's Certificate certifying that (A) the Issuer will not pursue the consummation of the Acquisition; or (B) the Purchase Agreement has been amended, modified or waived or any consent granted, in a manner that would be materially adverse to the Holders of the Notes (as reasonably determined by the Issuer) or the Purchase Agreement has otherwise been terminated (any such event specified in clause (i) or (ii) being a ''*Special Mandatory Redemption Event*''), then, in each such case, the Escrow Agent, without the requirement of notice to or action by the Issuer, the Escrow Agent or any other Person, shall notify the Issuer and Trustee and, within one Business Day, liquidate all Escrowed Property and, on or prior to the Special Mandatory Redemption Date (as defined below), release the Escrowed Property to the Paying Agent. On the Business Day following the Special Mandatory Redemption Event, the Issuer (or the Paying Agent upon the written request of and at the expense of the Issuer) shall (x) notify the Escrow Agent and the Trustee in writing of the occurrence of the Special Mandatory Redemption Event and (y) deliver a notice of redemption in accordance with the applicable procedures of Euroclear and Clearstream to each Holder of Notes that the entire principal amount outstanding of the Notes shall be redeemed at the Special Mandatory Redemption Price on the date falling two Business Days after the delivery of such notice (the ''*Special Mandatory Redemption Date*''). In the event that the Special Mandatory Redemption Price payable upon a Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Bain Capital Fund will be required to fund the accrued and unpaid interest and Additional Amounts, if any, owing to the holders of the Notes, pursuant to the Equity Commitment Letter.

Upon the deposit of funds sufficient to pay the Special Mandatory Redemption Price in respect of the Notes to be redeemed on the Special Mandatory Redemption Date with the Paying Agent on or before such date, the Notes will cease to bear interest and all rights under the Notes shall terminate. The Trustee will release to the Paying Agent, and the Paying Agent will release to the Issuer, any Escrowed Property remaining after redemption of the Notes and payment of fees and expenses. For the avoidance of doubt, the Issuer will not be required to effect a Special Mandatory Redemption following the Escrow Release. See ''Risk Factors—Risks Related to the Escrow of Proceeds—In the event that the Acquisition is not consummated on or prior to the Outside Date and the other Escrow Release Conditions are not satisfied, the notes will be subject to a Special Mandatory Redemption and, as a result, you may not obtain the return you expect on the notes''.

If at the time of a Special Mandatory Redemption, the Notes are listed on the Exchange and the rules of the Exchange so require, the Issuer will notify the Exchange of such Special Mandatory Redemption and any relevant details relating to such Special Mandatory Redemption.

If at any time the Escrow Account contains cash having an aggregate value in excess of the Special Mandatory Redemption Price, such excess cash may be released to the Issuer.

No provisions of the Escrow Agreement (including, without limitation, those relating to the release of the Escrowed Property) may be amended or waived in a manner that would materially adversely affect the Holders of the Notes (as determined in good faith by the Issuer) without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. No provisions of the Indenture with respect to the Issuer's obligation to redeem the Notes through a Special Mandatory Redemption may be amended or waived in a manner that would materially adversely affect the Holders of the Notes without the consent of each Holder of an outstanding Note affected.

The ability of the Holders of the Notes to realize upon the Escrowed Property may be subject to the automatic stay and certain other bankruptcy law limitations in the event of a bankruptcy of the Issuer. See ''Risk Factors—Risks Related to the Escrow of Proceeds—If the Issuer commences a bankruptcy or reorganization case or one is commenced against the Issuer in the United States, federal bankruptcy laws may prevent the release of the escrowed funds'' and ''Risk Factors—Risks Related to the Escrow of Proceeds—If an insolvency case is commenced against the Issuer in the Netherlands, Dutch insolvency law may prevent the release of the escrowed funds''.

By its acceptance of the Notes, each Holder shall be deemed to authorize and direct the Trustee to enter into and perform its obligations under, if any, the Escrow Agreement.

For purposes of the foregoing, the following terms have the following meanings:

''*Bain Capital Fund*'' means, one or more funds affiliated with Bain Capital.

''*Escrow Account*'' means a segregated account, under the control of the Escrow Agent, that includes only cash in euro and European Government Obligations, free from all Liens other than the Lien in favor of the Trustee for itself and the benefit of the Holders of the Notes and any Lien in favor of the Escrow Agent to secure obligations owed to the Escrow Agent in connection with the Escrow Account or the Escrow Agreement.

''*Outside Date*'' means October 16, 2017, as such date may be amended or extended by an Extension Notice.

''*Special Mandatory Redemption Price*'' means 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date.

Listing

An initial application has been made to The International Stock Exchange Authority Limited (the ''*Authority*'') for the listing of, and for permission to deal in, the Notes on the Official List of The International Stock Exchange (the ''*Exchange*''), which is operated by the Authority. There is 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. The consummation of this offering is not contingent upon obtaining such listing or permission.

Note Guarantees

Prior to the Escrow Release Date, the Notes will be obligations solely of the Issuer and will not be guaranteed by any of the Issuer's subsidiaries. From and after the Escrow Release Date, the obligations of the Issuer under the Notes and the Indenture will be, jointly and severally, irrevocably, fully and unconditionally Guaranteed on a senior unsecured basis (the ''*Note Guarantees*'') initially by Holdings and each existing Wholly-Owned Subsidiary that Guarantees the Issuer's obligations under the Credit Agreement (other than those organized in Italy), subject to (i) the restrictions or the laws of the jurisdiction of organization of each Guarantor and (ii) release as provided below or elsewhere in this ''Description of Notes''. In addition, certain future Subsidiaries will be required to Guarantee the Notes to the extent described in ''—Certain Covenants—Limitation on Guarantees''.

Each Note Guarantee by a Subsidiary Guarantor will be limited to the maximum amount that would not render such Subsidiary Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law. By virtue of this limitation, a Subsidiary Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Subsidiary Guarantor may have effectively no obligation under its Note Guarantee. See ''Risk Factors—Risks Related to the Notes and Our Indebtedness—Enforcing your rights as a holder of the notes or under the guarantees across multiple jurisdictions may prove difficult or provide less protection than U.S. bankruptcy law'' and ''—Each guarantor's liability under its guarantees may be reduced to zero, voided or released under certain circumstances, and holders of notes may not receive any payments from some or all of the guarantors''. The validity and enforceability of the Note Guarantees and the liability of each Guarantor will be subject to the limitations described in ''Limitations on the Enforceability of Guarantees and Certain Insolvency Considerations''.

The Note Guarantee of a Subsidiary Guarantor will provide by its terms that it will automatically and unconditionally be released and terminate upon:

(1) any sale or other disposition (including by way of consolidation, amalgamation or merger) of the Capital Stock of such Subsidiary Guarantor after which such Subsidiary Guarantor is no longer a Restricted Subsidiary, or any sale or other disposition of all or substantially all the assets of the Subsidiary Guarantor, to a Person other than to the Issuer or a Restricted Subsidiary, in each case, if such sale or other disposition is made in compliance with the provisions of the Indenture;

(2) the designation in accordance with the Indenture of the Subsidiary Guarantor as an Unrestricted Subsidiary or the occurrence of any event after which the Subsidiary Guarantor is no longer a Restricted Subsidiary;

(3) defeasance or discharge of the Notes, as provided in ''—Defeasance'' and ''—Satisfaction and Discharge'';

(4) such Subsidiary Guarantor being released from (i) all of its obligations under all of its Guarantees of payment by the Issuer of any Indebtedness of the Issuer under the Credit Agreement or (ii) in the case of a Note Guarantee made by a Subsidiary Guarantor (each, an ''*Other Guarantee*'') as a result of its Guarantee of other Indebtedness of the Issuer or a Guarantor pursuant to the covenant entitled ''—Certain Covenants—Limitation on Guarantees'', the relevant Indebtedness, except in the case of (i) or (ii), a release as a result of the repayment in full of the Indebtedness specified in clause (i) or (ii) (it being understood that a release subject to a contingent reinstatement is still considered a release, and if any such Indebtedness of such Subsidiary Guarantor under the Credit Agreement or any Other Guarantee is so reinstated, such Note Guarantee shall also be reinstated); or

(5) (i) the merger, amalgamation or consolidation of any Subsidiary Guarantor with and into the Issuer or another Subsidiary Guarantor that is the surviving Person in such merger, amalgamation or consolidation, or (ii) the liquidation or dissolution of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to the Issuer or another Subsidiary Guarantor.

Claims of creditors of Non-Guarantors, including trade creditors, secured creditors and creditors holding debt and guarantees issued by Non-Guarantors, and claims of preferred and minority stockholders (if any) of Non-Guarantors and claims against joint ventures generally will have priority with respect to the assets and earnings of Non-Guarantors and joint ventures over the claims of creditors of the Issuer, including Holders of the Notes. The Notes and each Note Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Non-Guarantors and joint ventures. Although the Indenture will limit the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitations will be 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, Disqualified Stock and Preferred Stock''.

For the LTM Period, the Diversey subsidiaries that will not guarantee the Notes represented approximately 37.1% and 45.9% of Diversey's consolidated net sales and consolidated Adjusted EBITDA, respectively. As of March 31, 2017, those non-guarantor subsidiaries accounted for approximately 34.7% of Diversey's total assets (excluding assets not being acquired in the Transactions).

Additional Amounts

All payments made by the Issuer under or with respect to the Notes, or by any of the Guarantors under or with respect to any guarantee, will be made free and clear of, and without withholding or deduction for or on account of, any Tax, unless the withholding or deduction of such Tax is then required by law. If any deduction or withholding by any applicable withholding agent for or on account of any Taxes imposed or levied by or on behalf of any jurisdiction (or any department or political subdivision thereof or therein) (a) in which the Issuer or any Guarantor is at any time incorporated or organized, engaged in business for tax purposes or resident for tax purposes or (b) from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any paying agent) will at any time be required to be made in respect of any payments made by the Issuer under or with respect to the Notes or any of the Guarantors under or with respect to any guarantee, including payments of principal, redemption price, purchase price, interest or premium (each such jurisdiction (or any department or political subdivision thereof or therein) referred to in (a) or (b) above, a ''*Tax Jurisdiction*''), then the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the ''*Additional Amounts*'') as may be necessary in order that the net amounts received in respect of such payments after such withholding, deduction or imposition (including any such withholding, deduction or imposition in respect of any such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any actual or deemed (pursuant to applicable Tax law of the relevant Tax Jurisdiction, such as, if applicable, a connection of a partnership that is attributed to the partners/beneficial owners) present or former connection between the holder or the beneficial owner of a Note and the relevant Tax Jurisdiction (including being a resident of such jurisdiction for Tax purposes), other than the ownership or disposition of such Note, the enforcement of rights under such Note or under a guarantee or the receipt of any payments in respect of such Note or a guarantee;

(2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder or beneficial owner would otherwise have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment on or with respect to the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

(5) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes to comply with any reasonable written request of the Issuer addressed to the holder or beneficial owner and made at least 45 days before any such withholding or deduction would be payable to satisfy any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally eligible to provide such certification or documentation;

(6) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code as of the date of the Indenture (or any amended or successor version that is substantively comparable), any regulations promulgated thereunder or any other official interpretations thereof or any intergovernmental agreements (and any related law, regulation or official administrative guidance) implementing the foregoing; or

(7) any combination of items (1) through (6) above.

In addition to the foregoing, the Issuer and the Guarantors will also pay the holder any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies (including penalties, additions to tax, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any guarantee or any other document or instrument referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes or any guarantee.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee and Paying Agent on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee and Paying Agent promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate(s) must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee and Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor, if it is the applicable withholding agent, will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee or to a holder upon reasonable written request, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other reasonable evidence of payments by such entity. Upon reasonable request, copies of Tax receipts or other evidence of payments, as the case may be, will be made available by the Issuer to any holder.

Whenever in the Indenture or in this ''Description of Notes'' there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any guarantee. such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any successor Person to the Issuer or any Guarantor and to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated or organized, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which any payment on the Notes (or any guarantee) is made by or on behalf of such Person, and any department or political subdivision thereof or therein.

Optional Redemption

Except as set forth in the next four paragraphs, the Notes are not redeemable at the option of the Issuer.

At any time and from time to time prior to , 2020, the Issuer may on one or more occasions redeem the Notes in whole or in part, at its option, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

At any time and from time to time on and after , 2020, the Issuer may on one or more occasions redeem the Notes in whole or in part, at its option, at a redemption price equal to the percentage of principal amount of the Notes redeemed set forth below, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the applicable date of redemption, if redeemed during the 12-month period beginning on of each of the years indicated below:

Year	Redemption Price
2020	%
2021	%
2022 and thereafter	100.000%

At any time and from time to time prior to , 2020, the Issuer may, at its option, redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes issued after the Issue Date) at a redemption price equal to % of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date with the net cash proceeds received by, or contributed to, the Issuer from one or more Equity Offerings; *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 50% of the original aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes issued after the Issue Date) remains outstanding immediately thereafter (excluding Notes held by the Issuer or any of its Restricted Subsidiaries).

Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer or Asset Disposition Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not 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 withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a redemption price equal to the price offered to each other Holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the date of such redemption.

All notices of optional redemption will be provided as set forth under ''—Selection and Notice'' below.

Any optional redemption and notice of optional redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, incurrence of Indebtedness or in connection with other transactions (or series of related transactions) or an event that constitutes a Change of Control, the consummation of such Equity Offering, incurrence of Indebtedness, Change of Control or other transactions). In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice will describe each such condition, and if applicable, will state that, in the Issuer's discretion, the redemption date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions are not satisfied by such redemption date, or by the redemption date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

If the optional redemption date is after the relevant 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.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Redemption Upon a Tax Event

The Issuer may redeem any series of Notes, in whole but not in part, at its option, at any time upon giving not less than 30 nor more than 60 days' prior notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption (''*Tax Event Redemption Date*'') and all Additional Amounts (if any) then due and which will become due on the Tax Event Redemption Date as a result of the redemption or otherwise (subject to the right of Holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date occurring on or prior to the redemption date and Additional Amounts (if any) in respect thereof), if, on the next date on which any amount would be payable in respect of the Notes, the Issuer is or would be required to pay Additional Amounts in respect of the Notes and cannot avoid such payment obligation by taking reasonable measures available to the Issuer, and such requirement arises as a result of:

(1) any amendment to, or change in, the laws (or any regulations or rulings promulgated thereunder) of a relevant Tax Jurisdiction, which change or amendment is announced and becomes effective after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, after such later date); or

(2) any amendment to, or change in, an official written interpretation or application of such laws, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice), which amendment or change is announced and becomes effective after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, after such later date).

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts if a payment in respect of the Notes was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel of recognized standing in the relevant Tax Jurisdiction to the effect that there has been an amendment or change described in clause (1) or (2) above. In addition, before the Issuer publishes or mails notice of redemption of the Notes as described above, the Issuer will deliver to the Trustee an Officer's Certificate to the effect that the Issuer cannot avoid the obligation to pay Additional Amounts by taking reasonable measures available to it. The Trustee shall accept, and will be entitled to conclusively rely on, such an Opinion of Counsel and such Officer's Certificate as sufficient evidence of the existence and satisfaction of the conditions precedent described in clause (1) or (2) above, as applicable, and upon delivery of such Opinion of Counsel and Officer's Certificate to the Trustee the Issuer will be entitled to give notice of redemption hereunder and such notice of redemption will be conclusive and binding on the Holders of the Notes.

Sinking Fund

Except as set forth under the caption ''—Escrow of Proceeds; Special Mandatory Redemption'', the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the captions ''—Change of Control'' and ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock''. The Issuer may at any time and from time to time purchase Notes in the open market or otherwise.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Paying Agent will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Paying Agent by the Issuer, and in compliance with the requirements of Euroclear and Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear and Clearstream or Euroclear and Clearstream prescribe no method of selection, on a pro rata basis, subject to adjustments so that no Note in an unauthorized denomination remains outstanding after such redemption; *provided*, *however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 shall be redeemed. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this paragraph.

Notices of redemption will be delivered electronically or mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of Euroclear and Clearstream, except that redemption notices may be delivered electronically or mailed more than 60 days prior to a redemption date if the notice is (a) issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture or (b) subject to one or more conditions precedent and such redemption date is delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), as described above.

If and for so long as any Notes are listed on the Official List of the Exchange and if and to the extent the rules of the Exchange so require, the Issuer will notify the Exchange of any such notice to the Holders of the relevant Notes and, in connection with any redemption, the Issuer will notify the Exchange of any change in the principal amount of Notes outstanding.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a global note, an appropriate notation will be made on such 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 (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, unless the Issuer defaults in the payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption.

Change of Control

The Indenture will provide that if a Change of Control occurs after the Issue Date, subject to the exceptions described below, the Issuer will make an offer to purchase all of the Notes pursuant to the offer described below (the ''*Change of Control Offer*'') at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of repurchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date occurring on or prior to the repurchase date. Within 30 days following any Change of Control, the Issuer will deliver notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee and Paying Agent, to each Holder of Notes at the address of such Holder appearing in the security register as provided under ''—Selection and Notice'', describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, subject to extension (in the case where such notice is mailed or otherwise delivered prior to the occurrence of a Change of Control) in the event that the occurrence of the Change of Control is delayed, pursuant to the procedures required by the Indenture and described in such notice.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the Holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

We expect that the Credit Agreement will, and future credit agreements or other agreements to which the Issuer becomes a party may, provide that certain change of control events with respect to the Issuer would constitute a default thereunder and that the Credit Agreement and future credit agreements or other agreements may prohibit or limit the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of its lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases of the Notes. The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers and us. We have no present intention to engage in a transaction involving a Change of Control after the Issue Date, although it is possible that we could decide to do so in the future. See ''Risk Factors—Risks Related to the Notes and Our Indebtedness—The Issuer may be unable to repurchase the notes upon a change of control''.

Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness, including Secured Indebtedness, are contained in the covenants described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' and ''—Certain Covenants—Limitation on Liens''. Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction. See ''Risk Factors—Risks Related to the Notes and Our Indebtedness—We can enter into transactions like recapitalizations, reorganizations and other highly leveraged transactions that do not constitute a change of control but that could adversely affect the holders of the notes''.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (1) 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 or (2) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described above under the caption ''—Optional Redemption'', unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of redemption.

The definition of ''Change of Control'' includes a disposition of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person. Although there is a limited body of case law interpreting the phrase ''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 assets of the Issuer and its 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 of Notes may require the Issuer to make an offer to repurchase the Notes as described above. See ''Risk Factors—Risks Related to the Notes and Our Indebtedness—Holders of notes may not be able to determine when a change of control giving rise to their right to have the notes purchased has occurred following a sale of ''substantially all'' of our assets''.

The provisions under 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 at any time with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture.

Suspension of Covenants on Achievement of Investment Grade Status

Following the first day:

(a) the Notes have achieved Investment Grade Status; and

(b) no Default or Event of Default has occurred and is continuing under the Indenture,

then, beginning on that day (each such day, a ''*Suspension Date*'') and continuing until any Reversion Date (as defined below), the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following headings (collectively, the ''*Suspended Covenants*''):

- ''—Limitation on Restricted Payments'',
- ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'',
- ''—Limitation on Restrictions on Distributions from Restricted Subsidiaries'',
- ''—Limitation on Affiliate Transactions'',
- ''—Limitation on Sales of Assets and Subsidiary Stock'',
- ''—Limitation on Guarantees'', and
- the provisions of clause (3) of the first paragraph of ''—Merger and Consolidation''.

Additionally, upon the occurrence of an event resulting in Suspended Covenants, the amount of Excess Proceeds from Net Available Cash shall be reset to zero.

If on any date following a Suspension Date the Notes cease to have such Investment Grade Status (any such date, a ''*Reversion Date*''), then the Suspended Covenants will thereafter be reinstated and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the Notes subsequently attain Investment Grade Status and no Default or Event of Default is in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an Investment Grade Status); *provided*, *however*, that no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the Notes or the Note Guarantees with respect to the Suspended Covenants based on, and none of the Issuer or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period (as defined below), or any actions taken at any time pursuant to any contractual obligation arising prior to the applicable Reversion Date, regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between a Suspension Date and a Reversion Date is referred to as the ''*Suspension Period*''.

On any Reversion Date, all Indebtedness Incurred during the applicable Suspension Period will be deemed to have been outstanding on the Escrow Release Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock''. Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under ''—Limitation on Restricted Payments'' will be made as though the covenants described under ''—Limitation on Restricted Payments'' had been in effect since the Escrow Release Date prior to, but not during, the Suspension Period; *provided*, that no Subsidiaries may be designated as Unrestricted Subsidiaries during the Suspension Period, unless such designation would have complied with the covenant described under ''—Limitation on Restricted Subsidiaries'' as if such covenant would have been in effect during such period. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under the covenant described under ''—Limitation on Restricted Payments''. Any Affiliate Transaction entered into on and after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under ''—Limitation on Affiliate Transactions''. Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under ''—Limitation on Restrictions on Distributions from Restricted Subsidiaries'' that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1)(b) of the second paragraph of the covenant described under ''—Limitation on Restrictions on Distributions from Restricted Subsidiaries'' on and after any Reversion Date. During the Suspension Period, any future obligation to grant further Note Guarantees shall be suspended. All such further obligation to grant Note Guarantees shall be reinstated upon the Reversion Date, but no Subsidiary of the Issuer shall be required to comply with the covenant described under ''—Limitation on Guarantees'' after the end of a Suspension Period with respect to any Guarantee entered into by such Subsidiary during any Suspension Period.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Status. The Trustee shall have no duty to monitor the ratings of the Notes or notify Holders of the occurrence of a Suspension Date or Reversion Date.

Limitation on Indebtedness, Disqualified Stock and Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided*, *however*, that the Issuer may Incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock if, on the date of such Incurrence and after giving Pro Forma Effect thereto, the Consolidated Coverage Ratio for the Issuer and its Restricted Subsidiaries for the most recently ended Test Period at the time of such Incurrence is no less than 2.00 to 1.00; *provided*, *further*, that Restricted Subsidiaries that are Non-Guarantors may not Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock or Preferred Stock pursuant to this paragraph if, after giving Pro Forma Effect to such Incurrence (including the pro forma application of net proceeds therefrom), the aggregate principal amount of Indebtedness (including Acquired

Indebtedness), Disqualified Stock and Preferred Stock of Non-Guarantors that would be outstanding at the time of such Incurrence pursuant to this paragraph, together with the aggregate principal amount of Indebtedness, Disqualified Stock and Preferred Stock outstanding in reliance upon clause (5)(x) of the second paragraph of this covenant, would exceed the greater of (a) $160.0 million and (b) 40.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Incurrence.

The foregoing limitations will not apply to:

(1) Indebtedness Incurred pursuant to any Credit Facility, including letters of credit or bankers' acceptances issued or created under any such Credit Facility and Guarantees in respect of such Indebtedness, in an aggregate outstanding principal amount at the time of Incurrence not greater than $2,052.0 million, *plus* the greater of (a) $387.0 million and (b) Consolidated EBITDA of the Issuer for the most recently ended Test Period, so long as immediately after giving effect to any such incurrence and the application of net proceeds therefrom the Consolidated Secured Net Leverage Ratio does not exceed 4.50 to 1.00 (*provided* that any cash proceeds of any new Indebtedness then being Incurred shall not be netted from the numerator in the Consolidated Secured Net Leverage Ratio under this clause (1)(b) for purposes of determining whether such Indebtedness can be Incurred);

(2) 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 under the terms of the Indenture;

(3) Indebtedness of the Issuer owing to, or Disqualified Stock or Preferred Stock of the Issuer issued to, and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to, or Disqualified Stock or Preferred Stock of a Restricted Subsidiary issued to, and held by the Issuer or any Restricted Subsidiary; *provided*, *however*, that:

    (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness, Disqualified Stock or Preferred Stock being held by a Person other than the Issuer or a Restricted Subsidiary; and

    (b) any sale or other transfer of any such Indebtedness, Disqualified Stock or Preferred Stock to a Person other than the Issuer or a Restricted Subsidiary (other than any pledge of such Indebtedness or Capital Stock constituting a Permitted Lien),

    shall be deemed, in each case, to constitute an Incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) by the Issuer or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes), including any Note Guarantee thereof, (b) any Indebtedness (other than Indebtedness incurred pursuant to clauses (1) and (3) above) outstanding on the Escrow Release Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clauses (5) or (9) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) Management Advances;

(5) (x) Indebtedness and Disqualified Stock Incurred by the Issuer or any Restricted Subsidiary, and Preferred Stock, Incurred by any Restricted Subsidiary, to finance an acquisition, merger, amalgamation, consolidation; *provided* that the aggregate principal amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and Preferred Stock that may be Incurred pursuant to the foregoing clause (x), together with

the aggregate principal amount of Indebtedness, Disqualified Stock and Preferred Stock outstanding in reliance upon the first paragraph of this covenant, in each case, by Non-Guarantors shall not exceed the greater of (A) $140.0 million and (B) 35.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) or (y) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary), which Indebtedness, Disqualified Stock or Preferred Stock exists at the time of such acquisition and is not created in contemplation thereof; *provided* that, after giving effect to such acquisition, merger, amalgamation, consolidation or designation described in this clause (5), on a Pro Forma Basis:

(a) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Coverage Ratio test set forth in the first paragraph of this covenant,

(b) the Consolidated Coverage Ratio of the Issuer and the Restricted Subsidiaries as of the most recently ended Test Period would not be lower than the Consolidated Coverage Ratio immediately prior to such acquisition, merger, amalgamation, consolidation, Investment or designation,

(c) the Consolidated Total Net Leverage Ratio of the Issuer and the Restricted Subsidiaries is not greater than 5.80 to 1.00 as of the most recently ended Test Period; *provided* that any cash proceeds of any new Indebtedness, Disqualified Stock or Preferred Stock then being Incurred shall not be netted from the numerator in the Consolidated Total Net Leverage Ratio for purposes of calculating the Consolidated Total Net Leverage Ratio under this clause (5)(c) for purposes of determining whether such Indebtedness, Disqualified Stock or Preferred Stock can be Incurred,

(d) the Consolidated Total Net Leverage Ratio of the Issuer and the Restricted Subsidiaries as of the most recently ended Test Period would not be higher than immediately prior to such acquisition, merger, amalgamation, consolidation or designation; *provided* that any cash proceeds of any new Indebtedness, Disqualified Stock or Preferred Stock then being Incurred shall not be netted from the numerator in the Total Net Leverage Ratio for purposes of calculating the Consolidated Total Net Leverage Ratio under this clause (5)(d) for purposes of determining whether such Indebtedness, Disqualified Stock or Preferred Stock can be Incurred, or

(e) in the case of Indebtedness, such Indebtedness constitutes Acquired Indebtedness (other than Indebtedness Incurred in contemplation of 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); *provided* that the only obligors with respect to such Indebtedness shall be those Persons who were obligors (or required to be obligors) of such Indebtedness prior to such acquisition, merger, amalgamation or consolidation;

(6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(7) Indebtedness and Disqualified Stock Incurred by the Issuer or any Restricted Subsidiary and Preferred Stock Incurred by any Restricted Subsidiary, in each case represented by Capitalized Lease Obligations (in the case of Indebtedness) or Purchase Money

Obligations in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness, Disqualified Stock and Preferred Stock Incurred pursuant to this clause and then outstanding, does not exceed the greater of (a) $120.0 million and (b) 30.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof; *provided* that Capitalized Lease Obligations Incurred by the Issuer or any Restricted Subsidiary pursuant to this clause (7) in connection with a Permitted Sale and Leaseback shall not be subject to the foregoing limitation so long as the net cash proceeds of such Permitted Sale and Leaseback are used by the Issuer or such Restricted Subsidiary to permanently repay outstanding term loans under any Credit Facility or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale and Leaseback;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added or other tax or other 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 consistent with past practice; (b) 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 or consistent with past practice; *provided*, *however*, that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice; (d) 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 consistent with past practice; and (e) any customary treasury, depositary, cash management, automatic clearinghouse arrangements, overdraft protections, cash pooling or netting or setting off arrangements or similar arrangements in the ordinary course of business or consistent with past practice, including financial accommodations of the type described in the definition of ''Cash Management Services'' or ''Bank Products'';

(9) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earn-outs 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);

(10) Indebtedness and Disqualified Stock of the Issuer, and Indebtedness, Disqualified Stock and Preferred Stock of any Restricted Subsidiary, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause 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 Preferred Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preferred Stock or an Excluded Contribution) of the Issuer, in each case, subsequent to the Escrow Release Date, and any Refinancing Indebtedness in respect thereof; *provided*, *however*, that any such net cash proceeds that are so received

or contributed shall not increase the amount available for making Restricted Payments to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon;

(11) Indebtedness, Disqualified Stock and Preferred Stock of Non-Guarantors in an aggregate principal amount not to exceed at any one time outstanding the greater of (a) $140.0 million and (b) 35.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock Incurred pursuant to this clause (11) shall cease to be deemed Incurred for purposes of this clause (11) but shall be deemed Incurred for the purposes of the first paragraph of this covenant from and after the first date on which such Non-Guarantor could have Incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (11));

(12) Indebtedness consisting of promissory notes issued by the Issuer or any of its Restricted Subsidiaries to any future, present or former employee, director, manager or consultant of the Issuer, any of its Subsidiaries or of any Parent Entity (or permitted transferees, assigns, estates, trusts, heirs, or any spouse or former spouse of such employee, director, manager or consultant), to finance the purchase or redemption of Capital Stock of the Issuer or any Parent Entity that is permitted by the covenant described below under ''—Limitation on Restricted Payments'';

(13) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case Incurred in the ordinary course of business or consistent with past practice;

(14) Indebtedness and Disqualified Stock Incurred by the Issuer or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness, Disqualified Stock and Preferred Stock Incurred pursuant to this clause and then outstanding, will not exceed the greater of (a) $250.0 million and (b) 65.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock Incurred pursuant to this clause (14) shall cease to be deemed Incurred for purposes of this clause (14) but shall be deemed Incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have Incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (14));

(15) (x) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred by the Indenture, or (y) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Issuer or any Subsidiary of the Issuer to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(16) Indebtedness of the Issuer or any of its Restricted Subsidiaries arising pursuant to any Permitted Reorganization or any Intercompany License Agreement;

(17) Indebtedness to the seller of any business or assets permitted to be acquired by the Issuer or any Restricted Subsidiary under the Indenture; *provided* that the aggregate amount of Indebtedness Incurred pursuant to this clause and then outstanding will not exceed $75.0 million;

(18) obligations in respect of Disqualified Stock and Preferred Stock in an amount not to exceed the greater of (a) $75.0 million outstanding at any time and (b) 20.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis); and

(19) to the extent constituting Indebtedness, all premiums (if any), interest (including Post-Petition Interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (18) above.

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) subject to clause (3) below, in the event that all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock meets the criteria of more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock 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 (or portion of such item) of Indebtedness and only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) subject to clause (3) below, additionally, all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock may later be classified as having been Incurred pursuant to any type of Indebtedness, Disqualified Stock or Preferred Stock described in the first and second paragraphs of this covenant so long as such Indebtedness is permitted to be Incurred pursuant to such provision at the time of reclassification;

(3) all Indebtedness outstanding on the Escrow Release Date under the Credit Agreement shall be deemed to have been Incurred on the Escrow Release Date under clause (1) of the second paragraph of the description of this covenant and may not be reclassified at any time pursuant to clause (1) or (2) of this paragraph;

(4) in the case of any Refinancing of any Indebtedness, such Indebtedness shall not include the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such Refinancing;

(5) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness, Disqualified Stock or Preferred Stock that is otherwise included in the determination of a particular amount of Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(6) 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), (10), (11) 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;

(7) 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;

(8) Indebtedness, Disqualified Stock and Preferred Stock permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness, Disqualified Stock or Preferred Stock 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, Disqualified Stock or Preferred Stock;

(9) the amount of any Indebtedness, Disqualified Stock or Preferred Stock 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 of Indebtedness, Disqualified Stock or Preferred Stock, or liquidation preference thereof, in the case of any other Indebtedness, Disqualified Stock or Preferred Stock;

(10) in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is Incurred pursuant to the second paragraph of this covenant on the same date that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is Incurred under the first paragraph of this covenant or clauses (1) or (5) above, then the Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as the case may be, will be calculated with respect to such Incurrence under the first paragraph of this covenant or clauses (1) or (5) above without regard to any Incurrence under the second paragraph of this covenant. Unless the Issuer elects otherwise, the Incurrence of Indebtedness, Disqualified Stock or Preferred Stock will be deemed Incurred first under the first paragraph of this covenant or clauses (1) or (5) to the extent permitted, with the balance Incurred under the second paragraph of this covenant;

(11) in the event that the Issuer or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness, Disqualified Stock or Preferred Stock or commits to Incur any Lien pursuant to clause (30) of the definition of ''Permitted Liens'', the incurrence or issuance thereof for all purposes under the Indenture, including, without limitation, for purposes of calculating the Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, or usage of clauses (1) through (19) of the preceding paragraph (if any) for borrowings and reborrowings thereunder (and including issuance and creation of letters of credit and bankers' acceptances thereunder) will, at the Issuer's option as notified to the Trustee in writing, either (i) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Indebtedness, Disqualified Stock or Preferred Stock, and, if such Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be permitted under this covenant irrespective of the Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, or other provision of the Indenture at the time of any borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (i) shall be the ''Reserved Indebtedness Amount'' as of such date for purposes of the Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable) or (ii) be determined on the date such amount is borrowed pursuant

to any such facility or increased commitment, and in each case, the Issuer may revoke such determination at any time and from time to time as notified to the Trustee in writing; and

(12) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Total Assets or Consolidated EBITDA at the time of Incurrence, if such refinancing would cause the percentage of Total Assets or Consolidated EBITDA restriction to be exceeded if calculated based on the percentage of Total Assets or Consolidated EBITDA on the date of such refinancing, such percentage of Total Assets or Consolidated EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing.

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 GAAP, will in each case not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock''.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness, Disqualified Stock or Preferred Stock of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date (and, if such Indebtedness, Disqualified Stock or Preferred Stock is not permitted to be Incurred as of such date under the covenant described under this ''Limitation on Indebtedness, Disqualified Stock and Preferred Stock'', the Issuer shall be in default of this covenant).

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 the same currency as the Indebtedness being refinanced, shall be calculated based on the currency exchange rate in effect on the date such Indebtedness was originally incurred, in the case of term indebtedness, or first committed, in the case of revolving credit indebtedness. 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.

The Indenture will provide that the Issuer will not, and will not permit any Subsidiary Guarantor to, Incur any Indebtedness (including Acquired Indebtedness) that is subordinated or junior in right of payment to any Indebtedness of the Issuer or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Notes or such Subsidiary Guarantor's Note Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuer or such Subsidiary Guarantor, as the case may be.

The Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral or is secured by different collateral.

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 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 in accordance with their Capital Stock holdings);

(2) purchase, repurchase, redeem, retire or otherwise acquire or retire for value any Capital Stock of the Issuer or any Parent Entity held by Persons other than the Issuer or a Restricted Subsidiary;

(3) 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 with an aggregate principal amount in excess of $20.0 million (it being understood that payments of regularly scheduled principal, interest and mandatory prepayments, redemptions or offers to purchase shall be permitted), other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of 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, Disqualified Stock and Preferred Stock'';

(4) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, 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;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) (other than any exceptions thereto) are referred to herein as a ''*Restricted Payment*''), unless, at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) no Event of Default (or, in the case of a Restricted Investment, no Event of Default under clauses (1), (2) or (5) under ''—Events of Default'') shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) except in the case of a Restricted Investment, if such Restricted Payment is made in reliance on clause (c)(i) below, the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Coverage Ratio test set forth in the first paragraph of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' above; and

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Escrow Release Date (and not returned or rescinded) (excluding all Restricted Payments permitted by the next succeeding paragraph) would not exceed the sum of (without duplication):

(i) an amount equal to 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter during which the Escrow Release Date occurs to the end of the Issuer's most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements have been delivered pursuant to the provisions described under ''Reports'' (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit, which amount in this clause (i) shall not be less than zero); plus

(ii) 100% of the aggregate net cash proceeds, and the fair market value of property or assets or marketable securities, received by the Issuer and its Restricted Subsidiaries subsequent to the Escrow Release Date (other than net cash proceeds to the extent such net cash proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to clause (10) of the second paragraph of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' above) from the issue or sale of (w) Subordinated Shareholder Funding, (x) Capital Stock of the Issuer, including Retired Capital Stock, but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of (A) Capital Stock or Subordinated Shareholder Funding to any employee, director, manager or consultant of the Issuer, any Parent Entity and any of the Issuer's Subsidiaries after the Escrow Release Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (6) of the second paragraph of this covenant below and (B) Designated Preferred Stock, (y) Capital Stock of any Parent Entity to the extent the net cash proceeds thereof or property, assets or marketable securities received in connection therewith are actually contributed to the Issuer (excluding, in the case of this clause (y), contributions of the proceeds from the sale of Designated Preferred Stock by any such Parent Entity to the extent such amounts have been applied to Restricted Payments made in accordance with clause (13) of the second paragraph of this covenant below) or (z) Indebtedness of the Issuer or a Restricted Subsidiary that has been converted into or exchanged for Capital Stock of the Issuer or any Parent Entity; *provided* that this clause (ii) shall not include the proceeds from (a) Refunding Capital Stock, (b) Subordinated Shareholder Funding, Capital Stock or Indebtedness that has been converted or exchanged for Capital Stock of the Issuer or sold to a Restricted Subsidiary, as the case may be, (c) Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions; plus

(iii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Issuer and its Restricted Subsidiaries subsequent to the Escrow Release Date from contributions to the Capital Stock of the Issuer or any Restricted Subsidiary (other than (x) amounts used to Incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (10) of the second paragraph of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' above,

(y) amounts that are contributed by the Issuer or a Restricted Subsidiary or (z) amounts that constitute Excluded Contributions); plus

(iv) 100% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by the Issuer and its Restricted Subsidiaries by means of: (x) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or any Restricted Subsidiary and repurchases and redemptions of, or cash distributions or cash interest received in respect of, such Restricted Investments from the Issuer or any Restricted Subsidiary and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Issuer or any Restricted Subsidiary, in each case after the Escrow Release Date; or (y) the sale (other than to the Issuer or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent of the amount of the Investment that constituted a ''Permitted Investment'') or joint venture or a dividend from an Unrestricted Subsidiary or joint venture after the Escrow Release Date; plus

(v) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the Escrow Release Date or the merger, consolidation or amalgamation of an Unrestricted Subsidiary with or into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after the Escrow Release Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith of the Issuer at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, consolidation or amalgamation or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a ''Permitted Investment''; plus

(vi) $75.0 million; plus

(vii) any returns, profits, distributions and similar amounts received on account of a Restricted Investment made in reliance upon this first paragraph (up to the amount of the original Investment).

The foregoing provisions will not prohibit any of the following (collectively, ''*Permitted Payments*''):

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture or the redemption, repurchase or retirement of Indebtedness if, at the date of any irrevocable redemption notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;

(2) (x) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock of the Issuer or any Parent Entity, including any accrued and unpaid dividends or distributions thereon (''*Retired Capital Stock*''), or Subordinated Indebtedness, 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 (other than to the Issuer or a Restricted Subsidiary) of, Subordinated Shareholder Funding or Capital Stock of the Issuer or any Parent Entity to the extent contributed to the Issuer (in the case of proceeds only) (other than Disqualified Stock (other than Disqualified Stock that is permitted to be issued by the Indenture), Excluded Contributions or sales of Capital Stock or Subordinated Shareholder Funding to any Subsidiary of the Issuer) (''*Refunding Capital Stock*''), (y) the declaration and payment of dividends on Retired Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to the Issuer or a Restricted Subsidiary) of Refunding Capital Stock and (z) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (13) below and not made pursuant to clause (2)(x) above, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Capital Stock of any Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) any purchase, repurchase, redemption, defeasance or other refinancing, acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Subordinated Indebtedness that constitutes Indebtedness permitted to be Incurred pursuant to the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' above so long as: (A) the principal amount (or accreted value, if applicable) of such new Subordinated Indebtedness does not exceed the principal amount of (or accreted value, if applicable) (plus the amount of any unused commitments thereunder) of the purchased, repurchased, redeemed, defeased, refinanced, acquired or retired Subordinated Indebtedness, plus any accrued and unpaid interest on the Subordinated Indebtedness being so purchased, repurchased, redeemed, defeased, acquired, refinanced or retired, plus the amount of any premium (including call and tender premiums), defeasance costs and any underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Subordinated Indebtedness and the Incurrence of such new Subordinated Indebtedness, (B) such new Subordinated Indebtedness is subordinated to the Notes or the applicable Note Guarantees at least to the same extent (as to both priority of payment and security), in all material respects, as such Subordinated Indebtedness so purchased, repurchased, redeemed, defeased, refinanced, acquired or retired, (C) such new Subordinated Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness being so purchased, repurchased, redeemed, defeased, refinanced, acquired or retired, and (D) such new Subordinated Indebtedness has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so purchased, repurchased, redeemed, defeased, refinanced, acquired or retired;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Parent Entity made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer or a Parent Entity (but only to the extent such proceeds are contributed by such Parent Entity to the Issuer) to replace Preferred Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer or a Parent Entity, as the case may be that, in each case, is permitted to be incurred pursuant to the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'';

(5) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock or Preferred Stock:

   (a) from Net Available Cash to the extent permitted under ''—Limitation on Sales of Assets and Subsidiary Stock'' below, but only 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, Disqualified Stock or Preferred Stock;

   (b) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of a Change of Control (or other similar event described therein as a ''change of control''), but only 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, Disqualified Stock or Preferred Stock; or

   (c) 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 acquisition);

(6) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (other than Disqualified Stock) of the Issuer or of any Parent Entity held by any future, present or former employee, director, manager or consultant of the Issuer, any of its Subsidiaries or of any Parent Entity (or permitted transferees, assigns, estates, trusts, heirs, or any spouse or former spouse of such employee, director, manager or consultant) either pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Issuer or any Parent Entity in connection with such repurchase, retirement or other acquisition or retirement for value), including any arrangement including Capital Stock rolled over by management of the Issuer, any Subsidiary of the Issuer or any Parent Entity in connection with the Transactions; *provided*, *however*, that the aggregate Restricted Payments made under this clause (6) do not exceed $40.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years); *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed:

   (a) the cash proceeds from the sale of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock or Excluded Contributions) of the Issuer and, to the extent contributed to the capital of the Issuer (other than through the issuance of Disqualified Stock or Designated Preferred Stock or an Excluded Contribution), Subordinated Shareholder Funding or Capital Stock of any Parent Entity, in each case to members of management, directors, managers or consultants of the Issuer, any of its Subsidiaries or any Parent Entity that occurred after the Escrow Release Date, to the extent the cash proceeds from the sale of such Subordinated Shareholder Funding or Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (c) of the preceding paragraph; plus

(b) the cash proceeds of key man life insurance policies received by the Issuer and its Restricted Subsidiaries after the Escrow Release Date; less

(c) the amount of any Restricted Payments made in previous calendar years pursuant to clauses (a) and (b) of this clause;

and *provided*, *further*, that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from future, present or former members of management, employees, directors, managers or consultants of the Issuer, or any Parent Entity or Restricted Subsidiaries, or permitted transferees, assigns, estates, trusts, heirs, or any spouse or former spouse of such members of management, employee, director, manager or consultant, in connection with a repurchase of Capital Stock of the Issuer or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of the Issuer or any Restricted Subsidiary, in each case Incurred in accordance with the terms of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' above;

(8) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding, employment or similar taxes payable by any future, present or former employee, director, manager, or consultant of the Issuer or any Restricted Subsidiary or any Parent Entity and any purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, vesting or settlement of, or payment with respect to, any equity or equity-based award, including, without limitation, stock options, appreciation rights, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof, or to satisfy any required withholding or similar taxes with respect to any such award;

(9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Entity to pay any Parent Entity Expenses; or

(b) to the extent constituting Restricted Payments, amounts that would be permitted to be paid directly by the Issuer or the Restricted Subsidiaries under the covenant described under ''—Certain Covenants—Limitation on Affiliate Transactions'' (other than clause (1) of the second paragraph thereof);

(10) the declaration and payment by the Issuer of dividends or distributions on the common stock or common equity interests of the Issuer or any Parent Entity (and any equivalent declaration and payment of a distribution of any security exchangeable for such common stock or common equity interests to the extent required by the terms of any such exchangeable securities) following a public offering of such common stock or common equity interests (or such exchangeable securities, as applicable), in an amount not to exceed the sum of (a) 6.0% in any fiscal year of the aggregate proceeds received by or contributed to the Issuer in or from all such public offerings and (b) an aggregate amount per annum not to exceed 6.0% of Market Capitalization;

(11) payments by the Issuer, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Issuer or any Parent Entity 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 of the Issuer);

(12) Restricted Payments that are made with Excluded Contributions;

(13) (i) the declaration and payment of dividends on Designated Preferred Stock of the Issuer issued after the Escrow Release Date; (ii) the declaration and payment of dividends to any Parent Entity, the proceeds of which will be used to fund the payment of dividends to holders of Designated Preferred Stock of such Parent Entity; (iii) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock; *provided*, *however*, that, in the case of clause (ii), the amount of all dividends declared or paid pursuant to such clause shall not exceed the aggregate amount contributed in cash as Subordinated Shareholder Funding or in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Issuer from the issuance or sale of such Designated Preferred Stock; *provided*, *further*, in the case of clauses (i), (ii) and (iii), that immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such payment on a Pro Forma Basis the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Coverage Ratio test set forth in the first paragraph of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'';

(14) dividends or other distributions of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries or the proceeds thereof;

(15) distributions or payments of Receivables Fees and Securitization Fees, and sales, contributions and other transfers of Securitization Assets or Receivables Assets and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation, in each case in connection with a Qualified Securitization Financing or Receivables Facility;

(16) any Restricted Payment made in connection with the Transactions (and fees and expenses related thereto), or constituting any part of any Permitted Reorganization (and the fees and expenses related thereto), or used to fund amounts owed to Affiliates in connection with the Transactions and any Permitted Reorganization (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts), including, without limitation, payments to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest);

(17) Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed the greater of (a) $125.0 million and (b) 35.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time made;

(18) any Restricted Payments made by the Issuer or any Restricted Subsidiary; *provided* that, immediately after giving Pro Forma Effect thereto, the Consolidated Total Net Leverage Ratio would be no greater than 4.75 to 1.00 as of the most recently ended Test Period;

(19) mandatory redemptions of Disqualified Stock or Preferred Stock issued as a Restricted Payment or as consideration for a Permitted Investment;

(20) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness in an aggregate amount pursuant to this clause (20) not to exceed the greater of (x) $80.0 million and (y) 20.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time such purchase, repurchase, redemption, defeasance or other acquisition or retirement is made;

(21) AHYDO Payments with respect to Indebtedness permitted under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'';

(22) Restricted Payments by the Issuer and its Restricted Subsidiaries pursuant to Intercompany License Agreements; or

(23) the declaration and payment of dividends or distributions by the Issuer to, or the making of loans or advances to, any Parent Entity in amounts required for any such Parent Entity (or such Parent Entity's direct or indirect equity owners) to pay:

   (a) (i) franchise, excise and similar taxes, and other fees and expenses, required to maintain a Parent Entity's corporate, legal and organizational existence including legal and accounting and other costs directly attributable to maintaining its corporate, legal, or organizational existence and out-of-pocket costs attributable to the preparation of tax returns, or

   (b) for any taxable period for which the Issuer or any of its Restricted Subsidiaries are members of a consolidated, combined, unitary or similar income tax group of which a Parent Entity is the common parent (a ''*Tax Group*''), the portion of any income Taxes of such Tax Group for such taxable period that are attributable to the taxable income of the Issuer and/or the applicable Restricted Subsidiaries (and, to the extent permitted below, the applicable Unrestricted Subsidiaries); *provided* that for each taxable period, (A) the amount of such payments made in respect of such taxable period in the aggregate will not exceed the amount that the Issuer and the applicable Restricted Subsidiaries (and, to the extent permitted below, the applicable Unrestricted Subsidiaries), would have been required to pay in respect of such taxable income as stand-alone taxpayers or a stand-alone tax group and (B) the amount of such payments made in respect of an Unrestricted Subsidiary will be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to the Issuer or any Restricted Subsidiary for such purpose;

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (17), (18) and (20), no Event of Default (or in the case of a Restricted Investment, no Event of Default under clauses (1), (2) or (5) under ''Events of Default'') shall have occurred and be continuing or would occur as a consequence thereof.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) or Investment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (23) above, or is permitted pursuant to the first paragraph of this covenant and/or one or more of the exceptions contained in the definition of ''Permitted Investments'', the Issuer will be entitled to classify such Restricted Payment (or portion thereof) or Investment (or portion thereof) on the date of its payment, or later reclassify such Restricted Payment (or portion thereof) or Investment (or portion thereof), among such clauses (1) through (23) above, the first paragraph of this covenant and/or one or more exceptions contained in the definition of ''Permitted Investments'', in any manner that otherwise complies with this covenant.

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, property or assets other than cash shall be determined conclusively by the Board of Directors of the Issuer acting in good faith.

Limitation on Liens

Holdings will not, and will not permit the Issuer or a Restricted Subsidiary that is a Guarantor to, directly or indirectly, create, Incur or permit to exist any Lien (except Permitted Liens) (each, an ''*Initial Lien*'') that secures Obligations under any Indebtedness or any related Guarantee, on any asset or property of Holdings, the Issuer or any Restricted Subsidiary that is a Guarantor, unless:

(1) in the case of Liens securing Subordinated Indebtedness, the Notes and related Note Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; or

(2) in all other cases, the Notes or the Note Guarantees are equally and ratably secured.

Any Lien created for the benefit of Holders of the Notes pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The ''*Increased Amount*'' of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

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 such Restricted Subsidiary to:

(A) pay dividends or make any other distributions to the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor;

(B) make any loans or advances to the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor; or

(C) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor;

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 that is a Subsidiary Guarantor to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor 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 Credit Agreement), or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date (or contractual encumbrances or restrictions with respect to the Transactions in effect on the Escrow Release Date);

(2) any encumbrance or restriction pursuant to the Indenture, the Notes and the Note Guarantees;

(3) encumbrances or restrictions arising or existing by reason of applicable law, rule, regulation or order, or required by any regulatory authority;

(4) 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 or entered into in contemplation of or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause, if another Person is the successor entity, 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 entity;

(5) 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 agreement, or the assignment or transfer of any lease, license or other contract or agreement;

   (b) contained in mortgages, pledges, charges 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 or encumbrance of the property or assets subject to such mortgages, pledges, charges 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;

(6) 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, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security

deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender;

(7) any encumbrance or restriction imposed on the Capital Stock or assets of the Issuer or any Restricted Subsidiary pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of such Capital Stock or assets pending the closing of such sale or disposition;

(8) customary provisions in leases, subleases, licenses, sublicenses, shareholder agreements, joint venture agreements, organizational documents and other similar agreements and instruments;

(9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practice;

(11) any encumbrance or restriction pursuant to Hedging Obligations;

(12) other Indebtedness, Disqualified Stock or Preferred Stock of Non-Guarantors permitted to be Incurred or issued subsequent to the Escrow Release Date pursuant to the provisions of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' that impose restrictions solely on the Non-Guarantors party thereto or their Subsidiaries;

(13) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Securitization Facility or Receivables Facility, as the case may be;

(14) any encumbrance or restriction arising pursuant to an agreement or instrument (which, if it relates to any Indebtedness, shall only be permitted if such Indebtedness is permitted to be Incurred pursuant to the provisions of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'') if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole (i) are not materially less favorable to the Holders than the encumbrances and restrictions contained in the Credit Agreement, together with the security documents associated therewith as in effect on the Escrow Release Date (as determined by the Issuer) or (ii) either (a) the Issuer determines at the time of entry into such agreement or instrument that such encumbrances or restrictions do not materially impair the Issuer's ability to make principal or interest payments on the Notes as and when due (as determined in good faith by the Issuer) or (b) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument;

(15) any encumbrance or restriction existing by reason of any lien permitted under ''—Limitation on Liens''; or

(16) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (1) to (15) of this paragraph or this clause (an ''*Initial Agreement*'') or contained in any amendment, modification, restatement, renewal, increase, supplement, refunding, replacement, refinancing or other modification to an agreement referred to in clauses (1) to (15) of this paragraph or this clause (16); *provided*, *however*, that the encumbrances and restrictions with respect to such

Restricted Subsidiary contained in any such agreement or instrument are not materially less favorable to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement, refinancing or other modification relates (as determined in good faith by the Issuer).

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate any Asset Disposition unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition as determined in good faith by the Issuer) of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap) if the property or assets sold or otherwise disposed of have a fair market value in excess of $40.0 million, at least 75% of the consideration from such Asset Disposition, together with all other Asset Dispositions since the Escrow Release Date (on a cumulative basis), (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise), received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and

(3) the Issuer or any of its Restricted Subsidiaries, at its respective option, will apply an amount equal to such Net Available Cash from any Asset Disposition:

   (a) (i) to prepay, repay, redeem or purchase any Indebtedness of a Non-Guarantor or Indebtedness that is secured by a Lien (in each case, other than Indebtedness owed to the Issuer or any Restricted Subsidiary) or Indebtedness under the Credit Agreement (or any Refinancing Indebtedness in respect thereof) within 540 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; provided, however, that, in connection with any prepayment, repayment, redemption or purchase of Indebtedness pursuant to this clause (a), the Issuer or Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be reduced in an amount equal to the principal amount so prepaid, repaid, redeemed or purchased; or (ii) to prepay, repay, redeem or purchase Pari Passu Indebtedness; provided, further, that, to the extent the Issuer or any Restricted Subsidiary prepays, repays, redeems, or purchases Pari Passu Indebtedness pursuant to this clause (ii), the Issuer shall equally and ratably reduce Obligations under the Notes as provided under ''Optional Redemption'', through open-market purchases (to the extent such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Disposition Offer) to all Holders to purchase their Notes at 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, on the amount of Notes that would otherwise be purchased to, but excluding, the date of purchase; and/or

   (b) to invest in or commit to invest in Additional Assets within 540 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash;

provided, however, that a binding agreement shall be treated as a permitted application of Net Available Cash from the date of such commitment with the good faith expectation that such Net Available Cash will be applied to satisfy such commitment within 180 days of such commitment (an ''*Acceptable Commitment*'') and, in the event that any Acceptable Commitment is later cancelled or terminated for any reason before the Net Available Cash is applied in connection therewith, then such Net Available Cash shall constitute Excess Proceeds unless the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a ''*Second Commitment*'') within 180 days of such cancellation or termination; provided further that if any Second Commitment is later cancelled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash shall constitute Excess Proceeds;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by the Indenture.

If an amount equal to the Net Available Cash from Asset Dispositions is not applied or invested or committed to be applied or invested as provided, and within the time period (including as extended) set forth in the preceding paragraph (it being understood that any portion of such amount used to make an offer to purchase Notes, as described in clauses (3)(a)(i) and (iii) of the immediately preceding paragraph, will be deemed to have been applied whether or not such offer is accepted), then such amount not applied or invested or committed to be applied or invested will be deemed to constitute ''Excess Proceeds'' under the Indenture. When the aggregate amount of Excess Proceeds under the Indenture exceeds $60.0 million in any fiscal year, the Issuer will within 10 Business Days be required to make an offer (an ''*Asset Disposition Offer*'') to all Holders of the Notes and, to the extent the Issuer elects or is required to by the terms of any Pari Passu Indebtedness, to holders or lenders of any other outstanding Pari Passu Indebtedness, to purchase (or redeem or repay, as applicable) the maximum aggregate principal amount of the Notes and any such Pari Passu Indebtedness to which such Asset Disposition Offer applies that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount of the Notes and such Pari Passu Indebtedness, or 100% of the accreted value thereof, if less (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), in each case, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver notice of such Asset Disposition Offer electronically or by first-class mail as provided under ''—Selection and Notice'', with a copy to the Trustee, to each Holder of Notes at the address of such Holder appearing in the security register, describing the transaction or transactions that constitute the Asset Disposition and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture, or otherwise in accordance with the procedures of Euroclear and Clearstream, and described in such notice. The Issuer may satisfy the foregoing obligations with respect to any Net Available Cash from an Asset Disposition by making an Asset Disposition Offer with respect to all Net Available Cash prior to the expiration of the relevant 540 days (or such longer period provided above) or with respect to any unapplied Excess Proceeds.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess

Proceeds, the Issuer or any Restricted Subsidiary may use any remaining Excess Proceeds for any purpose not prohibited by the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and 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 Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness; *provided* that no Notes or other Pari Passu Indebtedness in an unauthorized denomination will remain outstanding after such purchase. Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero (regardless of whether there are any remaining Excess Proceeds upon such completion).

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than Dollars, the amount thereof payable in respect of the Notes shall not exceed the net amount of funds in Dollars that is actually received by the Issuer upon converting such portion into Dollars.

Notwithstanding any other provisions of this covenant, (i) to the extent that any or all of the Net Available Cash of any Asset Disposition by a Foreign Subsidiary (a ''*Foreign Disposition*'') is (x) prohibited or delayed by applicable local law, (y) restricted by applicable organizational documents or any agreement or (z) subject to other onerous organizational or administrative impediments from being repatriated, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law, organizational document, agreement or other impediment will not permit repatriation to the Issuer or a Guarantor, and once such repatriation of any of such affected Net Available Cash is permitted under the applicable local law, the applicable organizational document or agreement or the applicable other impediment, an amount equal to such amount of Net Available Cash so permitted to be repatriated will be promptly (and in any event not later than 10 Business Days after such repatriation is permitted) applied (net of any Taxes, costs or expenses that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) in compliance with this covenant and (ii) to the extent that the Issuer has determined in good faith that repatriation of any or all of the Net Available Cash of any Foreign Disposition could have a material adverse tax consequence with respect to such Net Available Cash (which for the avoidance of doubt, includes, but is not limited to, any prepayment whereby doing so Holdings, the Issuer, any Restricted Subsidiary or any of their respective Affiliates and/or equity partners would incur a material tax liability, including a tax dividend or a withholding tax), the Net Available Cash so affected may be retained by the applicable Foreign Subsidiary. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, so long as an amount equal to the amount of Net Available Cash required to be applied in accordance with this covenant is applied by the Issuer, nothing in the Indenture shall be construed to require any Subsidiary to repatriate cash.

For purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the (x) assumption or (y) cancellation, extinguishment or termination of Indebtedness or other liabilities (as reflected on the Issuer's or such Restricted Subsidiary's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Issuer) contingent or otherwise, in each case of the Issuer or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or

a Guarantor) and, in the case of clause (x) only, the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Issuer and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Issuer or a Guarantor (other than Subordinated Indebtedness) received after the Escrow Release Date from Persons who are not the Issuer or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of $60.0 million and 15.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable 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 the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

The provisions under the Indenture relative to the Issuer's obligation to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

The Credit Agreement may prohibit or limit, and future credit agreements or other agreements to which the Issuer becomes a party may prohibit or limit, the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of its lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any of the Issuer's Affiliates (other than Holdings, the Issuer and the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction) (an ''Affiliate Transaction'') involving aggregate value in excess of $20.0 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 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 $60.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Issuer or a Parent Entity.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors, if any.

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'' or any Permitted Investment;

(2) any issuance 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 Entity, 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 to or on behalf of, or for the benefit of future, present or former officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business or consistent with past practice;

(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 between or among Restricted Subsidiaries (or, in any case, any entity that becomes a Restricted Subsidiary as a result of such transaction) or any joint venture (regardless of the form of legal entity) in which the Issuer or any Subsidiary has invested (and which joint venture would not be an Affiliate of the Issuer but for the Issuer's or a Subsidiary of the Issuer's ownership of Capital Stock in such joint venture) to the extent otherwise permitted under this ''Certain Covenants'' section of this ''Description of Notes'' (other than solely by reference to this covenant);

(5) the payment of compensation, 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 or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date (or any agreement in respect of the Transactions as in effect as of the Escrow Release Date), as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent, in the good faith judgment of the Issuer, not more disadvantageous to the Holders in any material respect (taken as a whole);

(7) (i) any customary transaction with a Securitization Subsidiary effected as part of a Qualified Securitization Financing and (ii) any customary transaction with a Receivables Subsidiary effected as part of a Receivables Facility;

(8) (a) transactions with dealers, customers, clients, suppliers or purchasers or sellers of goods or services that are Affiliates, in each case in the ordinary course of business or consistent with past practice, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management 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 or (b) transactions to and from, and transactions with, joint venture partners or joint ventures (including pursuant to joint venture agreements) or Unrestricted Subsidiaries entered into the ordinary course (including, without limitation, any cash management activities related thereto);

(9) any transaction between or among the Issuer or any Restricted Subsidiary and any Person that is an Affiliate of the Issuer or any Restricted Subsidiary or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary owns a direct or indirect equity interest in or otherwise controls such Affiliate or similar entity;

(10) (a) issuances or sales of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights in connection therewith or any contribution to the capital of the Issuer or any Restricted Subsidiary and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture; *provided* that such Subordinated Shareholder Funding, as amended or otherwise modified, will continue to satisfy the requirements described in the definition ''Subordinated Shareholder Funding'';

(11) (a) the payment of management, monitoring, consulting, advisory and other fees (including termination and transaction fees, including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public equity offering) to the Sponsor pursuant to the Sponsor Management Agreement (plus any unpaid management, monitoring, consulting, advisory and other fees (including transaction and termination fees) accrued in any prior year), (b) customary payments by the Issuer or any of the Restricted Subsidiaries to the Sponsor made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the Board of Directors of the

Issuer in good faith and (c) indemnification and reimbursement of expenses pursuant to the Sponsor Management Agreement (plus any unpaid indemnities and expenses accrued in any prior year);

(12) (i) direct or indirect investments by Permitted Holders in securities, Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary (and payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in securities, Indebtedness or Disqualified Stock of the Issuer and its Restricted Subsidiaries) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors who are not Affiliates of the Issuer or any Restricted Subsidiary on the same or more favorable terms and at least a majority of the principal amount of such Indebtedness or a majority of the aggregate liquidation preference of such Disqualified Stock is purchased by Persons who are not Affiliates of the Issuer or any Restricted Subsidiary and (ii) payments to Permitted Holders in respect of securities, Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary contemplated in the foregoing clause (i) or that were acquired from Persons other than the Issuer and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities, Indebtedness or Disqualified Stock;

(13) the Transactions and any Permitted Reorganization and the payment of all fees and expenses related to the Transactions and any Permitted Reorganization;

(14) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph;

(15) the existence of, or the performance by the Issuer or any Restricted Subsidiaries of its obligations under the terms of, any equityholders agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Escrow Release Date and any similar agreement that it may enter into thereafter, and the payment of reasonable out-of-pocket costs and expenses pursuant thereto; *provided*, *however*, that the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Escrow Release Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders in any material respects;

(16) payments by the Issuer (and any Parent Entity) and its Restricted Subsidiaries pursuant to any tax sharing agreements among the Issuer (and any such Parent Entity) and its Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries; *provided* that for each taxable period, (A) the amount of such payments made in respect of such taxable period in the aggregate will not exceed the amount that the Issuer and the applicable Restricted Subsidiaries (and, to the extent permitted herein, the applicable Unrestricted Subsidiaries), would have been required to pay in respect of such taxable income as stand-alone taxpayers or a stand-alone tax group and (B) the amount of such payments made in respect of an Unrestricted Subsidiary will be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to the Issuer or any Restricted Subsidiary for such purpose;

(17) any Intercompany License Agreements;

(18) transactions undertaken pursuant to membership in a purchasing consortium; and

(19) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such transaction was not entered into in contemplation of such designation or redesignation, as applicable.

Designation of Restricted and Unrestricted Subsidiaries

The Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause an Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption ''—Limitation on Restricted Payments'' or under one or more clauses of the definition of ''Permitted Investments'', as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of ''Unrestricted Subsidiary''. The Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default or an Event of Default.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a 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 preceding conditions and was permitted by the covenant described above under the caption ''—Certain Covenants—Limitation on Restricted Payments''. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will 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 the caption ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'', the Issuer will be in default of such covenant.

The Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'', calculated on a Pro Forma Basis as of the most recently ended Test Period; and (2) no Default or Event of Default would be in existence following such designation. Any such designation by the Issuer shall be evidenced to the Trustee by filing with the Trustee a 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 preceding conditions.

Reports

Whether or not required by the SEC, so long as any Notes are outstanding, if not filed electronically with the SEC through the SEC's Electronic Data Gathering, Analysis, and Retrieval

System (or any successor system) (''*EDGAR*''), from and after the Issue Date, the Issuer will furnish to the Trustee and the Holders within 15 days after the time periods specified below:

(1) within 120 days (or 150 days in the case of the fiscal year containing the Issue Date) after the end of each fiscal year of the Issuer, the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations and cash flows for such fiscal year, setting forth comparative consolidated and/or combined figures for the preceding fiscal year (to the extent such comparative presentation is permitted under GAAP), all in reasonable detail and prepared in accordance with GAAP, and, in each case, certified by independent certified public accountants of recognized national standing, together with a customary management discussion and analysis of the Issuer's financial condition and results of operations; *provided*, that if at the end of any applicable fiscal year there are any Unrestricted Subsidiaries, the Issuer shall also furnish a reasonably detailed presentation, either on the face of the annual financial statements delivered pursuant to this clause (1) or in the footnotes thereto, and in the management discussion and analysis, 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;

(2) within 60 days (or (a) 120 days in the case of the fiscal quarter containing the Issue Date and the immediately succeeding fiscal quarter to which this clause (2) applies, and (b) 90 days in the case of the second succeeding fiscal quarter to which this clause (2) applies following the fiscal quarter containing the Issue Date) after the end of each of the first three fiscal quarters of each fiscal year, (i) the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of such quarterly period, (ii) the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and (iii) the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated and/or combined figures for the corresponding periods in the prior fiscal year (to the extent such comparative presentation is permitted under GAAP) or, in the case of such consolidated balance sheet, for the last day of the corresponding period in the prior fiscal year, subject to changes resulting from normal year-end adjustments and the absence of footnotes, together with a customary management discussion and analysis of the Issuer's financial condition and results of operations; *provided* that such comparative information need not include consolidated or combined figures for the second quarter of 2016 or 2017 or the third quarter of 2016; and

(3) promptly (but not later than 10 days following the event) upon the occurrence of any Change of Control, after a material acquisition, disposition or restructuring of the Issuer and the Restricted Subsidiaries, taken as a whole, upon any bankruptcy or insolvency involving the Issuer or any Significant Subsidiary or any acceleration of material indebtedness, or upon any change of the entire board of directors, chairman of the board of directors, chief executive officer or chief financial officer at the Issuer or change in auditors of the Issuer, a description of such event;

provided, *further*, that (a) such information will not be required to comply with Section 302 or Section 404 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC, (b) such information will not be required to contain the separate financial information for Guarantors as contemplated by Rule 3-10 of Regulation S-X, any financial statements of unconsolidated subsidiaries or 50% or less owned persons as contemplated by Rule 3-09 of Regulation S-X, any schedules required by Regulation S-X, the financial information required by Rule 3-16 of Regulation S-X, any ''segment reporting'' or any compensation-related information (to the extent not required to be reflected on the face of the financial statements referred to in clauses (1) and (2) of the first paragraph above), including any Compensation Discussion and Analysis required by Item 402 of Regulation S-K or other information regarding executive compensation contemplated by SEC Release Nos. 33-8732A, 34-54302A and IC-27444A, or in each case any successor provisions, (c) such information shall not be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K with respect to any non-GAAP financial measures contained therein, and (d) such information will not be required to be provided using eXtensible Business Reporting Language.

Notwithstanding anything herein to the contrary, if the Issuer makes an election to change its fiscal year (which it shall be permitted to do, upon written notice to the Trustee, in which case the Issuer and the Trustee shall be authorized by the Holders to make any adjustments to the Indenture and the other Notes Documents as are necessary in order to reflect such change in financial reporting), the Issuer will be required to furnish to the Trustee and the Holders, within 120 days of the opening date of its newly elected fiscal year, the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of such newly elected fiscal year, and the related consolidated statements of operations for the period from the closing of the Issuer's most recent fiscal year and the opening date of its newly elected fiscal year (the ''Transition Period''), all in reasonable detail and prepared in accordance with GAAP, and, in each case, certified by independent certified public accountants of recognized national standing.

To the extent any such information is not so filed or furnished, as applicable, within the time periods specified above and such information is subsequently filed or furnished, as applicable, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured; *provided* that such cure shall not otherwise affect the rights of the Holders under ''—Events of Default'' if Holders of at least 30% in principal amount of the then total outstanding Notes have declared the principal, premium, if any, interest, Additional Amounts and any other monetary obligations on all the then outstanding Notes to be due and payable immediately and such declaration shall not have been rescinded or cancelled prior to such cure. In addition, to the extent not satisfied by the foregoing, the Issuer will agree that, for so long as any Notes are outstanding, it will furnish to Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The requirement to furnish the information to Holders required by clauses (1), (2) and (3) of the first paragraph above may be satisfied by the Issuer posting copies of such information on a website (which may be nonpublic, password protected and may be maintained by the Issuer or a third party) to which access will be given to Holders, prospective investors in the Notes (which prospective investors shall be limited to ''qualified institutional buyers'' within the meaning of Rule 144A of the Securities Act or non-U.S. persons (as defined in Regulation S under the Securities Act) that certify their status as to such status to the reasonable satisfaction of the Issuer), and securities analysts and market making financial institutions that are reasonably satisfactory to the Issuer; *provided*, *however*, that the Issuer may deny access to any competitively-sensitive information otherwise to be provided pursuant to this covenant to any such Holder, prospective investor, security analyst or market maker that is a competitor (or an Affiliate of a competitor) of the Issuer and its Subsidiaries to the extent that the Issuer determines in good faith that the provision of such information to such Person would be competitively harmful to the Issuer and its Subsidiaries; and *provided*, *further*, that such Holders, prospective investors, security analysts or market makers will agree to (1) treat all such reports (and the information contained therein) and information as confidential, (2) not use such reports (and the information contained therein) and information for any purpose other than their investment or potential investment in the Notes and (3) not publicly disclose or distribute any such reports (and the information contained therein) and information.

The Indenture will permit the Issuer to satisfy its obligations in the preceding paragraphs of this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to a Parent Entity (including by making such reports available through EDGAR); *provided* that the same is accompanied by unaudited consolidating information that explains in reasonable detail the differences (if any) between the information relating to such Parent Entity, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a standalone basis, on the other hand.

Notwithstanding anything to the contrary set forth above, if the Issuer or any Parent Entity has made available through EDGAR the reports described in the preceding paragraphs with respect to the Issuer or any Parent Entity (including any consolidated financial information required by Regulation S-X relating to the Issuer), the Issuer shall be deemed to be in compliance with the provisions of this covenant.

The Issuer will also hold quarterly conference calls for the Holders of the Notes to discuss financial information for the previous quarter, if such conference calls are held with the lenders under any Credit Facility (if applicable) or with any equity investors of the Issuer or any Parent Entity and analysts; it being understood that such quarterly conference call may be the same conference call as with such lenders or equity investors and analysts. Prior to any such conference call, the Issuer will issue a press release or other notification announcing the time and date of such conference call and providing instructions to Holders, securities analysts and applicable current and prospective investors on how to obtain access to such call.

The Trustee will have no responsibility whatsoever to determine whether any posting or filing through EDGAR or on any website as described herein has occurred. The Trustee shall not be deemed to have constructive notice of any information contained, or determinable from information contained, in any reports referred to above, including the Issuer's compliance with any of the covenants of the Indenture.

Limitation on Guarantees

The Issuer will not permit any of its Wholly-Owned Subsidiaries that are Restricted Subsidiaries (and non-Wholly-Owned Subsidiaries if such non-Wholly-Owned Subsidiaries Guarantee other capital markets debt securities of the Issuer or any Guarantor or Guarantee Indebtedness of the Issuer under the Credit Agreement), other than a Guarantor, to Guarantee the payment of any capital markets debt securities of the Issuer or any Guarantor or Indebtedness of the Issuer under the Credit Agreement, in each case, unless:

(1) such Restricted Subsidiary within 60 days executes and delivers a supplemental indenture to the Indenture providing for a Note Guarantee by such Restricted Subsidiary, except that with respect to a Guarantee of Indebtedness of the Issuer or any Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Note Guarantee, any such Guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Note Guarantee of such Restricted Subsidiary substantially to the same extent as such Indebtedness is subordinated to the Notes or such Guarantor's Note Guarantee; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any

payment by such Restricted Subsidiary under its Guarantee until payment in full of all Obligations under the Indenture;

provided that this covenant shall not be applicable (i) to any Guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, (ii) in the event that the Guarantee of the Issuer's obligations under the Notes or the Indenture by such Restricted Subsidiary would not be permitted under applicable law or (iii) to any Guarantee of capital markets debt securities, where such Restricted Subsidiary, in accordance with the Agreed Security Principles, does not provide a Guarantee of any Indebtedness of the Issuer under the Credit Agreement. 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. For the avoidance of doubt the Issuer's Restricted Subsidiaries organized in Italy shall not be obligated to Guarantee the Notes, but are expected to Guarantee certain of the Indebtedness under the Credit Agreement.

The Agreed Security Principles apply to the granting of Guarantees in favor of obligations under the Credit Agreement. The Agreed Security Principles include restrictions on the granting of Guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, ''thin capitalization'' rules, capital maintenance rules, retention of title claims and similar matters, or where the time and cost of granting the Guarantee would be disproportionate to the benefit accruing to the Holders of the Notes.

The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Subsidiary Guarantor to become a Subsidiary Guarantor, in which case, such Subsidiary shall not be required to comply with the 60-day period described in clause (1) above.

Maintenance of Listing

The Issuer will (i) use its commercially reasonable efforts to cause the Notes to be listed on the Official List of the Exchange and for permission to deal in the Notes on the Exchange as promptly as practicable after the Issue Date, and (ii) use its commercially reasonable efforts to maintain such listing and permission to deal for as long as any of the Notes are outstanding. If the Notes fail to be, or at any time cease to be, listed on the Official List of, and for there to be permission to deal in the Notes on, the Exchange, the Issuer will use its commercially reasonable efforts to list the Notes on another ''recognized stock exchange'' (within the meaning of Section 1005 of the UK Income Tax Act 2007) in western Europe as promptly as practicable after the date on which the Notes are not so listed or such dealing is no longer permitted.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the Issuer is the resulting or surviving Person or the resulting, surviving or transferee Person (such resulting or surviving Person, including, if applicable, the Issuer, or such transferred Person, as applicable, the ''*Successor Company*'') will be a European Company (*Societas Europaea*) or a Person organized and existing under the laws of the

United States, any State of the United States or the District of Columbia, or any territory thereof, the United Kingdom or any member state of the European Union, and the Successor Company (if not the Issuer) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and if such Successor Company is not a corporation, a co-obligor of the Notes is a corporation organized or existing under such laws;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Company or any Restricted Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or any such Restricted 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, on a Pro Forma Basis, either (a) the Successor Company or the Issuer (as applicable) would be able to Incur at least an additional $1.00 of Indebtedness pursuant to the first paragraph of the covenant described under ''—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' or (b) the Consolidated Coverage Ratio for the Issuer or the Successor Company (as applicable) as of the most recently ended Test Period would not be lower than it was for such Test Period immediately prior to giving effect to such transaction; and

(4) the Issuer (or Successor Company if other than the Issuer) shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer, and such supplemental indenture (if any), comply with the Indenture; *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to compliance with the foregoing clauses (2) and (3) and as to any matters of fact, including as to satisfaction of the conditions in this covenant.

The Successor Company will succeed to, and (if other than the Issuer) be substituted for, and may exercise every right and power of, the Issuer under the Notes and the Indenture, and in such event where the Successor Company is not the Issuer, the Issuer will automatically be released from its obligations under the Notes and the Indenture, but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Notes or the Indenture.

Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, the Issuer, (b) the Issuer and the Restricted Subsidiaries may effect any Permitted Reorganization, (c) the Issuer and the Restricted Subsidiaries may consummate the Transactions and (d) the Issuer and the Restricted Subsidiaries may consummate a consolidation or merger or conveyance, transfer or lease, the purpose of which is to effect an Investment permitted pursuant to the covenant described under ''—Limitation on Restricted Payments'', including an Investment that constitutes a Permitted Investment.

Notwithstanding the preceding clauses (2) and (3) (which do not apply to the transactions referred to in this sentence), (a) the Issuer may consolidate or otherwise combine with or merge with or into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Issuer, reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer and (b) the Issuer may effect any Permitted Reorganization.

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 property or assets of a Person.

For the avoidance of doubt, the foregoing provisions shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary of the Issuer or to the Transactions.

Subsidiary Guarantors

Subject to certain limitations described in the Indenture governing release of a Note Guarantee as described under the caption ''—Guarantees'' above, no Subsidiary Guarantor may:

(1) consolidate with or merge with or into any Person, or

(2) convey, transfer or lease all or substantially all its assets to any Person, in one transaction or a series of related transactions,

unless

(A) the other Person is the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor or becomes a Subsidiary Guarantor concurrently with the transaction;

(B) either (x) such Subsidiary Guarantor is the resulting or surviving Person or (y)(I) the resulting, surviving or transferee Person (the ''*Successor Person*'') will be a European Company (*Societas Europaea*) or a Person organized and existing under the laws of the United States, any State of the United States or the District of Columbia, or any territory thereof, the United Kingdom or any member state of the European Union, and the Successor Person (if not a Subsidiary Guarantor or the Issuer) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor under the Indenture and such Subsidiary Guarantor's related Note Guarantee and (II) immediately after giving effect to the transaction, on a Pro Forma Basis, no Event of Default has occurred and is continuing;

(C) the transaction constitutes a sale, lease or other disposition (including by way of consolidation, amalgamation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture; or

(D) the transaction constitutes a Permitted Reorganization.

Notwithstanding the foregoing (which do not apply to transactions referred to in this sentence), (a) any Subsidiary Guarantor may consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, the Issuer or another Guarantor or, subject to compliance with clause (B)(x) or (B)(y)(I) above, any Non-Guarantor, (b) the Issuer and the Restricted Subsidiaries may consummate the Transactions, (c) any Subsidiary Guarantor may liquidate, dissolve or wind up if the Issuer determines in good faith that such liquidation, dissolution or winding up is in the best interests of the Issuer and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to the Holders, (d) any Guarantor may consummate a consolidation or merger or conveyance, transfer or lease, the purpose of which is to effect an Investment permitted pursuant to the covenant described under ''—Limitation on Restricted Payments'', including an Investment that constitutes a Permitted Investment, and (e) subject to compliance with clause (B)(x) or (B)(y)(I) of the immediately preceding paragraph, any Guarantor may change its legal domicile or reincorporate in another jurisdiction or change its legal form.

Any Restricted Subsidiary may consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to any other Restricted Subsidiary.

Events of Default

The Indenture will provide that each of the following is an Event of Default under the Indenture:

(1) default in any payment of interest on any Note 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 of acceleration or otherwise;

(3) failure by the Issuer or any Guarantor to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in principal amount of the outstanding Notes with any agreement or obligation (other than a default referred to in clause (1) or (2) above) contained in the Indenture; *provided* that in the case of a failure to comply with the Indenture provisions described under ''Reports'', such period of continuance of such default or breach shall be 90 days after written notice described in this clause (3) has been given;

(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 date hereof, which default:

   (a) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness (''*payment default*''); or

   (b) results in the acceleration of such Indebtedness prior to its stated final maturity (the ''*cross acceleration provision*'');

   and, 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 $100.0 million or more;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer or any Significant Subsidiary (the ''*bankruptcy provisions*'');

(6) failure by the Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of $100.0 million other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 consecutive days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the ''*judgment default provision*''); or

(7) any Note Guarantee by a Significant Subsidiary ceases to be in full force and effect, other than in accordance with the terms of the Indenture, or a Subsidiary Guarantor that

is a Significant Subsidiary denies or disaffirms its obligations under its Note Guarantee, other than in accordance with the terms thereof or upon release of such Note Guarantee in accordance with the Indenture.

However, a Default under clauses (3), (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes notify the Issuer of the Default and, with respect to clauses (3) and (6), the Issuer does not cure such Default within the time specified in clauses (3) or (6), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above with respect to the Issuer) occurs and is continuing, the Trustee by written notice to the Issuer or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Issuer and the Trustee, may declare the principal of, and premium, if any, and accrued and unpaid interest and Additional Amounts on, all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest and Additional Amounts 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 ''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 applicable Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, 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 of, and premium or interest, if any, 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 with respect to the Issuer occurs and is continuing, the principal of, and premium, if any, and accrued and unpaid interest and Additional Amounts 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.

The Holders of a majority in aggregate principal amount of the then outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except a continuing Default with respect to nonpayment of principal, premium, interest or Additional Amounts) 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.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the ''*Initial Default*'') occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that 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 ''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 such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

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 (and, if requested, provided) to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense that may be incurred. Except to enforce the right to receive payment of principal, premium 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 written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing to 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 written request and the offer of security or indemnity; and

(5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written 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 aggregate 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 such person's 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 satisfactory to it against all losses, liabilities and expenses that may be caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer, the Trustee shall give notice of the Default to the Holders within 60 days after being 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 in good faith 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 signer thereof knows of any Default that has occurred and is continuing. The Issuer is required to deliver to the Trustee written notice of any events of which it is aware, within 30 days after the Issuer becoming aware thereof, which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any existing Default or Event of Default or compliance by the Issuer or any Restricted Subsidiary with any provisions thereof may be waived with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes). However, the Indenture will provide that, without the consent of Holders holding not less than 90% of the aggregate principal amount of the Notes then outstanding, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the stated rate of, or extend the stated time for payment of, interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed (for the avoidance of doubt, other than provisions relating to a Change of Control and Asset Dispositions); *provided*, any amendment to the minimum notice requirement may be made with the consent of the Holders of a majority in aggregate principal amount of then outstanding Notes;

(5) make any such Note payable in currency other than that stated in such Note;

(6) impair the right of any Holder to institute suit for the enforcement of any right to receive payment of principal of and interest or Additional Amounts on such Holder's Notes;

(7) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (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);

(8) make any change to or modify the ranking of the Notes or Note Guarantees that would adversely affect the Holders; or

(9) 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 Guarantors (with respect to any Notes Document to which it is a party) and any other agents party thereto, as applicable, may amend or supplement, or waive any provision of, any Notes Document to:

(1) cure any ambiguity, omission, mistake, defect, error or inconsistency, conform any provision to this ''Description of Notes'', to the extent such provision was intended to be a verbatim recitation thereof, as such intention is set forth in an Officer's Certificate, or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Guarantor under any Notes Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes;

(4) 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;

(5) make any change that does not adversely affect the rights of any Holder in any material respect (as determined in good faith by the Issuer);

(6) at the Issuer's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act (it being agreed that the Indenture will not on the Issue Date, and need not thereafter, qualify under the Trust Indenture Act);

(7) make such provisions as necessary (as determined in good faith by the Issuer) for the issuance of Additional Notes and to secure such Additional Notes and all related Obligations;

(8) provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'', to add 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 Guarantee or Lien with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture;

(9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Notes Document;

(10) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including to facilitate the issuance and administration of Notes; *provided*, *however*, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Notes in any material respect;

(11) provide for the release, addition, completion, confirmation or grant of Note Guarantees permitted or required by the Indenture, including the entering into or execution of supplemental indentures and/or Note Guarantees; or

(12) change its fiscal year, upon written notice to the Trustee and delivery of the financial statements with respect to the Transition Period in accordance with the covenant described under ''—Certain Covenants—Reports'', in which case the Issuer and the Trustee shall be authorized by the Holders to make any adjustments to the Indenture and the other Notes Documents as are necessary in order to reflect such change in financial reporting.

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.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees 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, registrations 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.

The Issuer at any time may terminate the obligations of the Issuer and the Restricted Subsidiaries under the covenants described under ''—Certain Covenants'' (other than clauses (1) and (2) of the first paragraph under ''—Merger and Consolidation'') 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 the Issuer and Significant Subsidiaries, the judgment default provision and the guarantee provision described under ''—Events of Default'' above (''*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 the 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), (4), (5) (with respect only to Significant Subsidiaries), (6) or (7) under ''—Events of Default'' above.

In order to exercise either defeasance option, the Issuer (x) must irrevocably deposit with the Trustee or Paying Agent (or other such entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee acting for the Trustee for such purpose) cash in Dollars (if to the Trustee) or cash in Euros or European Government Obligations (if to the Paying Agent), or a combination thereof, for the payment of principal of, and premium, if any, and interest on, the Notes to, but excluding, the date of redemption or maturity, as the case may be; *provided*, upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee or Paying Agent (or other such entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee acting for the Trustee for such purpose) equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the ''*Applicable Premium Deficit*'') only required to be deposited with the Trustee or Paying Agent (or other such entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee acting for the Trustee for such purpose) on or prior to the date of redemption. Any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption; and (y) must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States, subject to customary assumptions and exclusions, confirming that (a) in the case of legal defeasance, (i) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling, or (ii) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law, in either case of the foregoing clauses (i) and (ii), that based thereon the Holders will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred and (b) in the case of covenant defeasance, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(2) an Opinion of Counsel stating that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of Section 547 of the United States Bankruptcy Code, as amended;

(3) 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;

(4) an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), 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

(5) with respect to European Government Obligations or a combination of money and European Government Obligations, a certificate from an Independent Financial Advisor expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited European Government Obligations *plus* any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium (if any) and interest on the Notes to redemption or maturity, as the case may be.

Satisfaction and Discharge

The Indenture will provide that it will be discharged and cease to be of further effect (except as expressly provided for in the Indenture) as to all outstanding Notes when 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 Holders) have been delivered to the Registrar for cancellation; or (b)(i) all Notes not previously delivered to the Registrar for cancellation (x) have become due and payable, (y) will become due and payable at their Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Paying Agent for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (ii) the Issuer has deposited or caused to be deposited with the Trustee or Paying Agent (or other such entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee acting for the Trustee for such purpose), cash in Dollars (if to the Trustee) or cash in Euros or European Government Obligations (if to the Paying Agent), or a combination thereof (together with, if European Government Obligations or a combination of money and European Government Obligations are deposited, a certificate from an Independent Financial Advisor to the effect set forth in clause (5) under ''—Defeasance''), as applicable, in the case of Notes, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Registrar for cancellation, for principal, premium, if any, and interest to, but excluding, the date of deposit (in the case of Notes that have become due and payable), or to, but excluding, the Stated Maturity or redemption date, as the case may be; *provided*, that (I) upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Paying Agent equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee or Paying Agent (or other such entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee acting for the Trustee for such purpose) on or prior to the date of redemption and (II) any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption; (iii) the Issuer has paid or caused to be paid all other sums payable under the Indenture; and (iv) the Issuer has delivered to the Paying Agent and the Trustee an Officer's Certificate and an Opinion of Counsel each stating 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 (b)(i), (b)(ii) and (b)(iii)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member, partner or equityholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any personal liability for any obligations of the Issuer 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, Paying Agent, Registrar and Transfer Agent

Wilmington Trust, National Association will be appointed as Trustee and Citibank, N.A., London Branch will be appointed as Paying Agent, Registrar and Transfer Agent 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 such person's 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 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 aggregate principal amount of the 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, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) 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, the Paying Agent, the Registrar and the Transfer Agent for any loss, liability, taxes, fees and expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

If and for so long as the Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Exchange so require, notices of the Issuer with respect to the Notes will be sent to the Exchange.

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. For so long as any Notes are represented by global notes, all notices to Holders will be delivered to Euroclear and Clearstream in accordance with the applicable procedures of Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, which will give such notices to the Holders of book-entry interests in the global notes evidencing the Notes.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given via Euroclear or Clearstream, it is duly given on the day the notice is given to Euroclear or Clearstream.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

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 the Notes and the Note Guarantees, if any, including damages. Any amount received or recovered in a currency other than Euro, 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 of 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 such recipient and the Trustee 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 non-Euro currency 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.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint Maples Fiduciary Services (Delaware) Inc. as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any federal or state court located in the City of New York and will submit to such jurisdiction.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of seven years, in the case of principal, or five years, in the case of interest, premium or Additional Amounts, if any, from the applicable original payment date therefor; provided that such claim has not been stayed or otherwise prohibited or delayed by applicable law or court order.

Governing Law

The Indenture and the Notes, including any Note Guarantees, 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.

Limited Condition Transactions

In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of any provision of the Indenture which will require that no Default, Event of Default or specified Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Issuer, be deemed satisfied, so long as no Default, Event of Default or specified Event of Default, as applicable, exists on the date the definitive agreement for such Limited Condition Transaction is entered into.

Furthermore, in connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(1) determining compliance with any provision of the Indenture which will require the calculation of any financial ratio or test, including the Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio; or

(2) testing availability under baskets to be set forth in the Indenture (including baskets measured as a percentage of Consolidated EBITDA or Total Assets);

in each case, at the option of the Issuer (the Issuer's election to exercise such option in connection with any Limited Condition Transaction, an ''*LCT Election*''), the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreement for such Limited Condition Transaction is entered into (the ''*LCT Test Date*''), and if, after giving Pro Forma Effect to the Limited Condition Transaction, the Issuer or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Issuer has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Total Assets, at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have failed to have been satisfied as a result of such fluctuations. If the Issuer has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for redemption, repurchase, defeasance, satisfaction and discharge or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a ''*Subsequent Transaction*'') in connection with which a ratio, test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under the Indenture, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis (i) assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated and (ii) assuming such Limited Condition Transaction and other transactions in connection therewith have not been consummated.

Certain Definitions

Set forth below are certain defined terms that will be used in the Indenture. For purposes of the Indenture and this Description of Notes, unless otherwise specifically indicated, the term ''*consolidated*'' with respect to any Person will refer or refers, as applicable, to such Person consolidated with its Restricted Subsidiaries and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

''*Acquired Indebtedness*'' means, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

''*Acquisition*'' means the transactions contemplated by the Purchase Agreement.

''*Additional Assets*'' means:

(1) any property or assets (other than Capital Stock) used or to be used by the Issuer or a Restricted Subsidiary or otherwise useful in a Similar Business or otherwise intended to replace any property or assets that are the subject of an Asset Disposition;

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

''*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 agreement governing any Credit Facility.

''*AHYDO Payment*'' means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an ''applicable high yield discount obligation'' within the meaning of Code Section 163(i).

''*Applicable Premium*'' means, as determined by the Issuer, with respect to any Note on any redemption date, the greater of

(1) 1.0% of the outstanding principal amount of such Note and

(2) the excess (to the extent positive) of:

   (a) the present value at such redemption date of (i) the redemption price of such Note at , 2020 (such redemption price (expressed in percentage of principal amount) being set forth in the table under ''—Optional Redemption''), plus (ii) all required remaining scheduled interest payments due on such Note to and excluding such date set forth in clause (i) (excluding accrued but unpaid interest to, but excluding, the redemption date), computed 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 on such redemption date; in each case, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

''*Asset Disposition*'' means:

(a) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Leaseback Transaction) of the Issuer or any of its Restricted Subsidiaries (in each case other than Capital Stock of the Issuer) (each referred to in this definition as a ''disposition''); or

(b) the issuance or sale of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' or directors' qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions;

in each case under the foregoing clauses (a) and (b), other than:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary, including any such disposition in the form of intellectual property or other general intangibles pursuant to any Intercompany License Agreement;

(2) a disposition of cash, Cash Equivalents or Investment Grade Securities;

(3) a disposition of goods, inventory or other assets in the ordinary course of business or consistent with past practice (including allowing any registrations or any applications for registrations of any intellectual property rights to lapse or go abandoned in the ordinary course of business or consistent with past practice);

(4) a disposition of obsolete, worn-out, uneconomic, damaged or surplus property, equipment or other assets or property, equipment or other assets (including any leasehold property interests) that are no longer economically practical or commercially desirable to maintain or used or useful in the business of the Issuer and its Restricted Subsidiaries, in each case, whether now or hereafter owned or leased or acquired in connection with an acquisition;

(5) transactions permitted under ''—Certain Covenants—Merger and Consolidation'' or a transaction that constitutes a Change of Control;

(6) an issuance 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;

(7) any dispositions of assets or any issuance or sale of Capital Stock of any Restricted Subsidiary in a single transaction or series of related transactions with an aggregate fair market value of less than the greater of (x) $40.0 million and (y) 10.0% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period at the time of such disposition or issuance or sale, as applicable;

(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 Investment (other than pursuant to clause (8) of such definition) or, solely for purposes of the second paragraph under ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock'', asset sales, in respect of which (and only to the extent that) the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions, including the incurrence of Liens that would otherwise constitute a disposition, in connection with the incurrence of Permitted Liens;

(10) dispositions of receivables (including write-offs, discounts and compromises) in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practice or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) conveyances, sales, transfers, licenses or sublicenses or other dispositions of intellectual property, software or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business or consistent with past practice;

(12) foreclosure, condemnation, expropriation or any similar action with respect to any property or other assets or casualty or insured damage to assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practice, or the conversion or exchange of accounts receivable for notes receivable;

(14) any issuance, disposition or pledge of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(15) 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;

(16) (i) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is purchased within 270 days thereof and (ii) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is purchased within 270 days thereof) and (iii) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(17) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility;

(18) any financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Issuer or any Restricted Subsidiary after the Escrow Release Date, including Sale and Leaseback Transactions and asset securitizations, permitted by the Indenture;

(19) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to, customary buy/sell arrangements between the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(20) (i) the termination or otherwise collapsing of its cost sharing agreements with the Issuer or any Subsidiary and settlement of any crossing payments in connection therewith, (ii) the conversion of any intercompany Indebtedness to Capital Stock or any Capital Stock to intercompany Indebtedness, (iii) the transfer of any intercompany Indebtedness to the Issuer or any Restricted Subsidiary, (iv) the settlement, discount, write off, forgiveness or cancellation of any intercompany Indebtedness or other obligation owing by the Issuer or any Restricted Subsidiary, (v) the settlement, discount, write off, forgiveness or cancellation of any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of the Issuer, any Parent Entity, or any Subsidiary thereof or any of their successors or assigns or (vi) the surrender or waiver of contractual rights and settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind;

(21) the unwinding of any obligations in respect of Cash Management Services, Bank Products or any Hedging Obligations pursuant to their respective terms;

(22) any sales, transfers, leases and other dispositions made in order to effect the Transactions or any Permitted Reorganization;

(23) samples provided to customers or prospective customers;

(24) other dispositions (including those of the type otherwise described herein) made after the Escrow Release Date of assets with a fair market value not to exceed $50.0 million in any fiscal year of the Issuer;

(25) any disposition in connection with Permitted Sale and Leasebacks in an aggregate principal amount not to exceed the greater of (x) $80.0 million and (y) 20.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at any time;

(26) any disposition of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted under the Indenture, or disposition required to obtain antitrust approval of a Permitted Acquisition or other Investment permitted under the Indenture; and

(27) any swap of assets in exchange for services or other assets in the ordinary course of business for comparable or greater fair market value or usefulness to the business of the Issuer and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Issuer.

''*Beneficial Owner*'' means a Person who has or shares the right, directly or indirectly, through any contract arrangement, understanding, relationship, or otherwise to vote or dispose of a security. The terms ''*Beneficial Ownership*'' and ''*Beneficially Owned*'' shall have a corresponding meaning.

''*Bank Products*'' means, collectively, any services or facilities (other than Cash Management Services or any borrowing under the Credit Agreement) on account of (i) credit and debit cards, including, without limitation, commercial credit cards and (ii) purchase cards and other card payment products, in each case provided by a lender under the Credit Agreement.

''*Board of Directors*'' means (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the Issuer or 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; (3) with respect to a limited liability company, the managing member or members or any duly authorized controlling committee thereof; and (4) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision 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 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).

''*Bund Rate*'' means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(1) ''*Comparable German Bund Issue*'' means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to , 2020, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to , 2020; *provided*, *however*, that, if the period from such redemption date to , 2020, is less than one year, a fixed maturity of one year shall be used;

(2) ''*Comparable German Bund Price*'' means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) ''*Reference German Bund Dealer*'' means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and

(4) ''*Reference German Bund Dealer Quotations*'' means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the relevant date.

provided, however, that in no case for any purposes under the Indenture shall the Bund Rate be less than 0.00%.

''*Business Day*'' means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York, United States, London, United Kingdom, Amsterdam, the Netherlands or in the place of payment, are authorized or required by law to close.

''*Capital Lease*'' means, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person; *provided* that all leases of any Person that are or would be characterized as operating leases in accordance with GAAP immediately prior to the Issue Date (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capital Leases) for purposes of the Indenture regardless of any change in GAAP following the Issue Date that would otherwise require such leases to be recharacterized as Capital Leases.

''*Capital Stock*'' of any Person means any and all shares of, rights to purchase, warrants, options or depositary receipts 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 Obligations*'' means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; *provided* that all obligations of any Person that are or would be characterized as operating lease obligations in accordance with GAAP immediately prior to the Issue Date (whether or not such operating lease obligations were in effect on such date) shall continue to be accounted for as operating lease obligations (and not as Capitalized Lease Obligations) for purposes of the Indenture regardless of any change in GAAP following the Issue Date that would otherwise require such obligations to be recharacterized as Capitalized Lease Obligations.

''*Cash Equivalents*'' means:

(1) (a) Dollars, Euros, Pounds Sterling, Canadian Dollars, or any national currency of any Participating Member State in the European Union, (b) Japanese Yen, (c) Australian Dollars or (d) local currencies held from time to time in the ordinary course of business;

(2) securities issued or directly and fully and unconditionally Guaranteed or insured by the United States government or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally Guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(3) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $250,000,000 in the case of U.S. banks and $100,000,000 (or the equivalent thereof as of the date of determination) in the case of foreign banks;

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above and clause (8) below entered into with any Person referenced in clause (3) above;

(5) commercial paper rated at least P-2 (or the equivalent thereof) by Moody's or at least A-2 (or the equivalent thereof) by S&P and in each case maturing within 24 months after the date of creation thereof;

(6) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 (or, in either case, the equivalent thereof) from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent

rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof;

(7) readily marketable direct obligations issued by any state, commonwealth, or territory of the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition;

(8) Indebtedness or preferred Capital Stock issued by Persons with a rating of ''A'' (or the equivalent thereof) or higher from S&P or ''A2'' (or the equivalent thereof) or higher from Moody's with maturities of 24 months or less from the date of acquisition;

(9) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers' acceptances' of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least ''A-2'' or the equivalent thereof or from Moody's is at least ''P-2'' or the equivalent thereof (any such bank being an ''*Approved Foreign Bank*''), and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by entities for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction;

(10) in the case of investments by any Foreign Subsidiary or investments made in a country outside the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (1) through (8) above of foreign obligors, which investments have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies; and

(11) investment funds investing all or substantially all of their assets in securities of the types described in clauses (1) through (8) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than set forth in clause (1) above; *provided* that such amounts are converted into currencies listed in clause (1) within 10 Business Days following receipt of such amounts.

''*Cash Management Services*'' means any one or more of the following types of services or facilities: (a) ACH transactions, (b) treasury, depository, credit or debit card, purchasing card, stored value card, electronic fund transfer services and/or cash management services, including, controlled disbursement services, depository, overdraft and electronic funds transfer services, (c) foreign exchange facilities, (d) deposit and other accounts, and (e) merchant services (other than those constituting a line of credit). For the avoidance of doubt, Cash Management Services do not include Hedging Obligations.

''*Change of Control*'' means:

(1) the Issuer becomes 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) the acquisition by (A) any Person (other than any Permitted Holder) or (B) Persons (other

than any Permitted Holders) that are together (1) a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), or (2) acting, for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), as a group, in a single transaction or in a related series of transactions, by way of merger, amalgamation, consolidation or other business combination or purchase of Beneficial Ownership of 50% or more of the total voting power of the Voting Stock of the Issuer directly or indirectly through any of its direct or indirect parents holding directly or indirectly 100% of the voting power of the Voting Stock of the Issuer; *provided* that (x) so long as the Issuer is a Subsidiary of any Parent Entity, no Person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such Person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Parent Entity and (y) any Voting Stock of which any Permitted Holder is the Beneficial Owner shall not in any case be included in the calculation of any Voting Stock of which such Person is the Beneficial Owner; or

(2) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions (other than by way of merger, consolidation or amalgamation or other business combination transaction) of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to any Person other than the Issuer or a Restricted Subsidiary or one or more Permitted Holders, in connection with which such Person is or becomes the Beneficial Owner, directly or indirectly of more than 50% of the total voting power of the Voting Stock of the transferee Person in such sale or transfer or assets, as the case may be; *provided* that (x) so long as such surviving or transferee Person is a Subsidiary of a Permitted Parent, no Person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such transferee Person unless such Person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Permitted Parent and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in the calculation of any Voting Stock of which any such Person first referred to above in this clause (2) is the beneficial owner.

''*Clearstream*'' means Clearstream Banking, *société anonyme*.

''*Code*'' means the United States Internal Revenue Code of 1986, as amended.

''*Consolidated Coverage Ratio*'' means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person and its Restricted Subsidiaries for the applicable Test Period to the Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such Test Period.

In the event that the Issuer or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, repays, defeases, retires or extinguishes any Indebtedness (in each case, other than Indebtedness incurred or repaid under any revolving credit facility or line of credit in the ordinary course of business for working capital purposes) or issues or redeems Disqualified Stock, in each case, (i) during the applicable Test Period for which the Consolidated Coverage Ratio or any other financial ratio or test under the Indenture is being calculated or (ii) subsequent to the end of such Test Period and prior to or simultaneously with the event for which the calculation of the Consolidated Coverage Ratio or such other financial ratio or test under the Indenture is made (the ''*Ratio Calculation Date*''), then the Consolidated Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, Guarantee, redemption, repayment, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock (including pro forma application of the net proceeds therefrom), as the case may be, as if the same had occurred at the beginning of the applicable Test Period (and for the purposes of the numerator of each of the Consolidated Total Net Leverage Ratio and the Consolidated Secured Net Leverage Ratio, as if the same had occurred on the last day of the applicable Test Period). The Issuer may elect to treat all or any portion of the commitment under any Indebtedness which is to be Incurred as being Incurred as of the Ratio Calculation Date and any subsequent Incurrence of Indebtedness under such commitment that was so treated shall not be deemed, for purposes of this calculation, to be an Incurrence of additional Indebtedness.

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Restricted Subsidiaries during the applicable Test Period or subsequent to the end of such Test Period and prior to or simultaneously with the Ratio Calculation Date shall be calculated on a pro forma basis assuming that all Specified Transactions (and the change in any associated interest coverage obligations, change in Consolidated EBITDA and the component financial definitions used therein or change in Total Assets, as applicable, attributable to any Specified Transaction) had occurred on the first day of such Test Period. If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such Test Period shall have made any Investment, acquisition, disposition, merger, consolidation, amalgamation, or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Consolidated Coverage Ratio or any other financial ratio or test being calculated pursuant to the Indenture shall be calculated giving pro forma effect thereto for such Test Period as if such Investment, acquisition, disposition, merger, consolidation, amalgamation, or disposed or discontinued operation had occurred at the beginning of such Test Period.

For purposes of this definition and the definitions of ''Consolidated Total Net Leverage Ratio'' and ''Consolidated Secured Net Leverage Ratio'', whenever pro forma effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Issuer and may include, for the avoidance of doubt, the amount of ''run-rate'' cost savings, operating expense reductions, restructuring charges and expenses and synergies resulting from or relating to such Specified Transaction projected by the Issuer in good faith to be realized as a result of actions taken or with respect to which substantial steps have been taken or are expected to be taken (calculated on a pro forma basis as though such cost savings, operating expense reductions, restructuring charges and expenses and synergies had been realized on the first day of such period and as if such cost savings, operating expense reductions, restructuring charges and expenses and synergies were realized during the entirety of such period and such that ''run-rate'' means the full recurring benefit for a period that is associated with any action taken, for which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements) net of the amount of actual benefits realized during such period from such actions), and any such adjustments shall be included in the initial pro forma calculations of such financial ratios or tests relating to such Specified Transaction (and in respect of any subsequent pro forma calculations in which such Specified Transaction or cost savings, operating expense reductions, restructuring charges and expenses and synergies are given pro forma effect) and during any applicable subsequent Test Period for any subsequent calculation of such financial ratios and tests; *provided* that (A) such amounts are reasonably identifiable and factually supportable in the good faith judgment of the Issuer, (B) such actions are taken or substantial steps with respect to such actions are or are expected to be taken no later than 24 months after the date of such Specified Transaction, and (C) no amounts shall be added to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA (or any other components thereof), whether through a pro forma adjustment or otherwise, with respect to such period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Ratio Calculation Date had been the applicable rate for the entire applicable Test Period (taking into account any Hedging Obligations applicable to such Indebtedness). 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 GAAP. Interest on Indebtedness on any revolving credit facility shall be computed based on the average daily balance of such Indebtedness during the Test Period except as set forth in the second paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Issuer may designate.

''*Consolidated Depreciation and Amortization Expense*'' means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the depreciation of customer equipment (related to dosing and dispensing equipment) and the amortization of contractual prebates, deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures relating to software, license and intellectual property payments, any lease related assets recorded in purchase accounting, customer acquisition costs, unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits, original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

''Consolidated EBITDA'' means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased by (without duplication):

(a) (a) provision for taxes based on income or profits or capital, including, U.S. federal, state, non-U.S., franchise and similar taxes and foreign withholding taxes of such Person and its Restricted Subsidiaries paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examinations, deducted (and not added back) in computing Consolidated Net Income and (b) an amount equal to the amount of tax distributions actually made to the holders of Capital Stock of such Person in respect of such period in accordance with clause 23(b) of the second paragraph under ''—Certain Covenants—Limitation on Restricted Payments'', which shall be included as though such amounts had been paid as income taxes directly by such Person; plus

(b) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period (including (1) net payments and losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Consolidated Interest Expense), together with items excluded from the definition of ''Consolidated Interest Expense'' and any non-cash interest expense (including those for pension and other post-employment benefit plans), to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; plus

(c) Consolidated Depreciation and Amortization Expense of such Person and its Restricted Subsidiaries for such period to the extent the same were deducted in computing Consolidated Net Income; plus

(d) any non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments; plus

(e) any other non-cash charges, expenses or losses, including any non-cash expense relating to the vesting of warrants, non-cash asset retirement costs and any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Issuer may determine not to add back such non-cash charge in the current period and (2) to the extent the Issuer does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); plus

(f) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income; plus

(g) the amount of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) and indemnities and expenses paid or accrued in such period to the Sponsor or any of its Affiliates; plus

(h) costs of surety bonds incurred in such period in connection with financing activities; plus

(i) the amount of ''run-rate'' cost savings, operating expense reductions and other operating changes, improvements and initiatives, and synergies (including, to the extent applicable, from the Transactions or the effect of any increased pricing in customer contracts without duplication of any amounts added back pursuant to pro forma adjustments set forth in the definition of ''Consolidated Coverage Ratio'' in connection with Specified Transactions, operating expense reductions, and other operating changes, improvements and initiatives) that are projected by the Issuer in good faith to result from actions taken or with respect to which substantial steps have been taken or are expected to be taken within twenty-four (24) months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions and other operating changes, improvements and initiatives, and synergies shall be calculated on a pro forma basis as though such cost savings, operating expense reductions, or synergies had been realized on the first day of such period); *provided* that such cost savings in the good faith judgment of the Issuer are reasonably identifiable and factually supportable and it is understood and agreed that ''run-rate'' means the full recurring benefit for a period that is associated with any action either taken or with respect to which substantial steps have been taken or are expected to be taken within twenty-four (24) months of the determination to take such action; plus

(j) the amount of loss or discount on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing; plus

(k) any costs or expense or charge incurred by the Issuer or any Restricted Subsidiary pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement, to the extent that such cost, expense or charge is funded with cash proceeds contributed to the capital of the Issuer or net cash proceeds of an issuance of Capital Stock of the Issuer (or any Parent Entity) (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (c) of the first paragraph of the covenant described under ''—Certain Covenants—Limitation on Restricted Payments'' and have not been relied on for purposes of any incurrence of Indebtedness under clause (10) of the second paragraph of the covenant described in ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock''; plus

(l) the amount of costs, charges and expenses relating to payments made to option holders of any direct or indirect parent of the Issuer in connection with, or as a result of, any distribution being made to equityholders of such Person, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; plus

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a), (b) and (c) above relating to such joint venture corresponding to the Issuer's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary); plus

(n) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith or other enhanced accounting functions and Public Company Costs; plus

(o) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; plus

(p) to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries (but without duplication), (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any acquisition or investment or any sale, conveyance, transfer, or other Asset Disposition of assets permitted hereunder and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption; plus;

(q) payments by the Issuer and the Restricted Subsidiaries paid or accrued during such period in respect of purchase price holdbacks, earn outs and other contingent obligations and long-term liabilities of the Issuer and the Restricted Subsidiaries other than Indebtedness (including, without limitation, purchase price holdbacks, earn outs and similar obligations), plus

(r) the aggregate amount of any premium, make whole or penalty payments actually paid in cash by the Issuer and the Restricted Subsidiaries during such period that are required to be made in connection with any prepayment of any Credit Facility or any other Indebtedness, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; plus

(s) the amount of any noncash foreign currency losses (or gains) attributable to intercompany loans, accounts receivable and accounts payable, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; plus

(t) letter of credit fees; plus

(u) adjustments of the nature used in connection with the calculation of ''Adjusted EBITDA'' or ''Further Adjusted EBITDA'' as set forth in footnote (5) of ''Summary—Summary Historical and Pro Forma Financial Data'' contained in the offering circular applied in good faith by the Issuer to the extent such adjustments continue to be applicable during the period in which Consolidated EBITDA is being calculated; plus

(v) the net amount, if any, of the difference between (to the extent the amount in the following clause (i) exceeds the amount in the following clause (ii)): (i) the deferred revenue of such Person and its Restricted Subsidiaries as of the last day of such period (the ''Determination Date'') and (ii) the deferred revenue of such Person and its Restricted Subsidiaries as of the date that is 12 months prior to the Determination Date; plus

(w) any net loss from disposed, abandoned, transferred, closed or discontinued operations (excluding held for sale discontinued operations until actually disposed of); and

(2) decreased by (without duplication):

(a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period; *provided* that, to the extent non-cash gains are deducted pursuant to this clause (2)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein; plus

(b) any net income from disposed, abandoned, transferred, closed or discontinued operations (excluding held for sale discontinued operations until actually disposed of); plus

(c) the amount of gain on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing.

For the avoidance of doubt: (i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP, (ii) to the extent any add-backs or deductions are reflected in the calculation of Consolidated Net Income, such add-backs and deductions shall not be duplicated in determining Consolidated EBITDA and (iii) Consolidated EBITDA shall be calculated giving effect to pro forma adjustments as set forth in the definition of ''Consolidated Coverage Ratio''. Unless otherwise stated or context clearly dictates otherwise, references to Consolidated EBITDA shall refer to the Consolidated EBITDA of the Issuer.

''*Consolidated Interest Expense*'' means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated cash interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (x) all commissions, discounts, and other fees and charges owed with respect to letters of credit or bankers acceptances, (y) capitalized interest to the extent paid in cash (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding), and (z) net payments (over payments received), if any, made pursuant to interest rate Hedging Obligations with respect to Indebtedness); plus

(2) any cash payments made during such period in respect of the accretion or accrual of discounted liabilities referred to in clause (i) below relating to Funded Debt that were amortized or accrued in a previous period; less

(3) cash interest income for such period;

provided, the following shall in all cases be excluded from Consolidated Interest Expense:

(a) any one-time cash costs associated with breakage in respect of Hedging Obligations to the extent such costs would be otherwise included in Consolidated Interest Expense;

(b) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with GAAP;

(c) any ''additional interest'' owing pursuant to a registration rights agreement;

(d) non-cash interest expense attributable to a Parent Entity resulting from push-down accounting, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(e) any non-cash expensing of bridge, commitment, and other financing fees that have been previously paid in cash, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(f) deferred financing costs, debt issuance costs, commissions, fees (including amendment and contract fees) and expenses and, in each case, the amortization and write-off thereof, and any amounts of non-cash interest;

(g) annual agency fees paid to any administrative agent or collateral agent under any credit facilities or other debt instruments or documents;

(h) costs associated with obtaining Hedging Obligations;

(i) the accretion or accrual of discounted liabilities;

(j) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification 815;

(k) any non-cash expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase accounting in connection with the Transactions or any acquisition;

(l) commissions, discounts, yield, and other fees and charges (including any interest expense) related to any Receivables Facility or any Securitization Facility; and

(m) any prepayment premium or penalty.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

''*Consolidated Net Income*'' means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided* that, without duplication:

(1) (a) any after-tax effect of extraordinary, exceptional, non-recurring, or unusual gains or losses (less all fees and expenses relating thereto), charges or expenses (including relating to the Transactions), (b) severance, recruiting, retention and relocation costs, charges and expenses, (c) signing and stay bonuses and related costs, charges and expenses, transaction, refinancing, and special bonuses paid in connection with dividends and distributions to equity holders, (d) curtailments or modifications to pension and post-retirement employee benefits plans, (e) start-up, transition, strategic initiative (including any multi-year strategic initiative and one-time technology licensing and setup costs and overlapping replacement costs to exit transitional services), separation costs (including all costs associated with establishing standalone operations) and integration costs and duplicative costs, charges or expenses, (f) restructuring costs, charges, reserves or expenses, (g) costs, charges and expenses related to acquisitions after the Escrow Release Date and to the start-up, pre-opening, opening, closure, and/or consolidation of distribution centers, operations, offices and facilities, (h) business optimization costs, charges or expenses, (i) costs, charges and expenses incurred in connection with new product design, development and introductions, (j) costs and expenses incurred in connection with intellectual property development and new systems design, (k) costs and expenses incurred in connection with implementation, replacement, development or upgrade of operational, reporting and information technology systems and technology initiatives, (l) any costs, expenses or charges relating to any governmental investigation or any litigation or other dispute and (m) one-time compensation charges shall be excluded;

(2) the Net Income for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period;

(3) any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed, or discontinued operations shall be excluded;

(4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of

business, as determined in good faith by the Board of Directors (or analogous governing body) of the Issuer, shall be excluded;

(5) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Issuer shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents of the Issuer or any of its Restricted Subsidiaries) to the Issuer or a Restricted Subsidiary thereof in respect of such period;

(6) 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'', the Net Income for such period of any Restricted Subsidiary (other than any Subsidiary Guarantor) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its equityholders, unless such restriction with respect to the payment of dividends or similar distributions (a) has been legally waived or otherwise released, (b) is imposed pursuant to the Indenture, the Credit Agreement, or any other Credit Facility, or (c) arises pursuant to an agreement or instrument if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than the encumbrances and restrictions contained in the Indenture (as determined by the Issuer in good faith) or pursuant to working capital facilities incurred by Foreign Subsidiaries and permitted hereby; *provided* that Consolidated Net Income of the referent Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to such Person or a Restricted Subsidiary in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to the Issuer and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by Financial Accounting Standards Codification No. 805 — Business Combinations and No. 350 — Intangibles — Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to the Transactions and any acquisition or investment that is consummated prior to or after the Escrow Release Date or the amortization or write-off of any amounts thereof, in either case net of taxes, shall be excluded;

(8) (a) any after-tax effect of any income (loss) from the early extinguishment or conversion of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and any net gain or loss resulting in such period from Hedging Obligations pursuant to Financial Accounting Standards Codification Topic No. 815 — Derivatives and Hedging (ASC 815) (or any successor provision) and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP, and (c) any non-cash expense, income, or loss attributable to the movement in mark to market valuation of

foreign currencies, Indebtedness, or derivative instruments pursuant to GAAP, shall be excluded;

(9) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation or in connection with any disposition of assets, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(10) (a) any non-cash compensation expense recorded from grants of equity appreciation or similar rights, phantom equity, equity options units, restricted equity, or other rights to officers, directors, managers, or employees, (b) non-cash income (loss) attributable to deferred compensation plans or trusts and (c) any non-cash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, Compensation — Stock Compensation or Accounting Standards Codification Topic No. 505-50, Equity-Based Payments to Non-Employees, in each case shall be excluded;

(11) any fees, charges, losses, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with or related to any acquisition (including any Permitted Acquisition), Restricted Payment, Investment, recapitalization, asset sale, refinancing, issuance, incurrence, registration or repayment or modification of Indebtedness, issuance or offering of Capital Stock, refinancing transaction or amendment, modification or waiver in respect of the documentation relating to any such transaction (in the case of each such transaction described in this clause (11), including any such transaction undertaken or consummated prior to the Escrow Release Date, the Transactions and any such transaction undertaken but not completed and including, for the avoidance of doubt, (1) the effects of expensing all transaction-related expenses in accordance with Accounting Standards Codification Topic No. 805 — Business Combinations, (2) such fees, expenses, or charges related to the Incurrence of the Notes under the Indenture, the loans under the Credit Agreement and all Transaction Expenses, (3) such fees, expenses, or charges related to the entering into or offering of the Notes under the Indenture, the loans under the Credit Agreement and any other credit facilities or debt issuances or the entering into of any agreement in connection with Hedging Obligations, and (4) any amendment, modification or waiver in respect of the Notes, the Indenture, the Credit Agreement or the loans thereunder, or any other Indebtedness) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded;

(12) (a) accruals and reserves (including contingent liabilities) that are (x) established or adjusted within 12 months after the Escrow Release Date that are so required to be established as a result of the Transactions or (y) established or adjusted within 12 months after the closing of any Permitted Acquisition or any other acquisition (other than any such other acquisition in the ordinary course of business) that are so required to be established or adjusted as a result of such Permitted Acquisition or such other acquisition, in each case in accordance with GAAP, or (b) charges, accruals, expenses and reserves as a result of adoption or modification of accounting policies, shall be excluded;

(13) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as, in the case of reimbursements or indemnifications not yet received, the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within

180 days and (b) in fact reimbursed or reasonably expected to be reimbursed within 365 days of the date of such determination (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses, charges and expenses shall be excluded;

(14) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded;

(15) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period shall be excluded;

(16) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards Nos. 87, 106 and 112, and any other items of a similar nature, shall be excluded;

(17) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, Guarantees, or any comparable regulation, shall be excluded;

(18) earn-out obligations and other contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise (and including deferred performance incentives in connection with Permitted Acquisitions or other Investments permitted hereunder whether or not a service component is required from the transferor or its related party)) and adjustments thereof and purchase price adjustments, shall be excluded; and

(19) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries in any period, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance.

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated Net Income shall refer to the Consolidated Net Income of the Issuer.

''*Consolidated Secured Indebtedness*'' means Consolidated Total Indebtedness as of such date that is secured by a Lien.

''*Consolidated Secured Net Leverage Ratio*'' means, as of any date of determination, the ratio of (x) Consolidated Secured Indebtedness of the Issuer and the Restricted Subsidiaries, minus cash and Cash Equivalents of the Issuer and the Restricted Subsidiaries to the extent not designated as restricted on the consolidated balance sheet of the Issuer and the Restricted Subsidiaries (*provided* that any cash proceeds of any new Indebtedness then being Incurred shall not be netted from the numerator of this ratio) to (y) the aggregate amount of Consolidated EBITDA for the most recently ended Test Period, in each case with such pro forma adjustments as are consistent with the pro forma adjustments set forth in the definition of ''Consolidated Coverage Ratio''.

''*Consolidated Total Indebtedness*'' means, as at any date of determination, an amount equal to the aggregate principal amount of all outstanding Indebtedness of the Issuer and the Restricted Subsidiaries that would be reflected on a consolidated balance sheet (but excluding the notes thereto) prepared as of such date on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transactions or any Permitted Acquisition or any other acquisition permitted under the Indenture) consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations and purchase money debt and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); *provided* that Consolidated Total Indebtedness shall not include letters of credit, except, solely with respect to any standby letter of credit, to the extent of unreimbursed obligations in respect of any such drawn standby letter of credit (*provided* that any unreimbursed obligations in respect of any such drawn standby letter of credit shall not be included as Consolidated Total Indebtedness until one Business Day after such amount is due and payable by the Issuer or any Restricted Subsidiary).

''*Consolidated Total Net Leverage Ratio*'' means, as of any date of determination, the ratio of (x) Consolidated Total Indebtedness, minus cash and Cash Equivalents of the Issuer and the Restricted Subsidiaries to the extent not designated as restricted on the consolidated balance sheet of the Issuer and the Restricted Subsidiaries (*provided* that any cash proceeds of any new Indebtedness then being Incurred shall not be netted from the numerator of this ratio) to (y) the aggregate amount of Consolidated EBITDA for the most recently ended Test Period, in each case with such pro forma adjustments as are consistent with the pro forma adjustments set forth in the definition of ''Consolidated Coverage 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 Agreement*'' means any of (i) the Credit Agreement to be entered into on the Escrow Release Date by and among Holdings, the Issuer, Credit Suisse AG, as the administrative agent, the collateral agent, a letter of credit issuer and a lender, and each lender from time to time party thereto, together with the related documents thereto (including the term loans and revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantee and collateral agreement, collateral assignment, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and other collateral documents), as amended, restated, amended and restated, supplemented or otherwise modified or renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original credit agreement or one or more other credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for revolving credit loans, term loans, letters of credit or other Indebtedness) from time to time (and, unless the context requires otherwise, references herein to the Credit Agreement refer to such Credit Agreement), and (ii) any one or more agreements (and related documents) governing Indebtedness, including credit agreements, note purchase agreements, indentures, financing agreements or otherwise, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or adding or removing any Person as a borrower, issuer or guarantor thereunder) in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such Credit Agreement or one or more successors to the Credit Agreement or one or more new credit agreements, indentures, note purchase agreements, financing agreements or otherwise, in each case under clauses (i) and (ii), unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Credit Agreement.

''*Credit Facility*'' means, with respect to the Issuer or any of its Subsidiaries, one or more of (i) any facility under the Credit Agreement and (ii) any other facilities, note purchase agreements, indentures or other arrangements (including commercial paper facilities and overdraft facilities), in each case, with one or more banks, other financial institutions, lenders 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 or the creation of any Liens in respect of such receivable in favor of such institutions), letters of credit or other Indebtedness, in each case, as amended, restated, amended and restated, supplemented or otherwise modified or 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 or institutions and whether provided under the original credit agreement or one or more other credit 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, any letters of credit and reimbursement obligations related thereto, any Guarantee and collateral agreement, patent and trademark security agreement, collateral assignment, 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, in each case to the extent otherwise permitted under the Indenture.

''*Default*'' means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

''*Designated Non-Cash Consideration*'' means the fair market value (as determined in good faith by 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 or Cash Equivalents 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 Preferred Stock*'' means Preferred Stock of the Issuer or a Parent Entity (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 Preferred Stock'' pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the cash proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the first paragraph of the covenant described under ''—Certain Covenants—Limitation on Restricted Payments''.

''*Disinterested Director*'' means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Issuer having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Issuer shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any options, warrants or other rights in respect of such Capital Stock.

''*Disqualified Stock*'' means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, in whole or in part, in each case, prior to the Stated Maturity of the Notes; *provided* that if such Capital Stock is issued to any plan for the benefit of any employee, director, manager or consultant of the Issuer or its Subsidiaries or by any such plan to such employee, director, manager or consultant, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such employee, director, manager or consultant.

''*Dollars*'' or ''$'' means the lawful money of the United States.

''*Domestic Subsidiary*'' means, with respect to any Person, any Restricted Subsidiary of such Person other than a Foreign Subsidiary.

''*Equity Offering*'' means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock, Designated Preferred Stock or Capital Stock issued to any Subsidiary of the Issuer) 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) a sale of Capital Stock or other securities by a Parent Entity (other than Disqualified Stock, Designated Preferred Stock or Capital Stock issued to the Issuer or any Subsidiary of the Issuer), the proceeds of which are contributed to the equity (other than through an Excluded Contribution) of the Issuer or any of its Restricted Subsidiaries.

''*Euro*'' or ''€'' means the single currency of Participating Member States.

''*Euroclear*'' means Euroclear Bank SA/NV, as operator of the Euroclear System.

''*European Government Obligations*'' means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

''*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, the fair market value of marketable securities or property or assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business, in each case, received by the Issuer as capital contributions to the common equity of the Issuer after the Escrow Release Date (other than through the issuance of Disqualified

Stock or Designated Preferred Stock) or from the issuance or sale (other than to a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or to any management equity plan or equity option plan or any other management or employee benefit plan or agreement of the Issuer) of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer after the Escrow Release Date, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

''*fair market value*'' means with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's-length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Issuer.

''*Foreign Subsidiary*'' means, with respect to any Person, (i) any Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia.

''*Funded Debt*'' means all Indebtedness of the Issuer and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the sole option of the Issuer or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation).

''*GAAP*'' means generally accepted accounting principles in the United States, as in effect from time to time; *provided*, *however*, that all ratios, computations and other determinations based on GAAP contained in the Indenture shall be computed in accordance with GAAP as in effect on the Issue Date. At any time after the Issue Date, the Issuer may elect to apply for all purposes of the Indenture, in lieu of GAAP, IFRS and, upon such election, references to GAAP herein will be construed to mean IFRS as in effect from time to time; *provided* that (1) all financial statements and reports to be provided, after such election, pursuant to the Indenture shall be prepared on the basis of IFRS as in effect from time to time, and (2) from and after such election, all ratios, computations, and other determinations based on GAAP contained in the Indenture shall still be required to be computed in conformity with GAAP as in effect on the Issue Date. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of ''Capitalized Lease Obligations''.

''*Governmental Authority*'' means any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange or a supra-national body such as the European Union or the European Central Bank.

''*Guarantee*'' means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person; *provided*, *however*, that the term ''Guarantee'' will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and *provided*, *further*, that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The term ''Guarantee'' used as a verb has a corresponding meaning.

''*Guarantors*'' means, collectively, Holdings and the Subsidiary Guarantors.

''*Hedging Obligations*'' means, with respect to any Person, the obligations of such person under (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a ''*Master Agreement*''), including any such obligations or liabilities under any Master 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 the common depositary for Euroclear and Clearstream.

''*Holdings*'' means BCPE Diamond Netherlands Topco, B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under laws of the Netherlands.

''*IFRS*'' means International Financial Reporting Standards, as adopted by the International Accounting Standards Board and/or the European Union, as in effect from time to time.

''*Incur*'' means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for Indebtedness, Disqualified Stock or, in the case of any Restricted Subsidiary, Preferred Stock; *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 subject to clause (11) of third paragraph of ''Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' 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 not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), 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) [reserved];

(7) the principal component of all Indebtedness of other Persons for borrowed money 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 and (b) the unpaid amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons, other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement);

solely (other than in the case of clauses (7), (8) and (9) above) if and to the extent any of the foregoing (other than letters of credit) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided*, *however*, that Indebtedness of any Parent Entity appearing on the balance sheet of the Issuer solely by reason of push down accounting under GAAP shall be excluded.

The term ''Indebtedness'' shall not include any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Issue Date, any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice, or obligations under any license, permit or other approval (or guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business or consistent with past practice. For all purposes hereof, (i) the Indebtedness of the Issuer and the Restricted Subsidiaries shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business, and (ii) obligations constituting non-recourse Indebtedness shall only constitute ''Indebtedness'' for purposes of the covenant set forth in ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' and not for any other purpose in the Indenture.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. 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 of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice;

(ii) Cash Management Services;

(iii) obligations under or in respect of Receivables Facilities and Securitization Facilities;

(iv) prepaid or deferred revenue arising in the ordinary course of business;

(v) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warranties or other unperformed obligations of the seller of such asset;

(vi) trade accounts and accrued expenses payable in the ordinary course of business and accruals for payroll and other liabilities accrued in the ordinary course of business;

(vii) any earn-out obligation until such obligation, within 60 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP;

(viii) for the avoidance of doubt, customary obligations under employment agreements and deferred compensation and 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;

(ix) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential) with respect thereto (including any accrued interest), with respect to the Transactions or any other Investment permitted by the Indenture; or

(x) Subordinated Shareholder Funding.

''*Independent Financial Advisor*'' means an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction.

''*Intercompany License Agreement*'' means any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, services agreement, intellectual property rights transfer agreement or any related agreements, in each case where all the parties to such agreement are the Issuer or a Restricted Subsidiary.

''*Investment*'' means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel, and similar advances to officers, directors, managers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Capital Stock, or other securities issued by any other Person, or the purchase or other acquisition, in one transaction or a series of related transactions, of all or substantially all of the assets of another Person or assets constituting a business unit, line of business or division of such Person; *provided* that Investments shall not include, in the case of the Issuer and the Restricted Subsidiaries, intercompany loans, advances, or Indebtedness made to or owing by the Issuer or a Restricted Subsidiary having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; *provided*, *further*, that in the event that any Investment is made by Holdings, the Issuer or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through the Issuer or any Restricted Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of ''—Certain Covenants—Limitation on Restricted Payments''.

For purposes of ''—Certain Covenants—Limitation on Restricted Payments'' and ''—Designation of Restricted and Unrestricted Subsidiaries'':

(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 of the Issuer at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent ''Investment'' in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer's ''Investment'' in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted 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.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Issuer or a Restricted Subsidiary in respect of such Investment in an aggregate amount not to exceed the original cost of such Investment (*provided* that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the fair market value of such consideration).

''*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, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of ''A−'' or higher from S&P or ''A3'' 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 all or substantially all of its assets 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) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

''*Investment Grade Status*'' shall occur when the Notes receive each 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.

''*Issue Date*'' means , 2017.

''*Lien*'' means, with respect to any asset, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind in respect of such asset, including any conditional sale or other title retention agreement, and any lease in the nature thereof; *provided* that in no event shall an operating lease or a license to use Intellectual Property be deemed to constitute a Lien.

''*Limited Condition Transaction*'' means (i) any Permitted Acquisition or other Permitted Investment whose consummation is not conditioned on the availability of, or on obtaining, third party financing, (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment and (iii) any Restricted Payment.

''*Management Advances*'' means loans and advances made to, or Guarantees with respect to Indebtedness of, directors, officers, employees, managers or consultants of any Parent Entity, 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 consistent with past practice, (b) in respect of payroll advances, or (c) for purposes of funding any such person's purchase of Subordinated Shareholder Funding or Capital Stock (or similar obligations) of the Issuer, its Subsidiaries or any Parent Entity, and promissory notes received from equityholders of the Issuer, its Subsidiaries or any Parent Entity in connection with the exercise of stock or other options in respect of the Capital Stock of the Issuer, its Subsidiaries or any Parent Entity;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding the greater of (x) $40.0 million and (y) 10.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such loan, advance or Guarantee.

''*Management Equityholders*'' means any of (i) any current or former director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity who, on the Escrow Release Date, is an equityholder in the Issuer or any Parent Entity, (ii) any trust, partnership, limited liability company, corporate body or other entity established by any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity or any Person described in the succeeding clauses (iii) and (iv), as applicable, to hold an investment in the Issuer or any Parent Entity in connection with such Person's estate or tax planning, (iii) any spouse, parents or grandparents of any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity, and any and all descendants (including adopted children and stepchildren) of the foregoing, together with any spouse of any of the foregoing Persons, who are transferred an investment in the Issuer or any Parent Entity by any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity in connection with such Person's estate or tax planning and (iv) any Person who acquires an investment in the Issuer or any Parent Entity by will or by the laws of intestate succession as a result of the death of any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity.

''*Market Capitalization*'' means an amount equal to (i) the total number of issued and outstanding shares of common equity interests of the Issuer or any Parent Entity on the date of the declaration of a Restricted Payment permitted pursuant to clause (10) of the second paragraph under ''—Certain Covenants—Limitation on Restricted Payments'' multiplied by (ii) the arithmetic mean of the closing prices per share of such common equity interests on the principal securities exchange on which such common equity interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

''*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 436 under the Securities Act.

''*Net Available Cash*'' from an Asset Disposition means (i) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of the Issuer or any of the Restricted Subsidiaries in respect of such Asset Disposition, less (ii) the sum of:

(a) the amount, if any, of all taxes (including, in each case, in connection with any repatriation of funds) paid or estimated to be payable by the Issuer or any of the Restricted Subsidiaries in connection with such Asset Disposition;

(b) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (a) above) (1) associated with the assets that are the subject of such Asset Disposition and (2) retained by the Issuer or any of the Restricted Subsidiaries; *provided* that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Available Cash of such an Asset Disposition occurring on the date of such reduction;

(c) the amount of repayment of any Indebtedness (other than under any Credit Agreement) secured by a Lien on the assets that are the subject of such Net Available Cash to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Asset Disposition;

(d) the amount of any proceeds of such Asset Disposition that the Issuer or any Restricted Subsidiary has reinvested or committed to reinvest in accordance with ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock;''

(e) in the case of any Asset Disposition by a non-Wholly-Owned Restricted Subsidiary, the pro rata portion of the Net Available Cash thereof (calculated without regard to this clause (e)) attributable to minority interests and not available for distribution to or for the account of the Issuer or a Wholly-Owned Restricted Subsidiary as a result thereof;

(f) any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; *provided* that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Available Cash from such Asset Disposition occurring on the date of such reduction solely to the extent that the Issuer and/or any Restricted Subsidiary receives cash in an amount equal to the amount of such reduction; and

(g) all fees and out of pocket expenses paid or incurred by the Issuer or a Restricted Subsidiary in connection with any of the foregoing or as a consequence of such Asset Disposition,

in each case, only to the extent not already deducted in arriving at the amount referred to in clause (i) above.

''*Net Income*'' means, with respect to any Person, the net income (loss) of such Person and its Restricted Subsidiaries, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

''*Non-Guarantor*'' means any Restricted Subsidiary that is not a Subsidiary Guarantor.

''*Notes Documents*'' means the Notes (including Additional Notes), the Note Guarantees, the Indenture, the Escrow Agreement and the Escrow Charge.

''*Obligations*'' means any principal, interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or any Guarantor whether or not a claim for Post-Petition Interest is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

''*Officer*'' means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, the Controller or the Secretary, or any equivalent officer or director, of such Person, or (2) any other individual designated as an ''Officer'' or ''Director'' for the purposes of the Indenture by the Board of Directors of such Person.

''*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 who is reasonably acceptable to the Trustee. The legal counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

''*Parent*'' means Constellation (BC) S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under laws of the Netherlands.

''*Parent Entity*'' means any direct or indirect parent of the Issuer.

''*Parent Entity Expenses*'' means:

(1) costs (including all professional fees and expenses) Incurred by any Parent Entity 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 salary, bonus, severance (including, in each case, payroll, social security and similar taxes in respect thereof) and other benefits payable to, and indemnities provided on behalf of, directors, officers, employees, consultants, managers or other Persons to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, including the Issuer's and the

Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a public company;

(3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its articles, charter, by-laws, partnership agreement or other constating documents or pursuant to written agreements with any such Person;

(5) general corporate, administrative, compliance or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of any Parent Entity to the extent such costs and expenses are attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, including the Issuer's and the Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a public company;

(6) amounts required for such Parent Entity to pay fees and expenses incurred by such Parent Entity related to (i) the maintenance by such Parent Entity of its corporate or other entity existence and (ii) transactions of such Parent Entity of the type described in clause (11) of the definition of ''Consolidated Net Income'';

(7) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer or any Parent Entity;

(8) repurchases deemed to occur upon the cashless exercise of stock or other equity options;

(9) amounts to finance Permitted Acquisitions and other Investments or other acquisitions otherwise permitted to be made pursuant the covenant described under ''—Limitation on Restricted Payments'' if made by the Issuer or a Restricted Subsidiary; *provided,* that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment or other acquisition, (ii) such Parent Entity shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the Issuer or a Restricted Subsidiary or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Issuer or a Restricted Subsidiary (in a manner not prohibited by the covenant described under ''—Merger and Consolidation'') in order to consummate such Investment or other acquisition, (iii) such Parent Entity and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance herewith, (iv) any property received in connection with such transaction shall not constitute an Excluded Contribution or increase amounts available for Restricted Payments pursuant to clause (c)(iii) of the covenant described in the section entitled ''—Certain Covenants—Limitation on Restricted Payments'' and (v) to the extent constituting an Investment, such Investment shall be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of the covenant described in the section entitled ''—Certain Covenants—Limitation on Restricted Payments'' or pursuant to the definition of ''Permitted Investments'';

(10) AHYDO Payments with respect to Indebtedness of any Parent Entity; and

(11) expenses Incurred by any Parent Entity in connection with any public offering or other sale of Subordinated Shareholder Funding, 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 pro-rated 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 Entity 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.

''*Pari Passu Indebtedness*'' means Indebtedness of the Issuer which ranks equally in right of payment to the Notes or of any Guarantor if such Indebtedness ranks equally in right of payment to the Note Guarantees.

''*Participating Member States*'' means the participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

''*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.

''*Permitted Acquisitions*'' has the meaning provided in clause (2) of ''Permitted Investments''.

''*Permitted Asset Swap*'' means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock''.

''*Permitted Holder*'' means any of (i) any Sponsor and the Management Equityholders and 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 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 Sponsor, the Sponsor's Affiliates and the Management Equityholders, collectively, have Beneficial Ownership of more than 50% of the aggregate ordinary voting power of the outstanding Voting Stock of the Issuer or any Parent Entity; (ii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity of the Issuer, acting in such capacity; and (iii) any Permitted Parent. Any Person or group whose acquisition of Beneficial Ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the Indenture 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) that will, upon the making of such Investment, become a Restricted Subsidiary including, in each case, in connection with any Intercompany License Agreements;

(2) any Investment by the Issuer or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment under this clause (2) (each, a ''*Permitted Acquisition*'') either (x) such Person becomes a Restricted Subsidiary or

(y) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys all or substantially all of its assets, or transfers or conveys assets constituting a business unit, line of business or division of such Person, to, or is liquidated into, the Issuer or a Restricted Subsidiary, and, in each case, any Investment held by such Person; *provided*, that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, amalgamation or transfer;

(3) Investments in cash, Cash Equivalents or Investment Grade Securities at the time such Investment is made;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel 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) any Investment acquired by the Issuer or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of, or settlement of delinquent accounts or disputes with or judgments against, the issuer, obligor or borrower of such original Investment or accounts receivable, (b) as a result of a foreclosure by the Issuer or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(8) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Disposition made pursuant to ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock'' or any other disposition of assets not constituting an Asset Disposition;

(9) Investments existing or pursuant to agreements or arrangements in effect on the Escrow Release Date and any modification, replacement, renewal, refinancing, reinvestment or extension thereof; *provided* that the amount of any such Investment may not be increased except (a) as required by the terms of such Investment as in existence on the Escrow Release Date (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, refinanced or replaced Investment) and premium payable by the terms of such Investment thereon and fees and expenses associated therewith as in existence on the Escrow Release Date and/or (b) as otherwise permitted under the Indenture;

(10) Hedging Obligations, Cash Management Services and Bank Products, which transactions or obligations are Incurred in compliance with ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'';

(11) pledges or deposits required under any contractual requirement or by government authority or public utility, or Investments resulting from, or constituting, 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'', including in each case with respect to Taxes or other similar charges;

(12) 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 Entity as consideration; *provided* that such Capital Stock will not increase the amount available for Restricted Payments under clause (c)(ii) under ''—Certain Covenants—''Limitation in Restricted Payments'';

(13) 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) and (3) of the second paragraph thereof);

(14) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment, licenses or leases of intellectual property or other assets, or of services, in any case, in the ordinary course of business and in accordance with the Indenture;

(15) (i) Guarantees of Indebtedness not prohibited by the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business, and (ii) Guarantees by the Issuer or any of its Restricted Subsidiaries of leases (other than Capital Leases) or of other obligations of the Issuer or any Restricted Subsidiary that do not constitute Indebtedness to the extent entered into in the ordinary course of business or consistent with past practice;

(16) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;

(17) Investments of a Restricted Subsidiary acquired after the Escrow Release Date or of an entity merged into the Issuer or merged into or consolidated with a Restricted Subsidiary after the Escrow Release Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(18) Investments consisting of licensing, creation or contribution of intellectual property in the ordinary course of business, including in connection with Intercompany License Agreements;

(19) Investments in deposit accounts and securities accounts opened in the ordinary course of business;

(20) any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (20) that are at that time outstanding, not to exceed the greater of (a) $155.0 million and (b) 40.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, that if any Investment pursuant to this clause (20) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1)(a) above and shall cease to have been made pursuant to this clause (20) for so long as such Person continues to be a Restricted Subsidiary;

(21) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding, not to exceed the greater of (a) $155.0 million and (b) 40.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided* that if such Investment is in Capital Stock of a Person that subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed permitted under clause (1)(a) above and shall not be included as having been made pursuant to this clause (21);

(22) (i) any Investment in a Receivables Subsidiary or a Securitization Subsidiary in order to effectuate a Receivables Facility or a Qualified Securitization Financing, respectively, or any Investment by a Receivables Subsidiary or a Securitization Subsidiary in any other Person in connection with a Receivables Facility or a Qualified Securitization Financing, respectively; *provided*, *however*, that any such Investment in a Receivables Subsidiary or a Securitization Subsidiary is in the form of a contribution of additional Receivables Assets or Securitization Assets, as applicable, or as equity, and (ii) distributions or payments of Receivables Fees or Securitization Fees and purchases of Receivables Assets or Securitization Assets pursuant to a securitization repurchase obligation in connection with a Receivables Facility or a Qualified Securitization Financing, respectively;

(23) the Transactions and Investments made to effect, or otherwise made in connection with, the Transactions or any non-cash Investments made in connection with Permitted Reorganizations;

(24) Investments consisting of extensions of trade credit in the ordinary course of business;

(25) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(26) any Investment made by any Non-Guarantor to the extent that such Investment is financed with the proceeds received by such Non-Guarantor from an Investment in such Non-Guarantor permitted under the Indenture;

(27) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(28) Investments in Unrestricted Subsidiaries and joint ventures having an aggregate fair market value, taken together with all other Permitted Investments made pursuant to this clause (28) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of, or have not been subsequently sold or transferred for, Cash Equivalents or marketable securities, not to exceed the greater of (a) $125.0 million and (b) 35.0% of Consolidated EBITDA of the Issuer for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, if any Investment pursuant to this clause (28) is made in any Person that is an Unrestricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1)(a) above

and will cease to have been made pursuant to this clause (28) for so long as such Person continues to be a Restricted Subsidiary;

(29) repurchases of Notes; and

(30) any additional Investments; *provided* that after giving Pro Forma Effect to such Investments, (x) no Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom) and (y) the Consolidated Total Net Leverage Ratio is equal to or less than 5.25 to 1.00 as of the most recently ended Test Period.

''*Permitted Liens*'' means, with respect to any Person:

(1) Liens on assets or property of a Non-Guarantor securing Indebtedness or other obligations of any Non-Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, payroll taxes, health, disability or 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 contested taxes or import or customs duties or for the payment of rent, or deposits made to secure obligations arising from contractual or warranty refunds, 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, repairmen's, construction contractors' or other like 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 or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review and for which adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens for Taxes, assessments or other governmental charges which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings, or for property taxes on property of the Issuer or any Subsidiary thereof which the Issuer or such Subsidiary has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property; *provided* that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, servitudes, sewers, electric lines, drains, telegraph, telephone lines, cable television lines, gas and oil pipelines 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 their 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, and Liens disclosed as exceptions to coverage in the final title policies and endorsements with respect to any mortgaged properties;

(6) Liens (a) on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture, Bank Products or Cash Management Services; (b) that are contractual rights of setoff or, in the case of clause (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and Cash Management Services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer or any Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business; (c) on cash accounts securing Indebtedness incurred under clause (8)(e) of the second paragraph of the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; and/or (e) (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code on items in the course of collection, (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) arising in the ordinary course of business in connection with the maintenance of such accounts and (iii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not to secure any Indebtedness;

(7) leases, franchises, grants, licenses, covenants not to sue, releases, consents, subleases, and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(8) Liens securing judgments, decrees, orders or awards not giving rise to an Event of Default;

(9) Liens (i) on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, Purchase Money Obligations or Permitted Sale and Leasebacks, 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 ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' and (b) any such Liens 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 and the proceeds and products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender and (ii) any interest or title of a lessor under any Capitalized Lease Obligations or operating lease;

(10) Liens arising from 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 and other purported Liens (other than Liens securing Indebtedness for borrowed money) evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statute) financing statements or similar public filings;

(11) Liens existing on the Escrow Release Date (and Liens securing any modifications, replacements, renewals, refinancings, or extensions of the Indebtedness or other obligations secured by such Liens), excluding Liens securing the Credit Agreement;

(12) 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*, *however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, *further*, that such Liens are limited to all or part of the same property, other assets or stock (any improvements, replacements of such property or assets and additions and accessions thereto, after-acquired property subjected to a Lien securing Indebtedness and other obligations Incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(13) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;

(14) Liens securing Indebtedness or obligations Incurred to refinance Indebtedness or obligations that were previously so secured, and permitted to be secured under the Indenture (other than any Liens securing any Credit Facility Incurred pursuant to clause (1) of the second paragraph under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock''), including, without limitation, to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extension, renewal or replacement) as a whole, or in part, of any Indebtedness or obligations secured by a Lien referenced in this clause (14) and clauses (9), (11) and (12) of this definition; *provided* that any such Lien is limited to all or part of the same property or assets (any improvements, replacements of such property or assets and additions and accessions thereto, after-acquired property subjected to a Lien securing Indebtedness and other obligations Incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender) 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;

(15) (a) mortgages, liens, security interests, 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 of the Issuer has easement rights or on any leased property and subordination or similar arrangements relating thereto, (b) any condemnation or eminent

domain proceedings affecting any real property and (c) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(16) any encumbrance or restriction (including options, put and call arrangements, rights of first refusal and similar rights) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(17) 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;

(18) 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 or Liens arising by operation of law under Article 2 of the Uniform Commercial Code (or any comparable or successor provision) in favor of a reclaiming seller of goods or buyer of goods;

(19) Liens securing Indebtedness permitted to be Incurred pursuant to clause (1) of the second paragraph under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' (including under any Credit Facility (including any Credit Agreement) and any letter of credit facility relating thereto) or other obligations otherwise secured under any such Credit Facility;

(20) Liens to secure Indebtedness (x) permitted by clause (14) of the second paragraph of the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' in an aggregate principal amount not to exceed the greater of (a) $160.0 million and (b) 40.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien, at any one time outstanding, or (y) of any Non-Guarantor permitted by clause (11) of the second paragraph of the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'' covering only the assets of such Subsidiary; *provided* that in the case of clause (x) above, such Liens will be either secured *pari passu* with the Notes and the Note Guarantees or secured on a junior priority basis to the Notes and the Note Guarantees;

(21) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(22) customary Liens of an indenture trustee (including the Trustee under the Indenture) on money or property held or collected by it to secure fees, expenses and indemnities owing to it by any obligor under an indenture;

(23) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(24) Liens on equipment of the Issuer or any Restricted Subsidiary in the ordinary course of business;

(25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;

(26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;

(27) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;

(28) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to the definition of ''Permitted Investments'' to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell any property in an asset sale permitted (or reasonably expected to be so permitted by the Issuer at the time such Lien was granted) under the covenant described under ''—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock'', in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

(29) Liens securing Indebtedness and other obligations in an aggregate principal amount not to exceed the greater of (a) $140.0 million and (b) 35.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien, at any one time outstanding;

(30) Liens Incurred to secure Obligations in respect of any Indebtedness permitted to be Incurred pursuant to the covenant described under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock''; *provided* that, with respect to Liens securing Obligations permitted under this clause, at the time of Incurrence and after giving Pro Forma Effect thereto, the Consolidated Secured Net Leverage Ratio would be no greater than 4.50 to 1.00 as of the most recently ended Test Period prior to the date of such Incurrence; *provided* that any cash proceeds of any new Indebtedness then being incurred shall not be netted from the numerator in the Consolidated Secured Net Leverage Ratio for purposes of calculating the Consolidated Secured Net Leverage Ratio under this clause (30) for purposes of determining whether such Liens can be Incurred;

(31) Liens on (i) Securitization Assets arising in connection with a Qualified Securitization Financing or (ii) Receivables Assets arising in connection with a Receivables Facility;

(32) Liens securing (i) any Obligations in respect of the Notes and any Guarantees thereof, (ii) securing Indebtedness subordinated to the Notes or any Note Guarantee so long as the Notes and Notes Guarantees are secured by a Lien on the same assets that is senior in priority to such Lien and (iii) any Obligations so long as the Notes and any Note Guarantees are equally and ratably secured;

(33) 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 prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(34) Liens arising in connection with any Permitted Reorganization or any Intercompany License Agreements;

(35) [reserved];

(36) Liens deemed to exist in connection with Investments in repurchase agreements permitted under the Indenture; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(37) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Issuer or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(38) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any applicable law;

(39) [reserved];

(40) Liens or rights of set-off against credit balances of the Issuer or any of the Restricted Subsidiaries with credit card issuers or credit card processors or amounts owing by such credit card issuers or credit card processors to the Issuer or any Restricted Subsidiaries in the ordinary course of business to secure the obligations of any Subsidiary to the credit card issuers or credit card processors as a result of fees and charges;

(41) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; *provided* (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted under the Indenture;

(42) Liens securing Guarantees of any Indebtedness or other obligations otherwise permitted to be secured by a Lien under the Indenture; and

(43) prior to the Escrow Release Date, Liens on the Escrow Account and the Escrowed Property created for the benefit of, or to secure, directly or indirectly, the Notes.

For the purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but are permitted to be incurred in part under any combination thereof and of any other available exemption, (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens, the Issuer shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition and (C) the principal amount of Indebtedness secured by a Lien outstanding under any category of Permitted Liens shall be determined after giving effect to the application of the proceeds of any indebtedness to refinance such Indebtedness.

For purposes of this definition, the term ''Indebtedness'' shall be deemed to include interest, premiums (if any), fees, expenses and other obligations on such Indebtedness.

''*Permitted Parent*'' means (1) any Parent Entity for so long as it is majority controlled by one or more Persons that are Permitted Holders pursuant to clause (i) or (ii) of the definition thereof; *provided* that such Parent Entity was not formed in connection with, or in contemplation of, a transaction (other than the Transactions) that would otherwise constitute a Change of Control; and (ii) any Public Company (or Wholly-Owned Subsidiary of such Public Company), if and for so long as no person or group (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act, but excluding any employee benefit plan and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), other than a Permitted Holder, has Beneficial Ownership of Voting Stock of such Public Company representing more than 50% of the aggregate ordinary voting power for the election of directors represented by the issued and outstanding equity interests of such Public Company.

''*Permitted Reorganization*'' means any reorganizations and other activities related to tax planning and tax reorganization, so long as, after giving effect thereto, the enforceability of the Note Guarantees, taken as a whole, is not materially impaired.

''*Permitted Sale and Leaseback*'' means any Sale and Leaseback Transaction with respect to the sale, transfer or disposition of real property or other property consummated by the Issuer or any of its Restricted Subsidiaries after the Escrow Release Date; *provided* that any such Sale and Leaseback Transaction must be consummated for fair market value as determined at the time of consummation in good faith by the Issuer or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Issuer or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale and Leaseback).

''*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.

''*Post-Petition Interest*'' means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

''*Pounds Sterling*'' means British Pounds Sterling or any successor currency in the United Kingdom.

''*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.

''*Pro Forma Basis*'' and ''*Pro Forma Effect*'' means, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with the provisions set forth in the definition of ''Consolidated Coverage Ratio'' and under the caption ''—Limited Condition Transactions''.

''*Public Company*'' means any Person with a class or series of Voting Stock that is traded on a stock exchange or in the over-the-counter market.

''*Public Company Costs*'' means costs relating to compliance with the provisions of the Sarbanes-Oxley Act of 2002, the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, listing fees and other expenses arising out of or incidental to an entity's status as a reporting company.

''*Purchase Agreement*'' means that certain Purchase Agreement dated as of March 25, 2017, by and between the Issuer and Sealed Air Corporation.

''*Purchase Money Obligations*'' means any Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued 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 Securitization Financing*'' means any Securitization Facility that meets the following conditions: (i) the Board of Directors shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and its Restricted Subsidiaries, (ii) all sales of Securitization Assets and related assets by the Issuer or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Issuer) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

''*Qualified Stock*'' of any Person means Capital Stock of such Person other than Disqualified Stock of such Person.

''*Receivables Assets*'' means (a) any accounts receivable owed to the Issuer or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged by the Issuer in connection with a Receivables Facility.

''*Receivables Facility*'' means an arrangement between the Issuer or a Restricted Subsidiary and another Person pursuant to which (a) the Issuer or such Restricted Subsidiary, as applicable, sells (directly or indirectly) to such Person) accounts receivable owing by customers, together with Receivables Assets related thereto, (b) the obligations of the Issuer or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Issuer and such Restricted Subsidiary and (c) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings, and shall include any guaranty in respect of such arrangements.

''*Receivables Fee*'' means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or a Restricted Subsidiary in connection with, any Receivables Facility.

''*Receivables Subsidiary*'' means any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities that engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which any Subsidiary makes an Investment and to which any Subsidiary transfers accounts receivables and related assets.

''*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, Disqualified Stock or Preferred Stock that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness, Disqualified Stock or Preferred Stock existing on the Escrow Release Date or Incurred in compliance with the Indenture (including Indebtedness, Disqualified Stock or Preferred Stock that refinances Refinancing Indebtedness); *provided*, *however*, that:

(1) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced, replaced, exchanged, renewed, repaid or extended;

(2) such Refinancing Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Indebtedness, Disqualified Stock or Preferred Stock being so refunded, refinanced, replaced, exchanged, renewed, repaid or extended;

(3) to the extent such Refinancing Indebtedness refinances (I) Indebtedness that is subordinated to the Notes or any Note Guarantee, such Refinancing Indebtedness is subordinated to the Notes or such Note Guarantee at least to the same extent, in all material respects, as the Indebtedness being refinanced, (II) Indebtedness that ranks *pari passu* with the Notes or any Note Guarantee, such Refinancing Indebtedness ranks no more senior than *pari passu* with the Notes or such Note Guarantee or (III) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness consists of Disqualified Stock or Preferred Stock;

(4) Refinancing Indebtedness shall not include:

   (i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Guarantor; or

   (ii) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and

(5) the aggregate principal amount, accreted value or liquidation preference, as applicable, of such Refinancing Indebtedness shall equal no more than the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or Preferred Stock (plus the amount of any unused commitments thereunder), plus accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or Preferred Stock, plus underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or Preferred Stock and the Incurrence of such Refinancing Indebtedness. Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of all or any part of any such Credit Facility or other Indebtedness;

and, *provided*, *further*, that clauses (1) and (2) of this definition will not apply to any refunding, refinancing, replacement, exchange, renewal, repayment or extension (including pursuant to any defeasance or discharge mechanism) of any Indebtedness Incurred under clause (7) of the second paragraph under ''—Certain Covenants—Limitation on Indebtedness, Disqualified Stock and Preferred Stock'', or Indebtedness assumed or acquired in a Permitted Acquisition or other acquisition constituting a Permitted Investment, and not created in contemplation thereof.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

''*Restricted Investment*'' means any Investment other than a Permitted Investment.

''*Restricted Subsidiary*'' means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

''*S&P*'' means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

''*Sale and Leaseback Transaction*'' means any arrangement providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing.

''*SEC*'' means the U.S. Securities and Exchange Commission or any successor thereto.

''*Secured Indebtedness*'' means any Indebtedness secured by a Lien.

''*Securities Act*'' means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

''*Securitization Asset*'' means (a) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (b) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

''*Securitization Facility*'' means any of one or more securitization, financing, factoring or sales transactions, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, pursuant to which the Issuer or any of the Restricted Subsidiaries sells, transfers, pledges or otherwise conveys any Securitization Assets (whether now existing or arising in the future) to a Securitization Subsidiary or any other Person.

''*Securitization Fees*'' means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

''*Securitization Repurchase Obligation*'' means any obligation of a seller (or any guaranty of such obligation) of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including, without limitation, as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset 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.

''*Securitization Subsidiary*'' means any Subsidiary of the Issuer in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for the purposes of engaging in a Qualified Securitization Financing 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 Securitization Assets and related assets.

''*Significant Subsidiary*'' means, at any date of determination, any Restricted Subsidiary that would be a ''significant subsidiary'' as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

''*Similar Business*'' means (a) any businesses, services or activities engaged in or proposed to be engaged in by Holdings, the Issuer or any of its Subsidiaries on the Escrow Release Date and (b) any businesses, services and activities engaged in by Holdings, the Issuer or any of its Subsidiaries that are related, complementary, synergistic, incidental, ancillary or similar to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment) or are extensions or developments of any thereof.

''*Specified Transaction*'' means:

(a) any Investment that results in a Person becoming a Restricted Subsidiary;

(b) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary;

(c) any Permitted Acquisition;

(d) any disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary;

(e) any Investment in, acquisition of, or disposition of, assets constituting a business unit, line of business or division of, or all or substantially all of the assets of, a Person; and

(f) the incurrence of Indebtedness, making of a Restricted Payment or payment in respect of Indebtedness, or any other event, in respect of which compliance with any financial ratio is by the terms of the Indenture required to be calculated on a Pro Forma Basis or giving Pro Forma Effect to any such transaction or event.

''*Sponsor*'' means Bain Capital Partners, LLC and/or its Affiliates (including, as applicable, related funds, general partners thereof and limited partners thereof, but solely to the extent any such limited partners are directly or indirectly participating as investors pursuant to a side-by-side investing arrangement, but excluding, however, any portfolio company of any of the foregoing).

''*Sponsor Management Agreement*'' means the Management Agreement, to be dated on or about the Escrow Release Date, by and among Parent, Holdings, the Issuer and the Sponsor, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time thereafter in any manner that is not adverse to the Holders in any material respect.

''*Standard Securitization Undertakings*'' means representations, warranties, covenants, guarantees and indemnities entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Securitization Facility, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization 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 to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

''*Subordinated Indebtedness*'' means, with respect to the Notes, (a) any Indebtedness of the Issuer which by its terms is subordinated in right of payment to the Notes and (b) any

Indebtedness of any Guarantor which by its terms is subordinated in right of payment to the Note Guarantee of such Guarantor.

''*Subordinated Shareholder Funding*'' means, collectively, any funds provided to the Issuer by a Parent Entity, any Affiliate of a Parent Entity, a Permitted Holder or any Affiliate of a Permitted Holder 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 the first anniversary of 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 the first anniversary of the Stated Maturity of the Notes is restricted by an intercreditor agreement;

(2) does not require, prior to the first anniversary of 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 payment of any amount as a result of any such action or provision, in each case, prior to the first anniversary of the Stated Maturity of the Notes is restricted by an 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 the date that is 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 the date that is six months following the Stated Maturity of the Notes, is restricted by an 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 an intercreditor or subordination 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.

''*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.

Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Issuer.

''*Subsidiary Guarantor*'' means any Restricted Subsidiary that Guarantees the Notes, until such Note Guarantee is released in accordance with the terms of the Indenture.

''*Taxes*'' means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings (including backup withholdings), fees and any charges of a similar nature (including interest, fines, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

''*Test Period*'' means, for any determination hereunder, the four consecutive fiscal quarters of the Issuer then last ended for which financial statements pursuant to clauses (1) and (2) under the covenant entitled ''—Certain Covenants—Reports'' have been furnished (or were required to be furnished) to the Trustee (or before the first furnishing of such financial statements, the most recent period of four consecutive fiscal quarters for which financial statements are available, as determined in good faith by the Issuer).

''*Total Assets*'' means, as of any date, the total consolidated assets of the Issuer and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries, determined on a Pro Forma Basis.

''*Transaction Expenses*'' means any fees or expenses incurred or paid by Holdings, the Issuer or any Restricted Subsidiary, or any of their respective Affiliates, in connection with the Transactions, including, without limitation, expenses in connection with hedging transactions, if any, and payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses, payments on account of phantom units and charges for repurchase or rollover of, or modifications to, equity options and/or restricted equity.

''*Transactions*'' has the meaning provided in this offering circular.

''*Trust Indenture Act*'' means the Trust Indenture Act of 1939, as amended.

''*Uniform Commercial Code*'' means the Uniform Commercial Code as in effect from time to time in the State of New York or another applicable jurisdiction.

''*United States*'' or ''*U.S.*'' means the United States of America.

''*Unrestricted Subsidiary*'' means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer in the manner provided below and under the caption ''—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries''); and

(2) any Subsidiary of an Unrestricted Subsidiary.

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 complies with ''—Certain Covenants—Limitation on Restricted Payments''.

''*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 the Board of Directors of such Person.

''*Weighted Average Life to Maturity*'' means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by

(2) the then outstanding principal amount of such Indebtedness, Disqualified Stock or Preferred Stock; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness, Disqualified Stock or Preferred Stock that is being modified, refinanced, refunded, renewed, replaced or extended (the ''*Applicable Indebtedness*''), the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

''*Wholly-Owned Domestic Subsidiary*'' means any Wholly-Owned Subsidiary that is a Domestic Subsidiary.

''*Wholly-Owned Subsidiary*'' of any Person means a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors' qualifying shares or other ownership interests and (y) a nominal number of shares or other ownership interests issued to foreign nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

BOOK ENTRY, DELIVERY AND FORM FOR THE NOTES

General

Notes sold to non-U.S. persons outside the United States in offshore transactions (as defined in Regulation S under the Securities Act (''Regulation S'')) in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the ''Regulation S Global Notes''). The Regulation S Global Notes will be deposited, on the issue date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Notes sold to ''qualified institutional buyers'' (as defined in Rule 144A under the Securities Act (''Rule 144A'')) in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the ''144A Global Notes'' and, together with the Regulation S Global Notes, the ''Global Notes''). The 144A Global Notes will be deposited, on the issue date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Ownership of interests in the 144A Global Notes (''144A Book-Entry Interests'') and ownership of interests in the Regulation S Global Notes (the ''Regulation S Book-Entry Interests'' and, together with the 144A Book-Entry Interests, the ''Book-Entry Interests'') will be limited to persons that have accounts with Euroclear or Clearstream or persons that hold interests through such participants and has to be in accordance with applicable transfer restrictions set forth in the indenture that will govern the notes and in any applicable securities laws of any state of the United States or of any other jurisdiction, as described under ''Transfer Restrictions'' and ''Plan of Distribution''. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive definitive notes in registered form (''Definitive Registered Notes''). Instead, Euroclear and Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of notes take physical possession of such notes in definitive form. The foregoing limitations may impair your ability to own, transfer, pledge or grant any other security interest in Book-Entry Interests.

So long as the notes are held in global form, holders of Book-Entry Interests will not be considered the owners or ''holders'' of Global Notes for any purpose. So long as the notes are held in global form, the common depositary for Euroclear or Clearstream (including its nominees), will be considered the sole holder of Global Notes for all purposes under the indenture that will govern the notes. As such, participants must rely on the procedures of Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests to transfer their interests in or to exercise any rights of holders under the indenture that will govern the notes. Neither we nor the trustee nor any of our respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests. You can find information about certain other restrictions on the transferability of the notes under ''Transfer Restrictions'' and ''Plan of Distribution''.

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of the notes in certificated form and will not be considered the registered owners or holders thereof under the indenture that will govern the notes for any purpose.

The Issuer, the trustee, the registrar, the transfer agent, the paying agent and any of their respective agents have not and will not have any responsibility or liability: (1) for any aspect of the records of Euroclear or Clearstream, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or for payments made by Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests or (2) for Euroclear, Clearstream or any participant or indirect participant. The notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. We 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 or Clearstream.

Issuance of Definitive Registered Notes

Under the terms of the indenture that will govern the notes, owners of Book-Entry Interests will receive Definitive Registered Notes only in the following circumstances: (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 90 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 that will govern the notes which results in action by the trustee pursuant to the enforcement provisions under the indenture that will govern the notes.

In any such events described in clauses (1) or (2) the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear or Clearstream (in accordance with their respective customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests). The Definitive Registered Notes will bear a restrictive legend with respect to certain transfer restrictions, unless that legend is not required by the indenture that will govern the notes or by applicable law.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Definitive Registered Note by surrendering it to the registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note will be issued to the transferor or the holder, as applicable, in respect of the balance of the holding not transferred or redeemed, provided that a Definitive Registered Note with respect to notes will only be issued in denominations of €100,000 or in integral multiples of €1,000 in excess thereof.

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, we will issue, and the trustee or an authenticating agent appointed by the trustee will authenticate, a replacement.

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 that will govern the notes from any loss which any of them may suffer if a Definitive Registered Note is replaced. We 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 that will govern the notes, 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.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the indenture that will govern the notes and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the indenture that will govern the notes) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See ''Transfer Restrictions'' and ''Plan of Distribution''.

The registrar 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, holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Redemption of Global Notes

In the event any Global Note (or any portion thereof) is redeemed, the common depositary for Euroclear and Clearstream, as applicable, or its nominee, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it 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 or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that under existing practices of Euroclear and Clearstream, if fewer than all of the notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot 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 at maturity may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Notes (including principal, interest and premium, if any) will be made by the Issuer to the paying agent. The principal paying agent will, in turn, make such payments to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective 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.

Under the terms of the indenture that will govern the notes, the Issuer and the trustee will treat the registered holder of the Global Notes, which will initially be the nominee of the common depositary for Euroclear and Clearstream, as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer nor the trustee or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, 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.

We expect that payments by participants to owners of Book-Entry Interests held through such participants will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers registered in ''street name''. Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in ''street name''.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the notes, will be paid to holders of interests in such notes (the ''Euroclear/Clearstream Holders'') through Euroclear and Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of the notes 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, 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 reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell notes to persons in jurisdictions that require physical delivery of securities or to pledge such notes, such holder must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the indenture that will govern the notes.

The Global Notes will bear a legend to the effect set forth in ''Transfer Restrictions''. Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in ''Transfer Restrictions'' and ''Plan of Distribution''.

Transfer of 144A Book-Entry Interests to persons wishing to take delivery of 144A Book-Entry Interests will at all times be subject to such transfer restrictions. 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of any Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the indenture that will govern the notes) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if applicable) under the Securities Act.

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 the 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/or Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer, the trustee or the initial purchasers is responsible for those operations or procedures.

The Issuer and each guarantor understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective 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 or 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 Euroclear or Clearstream systems, 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 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 on the Official List of the Exchange. We expect that the notes will be accepted for clearance through the facilities of Euroclear or Clearstream. Transfers of Book-Entry Interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The following description of the operations and procedures of Euroclear and Clearstream is provided solely as a matter of convenience.

Although Euroclear and Clearstream currently follow the procedures described herein in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, 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, any guarantor, the trustee or the paying agent will have any responsibility for the performance by Euroclear or Clearstream or their respective 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 eurobonds 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 on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or 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.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Euroclear or Clearstream on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to receive or make a payment or delivery of notes, on a particular day, may find that the transactions will not be performed until the next business day in Brussels if Euroclear is used, or Luxembourg if Clearstream is used.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the notes offered hereby. We do not intend to file a registration statement to register resales of the notes under the Securities Act or the securities laws of any other jurisdiction nor do we intend to offer to exchange the notes for notes registered under the Securities Act.

We have not registered the notes under the Securities Act or the securities laws of any other jurisdiction, and the notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any applicable jurisdiction. Accordingly, the notes are being offered and sold only (A) to persons reasonably believed to be ''qualified institutional buyers'' (as defined in Rule 144A) in compliance with Rule 144A and (B) outside the United States to persons other than U.S. persons in reliance upon Regulation S. Terms used above and otherwise in this section of this offering circular have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

Each purchaser of notes will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the notes have not been registered under the Securities Act or any other applicable securities laws and that the notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.

You are not our ''affiliate'' (as defined in Rule 144 under the Securities Act), you are not acting on our behalf and you are either:

(a) a qualified institutional buyer and are aware that any sale of the notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another qualified institutional buyer; or

(b) not a ''U.S. person'' as defined in Regulation S or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing the notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that none of us, the initial purchasers or any person representing us or the initial purchasers has made any representation to you with respect to us or the offer or sale of any of the notes, other than the information contained in this offering circular, which offering circular has been delivered to you and upon which you are relying in making your investment decision with respect to the notes. You acknowledge that the initial purchasers make no representation or warranty as to the accuracy or completeness of this offering circular. You have had access to such financial and other information concerning us and the notes, including an opportunity to ask questions of, and request information from, us and the initial purchasers.

(3) 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 for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts

be at all times within your or their control and subject to your or their ability to resell such notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the notes, and each subsequent holder of the notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such notes prior to the date which is one year after the later of the date of the original issue of the notes and the last date on which we or any of our affiliates were the owner of such notes (or any predecessor thereto) or such later date, if any, as may be required by applicable law (the ''Resale Restriction Termination Date'') only:

(a) to us;

(b) pursuant to a registration statement which has been declared effective under the Securities Act;

(c) for so long as the notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) in a transaction meeting the requirements of Rule 144 under the Securities Act;

(e) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S under the Securities Act; or

(f) pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws and the securities laws of any other applicable jurisdiction.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that we, the trustee and the registrar reserve the right prior to any offer, sale or other transfer of the notes offered hereby pursuant to clause (e) above prior to the end of the 40-day distribution compliance period within the meaning of Regulation S under the Securities Act or pursuant to clause (f) above prior to the Resale Restriction Termination Date of the notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer, the trustee and the registrar.

Each purchaser acknowledges that each note offered hereby will contain a legend substantially in the following form:

> ''THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE ''SECURITIES ACT'') OR THE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION AND THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR IN ACCORDANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (SUBJECT TO THE DELIVERY OF SUCH EVIDENCE, IF ANY, REQUIRED UNDER THE INDENTURE PURSUANT TO WHICH THIS NOTE IS ISSUED) AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION

FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1)(a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), SUBJECT TO THE RECEIPT BY THE TRUSTEE OF A CERTIFICATION OF THE TRANSFEROR AND AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER FROM IT OF THE NOTE EVIDENCED HEREBY OF THE RESALE RESTRICTION SET FORTH IN (A) ABOVE''.

If you purchase notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the notes as well as to holders of the notes.

(4) You acknowledge that the registrar will not be required to accept for registration of transfer any notes acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.

(5) You acknowledge that either (a) you are not acquiring or holding such note with the assets of (A) an ''employee benefit plan'' (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (''ERISA'')) that is subject to Title I of ERISA, (B) a ''plan'' described in Section 4975 of the Internal Revenue Code of 1986, as amended (the ''Code'') that is subject Section 4975 of the Code, (C) any entity deemed to hold ''plan assets'' of any of the foregoing by reason of an employee benefit plan's or plan's investment in such entity, or (D) a foreign plan, a governmental plan or church plan subject to provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (''Similar Laws''); or (b) (i) your acquisition and holding of such note, throughout the period that you hold such note, will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Law; and (ii) if you are a Benefit Plan Investor (as defined herein), the decision to purchase the notes has been made by a duly authorized fiduciary (each, a ''Plan Fiduciary'') who is independent of the Transaction Parties (as defined herein), which Plan Fiduciary (A) is a fiduciary under ERISA or the Code, or both, with respect to the decision to purchase the notes, (B) is not an IRA owner (in the case of an IRA), (C) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the notes, (D) has exercised independent judgment in evaluating whether to invest the assets of such Benefit Plan Investor in the notes, and (E) is either a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer or an independent fiduciary with at least $50 million of assets under management or control as specified in 29 C.F.R. Section 2510.3-21(c)(1)(i).

(6) You acknowledge that:

(a) we, the initial purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the initial purchasers promptly in writing; and

(b) if you are acquiring any notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(7) You agree that you will give to each person to whom you transfer the notes notice of any restrictions on the transfer of the notes.

(8) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the ''Distribution Compliance Period'' (as defined below), you shall not make any offer or sale of these notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The ''Distribution Compliance Period'' means the 40-day period following the issue date for the notes.

(9) You understand that no action has been taken in any jurisdiction (including the United States) by us or the initial purchasers that would permit a public offering of the notes or the possession, circulation or distribution of this offering circular or any other material relating to us or the notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the notes will be subject to the selling restrictions set forth under ''Plan of Distribution''.

CERTAIN INCOME TAX CONSIDERATIONS

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the notes as of the date of this offering circular, but does not purport to be a complete analysis of all potential United States federal income tax considerations. Except for the discussions below under ''—Foreign Account Tax Compliance'', this summary is limited to consequences relevant to a ''U.S. holder'' (as defined below). This summary is based on the Code, United States Treasury regulations promulgated thereunder, published administrative positions of the United States Internal Revenue Service (the ''IRS'') and judicial decisions, all as in effect on the date hereof. Those authorities may be changed or subject to new interpretations, possibly on a retroactive basis, so as to result in United States federal income tax consequences different from those summarized below. We have not sought, and do not expect to seek, any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary and there can be no assurance that the IRS or a court will agree with our statements and conclusions or that a court would not sustain any challenge by the IRS in the event of litigation.

This summary applies only to U.S. holders of notes (and non-U.S. holders, solely in the case of ''—Foreign Account Tax Compliance'') that purchase the notes in this offering for cash at the applicable price for the notes set forth on in the cover page of this offering circular, and that will hold the notes as ''capital assets'' within the meaning of section 1221 of the Code (generally, property held for investment). This summary is general in nature and does not purport to deal with all aspects of United States federal income taxation that might be relevant to particular holders in light of their personal investment circumstances or status (including the Medicare contribution tax on net investment income), nor does it address tax considerations applicable to investors that may be subject to special treatment under the United States federal income tax laws, such as:

- a broker-dealer, or dealer or trader in securities or currencies;
- a bank or other financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt entity;
- an insurance company;
- a partnership, S-corporation or other pass-through entity for United States federal income tax purposes or investors in such entities;
- an individual retirement or other tax-deferred accounts;
- a person holding the notes as part of a hedge, straddle, synthetic security, integrated, conversion or constructive sale transaction;
- a trader in securities that has elected the mark-to-market method of accounting for its securities;
- a person liable for alternative minimum tax;
- a U.S. holder whose ''functional currency'' is not the U.S. dollar;
- non-U.S. holders who are former citizens or residents of the United States; or
- persons that actually or constructively own 10% or more of our voting stock.

In the case of a beneficial owner of notes that is classified as a partnership for United States federal income tax purposes, the tax treatment of a partner will generally depend upon the tax status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in the notes, you should consult your own tax advisors.

This summary does not represent a detailed description of the United States federal income tax consequences to you in light of your particular circumstances and does not address the effect of any applicable United States federal tax laws other than income tax laws (such as estate or gift tax laws), any state, local or non-United States tax laws or any applicable tax treaty. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of notes. **If you are considering purchasing notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership or disposition of the notes, as well as the consequences to you arising under any other United States federal tax laws and the laws of any other taxing jurisdiction.**

Additional Payments

We may be required in certain circumstances to pay amounts in redemption of the notes in addition to the stated principal amount of and stated interest on the notes (e.g., in the case of a change in control as described in ''Description of Notes—Change of Control''). Although the issue is not free from doubt, we intend to take the position that the possibility of payment of additional amounts in redemption of the notes does not result in the notes being treated as contingent payment debt instruments under applicable Treasury regulations. This position will be based on our determination that, as of the date of the issuance of the notes, the possibility that additional amounts in redemption of the notes will have to be paid is, in the aggregate, a remote or incidental contingency within the meaning of applicable Treasury regulations.

Our determination that such contingencies are remote or incidental is binding on a holder, unless such holder explicitly discloses to the IRS on its tax return for the year during which it acquires the notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a contrary position to that described above, a holder subject to United States federal income taxation may be required to accrue interest income on the notes based upon a comparable yield, regardless of the holder's regular method of accounting. The ''comparable yield'' is the yield at which we would issue a fixed rate debt instrument with no contingent payments, but with terms and conditions otherwise similar to those of the notes. Accruing interest based upon the comparable yield may require a holder to accrue ordinary interest income on the notes in an amount greater than the stated interest. In addition, any gain on a sale, exchange, redemption, retirement or other taxable disposition of the notes would be recharacterized as ordinary income (rather than capital gain).

You should consult your own tax advisors regarding the tax consequences of the notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments.

U.S. Holders

The following is a summary of certain United States federal income tax consequences that will apply to you if you are a U.S. holder of the notes. As used herein, a ''U.S. holder'' means a beneficial owner of the notes that is, for United States federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;

- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if (1) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, it has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Stated Interest. Stated interest on the notes will generally be taxable to a U.S. holder as ordinary income at the time such interest is received or accrued, depending on the holder's regular method of accounting for United States federal income tax purposes.

A U.S. holder that uses the cash method of tax accounting will be required to include in income the U.S. dollar value of the euro-denominated interest payment on a note based on the spot rate of exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. No foreign currency exchange gain or loss will be recognized with respect to the receipt of such payment (other than foreign currency exchange gain or loss realized on the disposition of the euros so received, see ''—Transaction in Euros'', below).

A U.S. holder that uses the accrual method of tax accounting will accrue interest income on a notes in euros and translate the amount accrued into U.S. dollars based on:

- the average exchange rate in effect during the interest accrual period, or portion thereof, within such U.S. holder's taxable year; or
- at such U.S. holder's election, at the spot rate of exchange on (1) the last day of the accrual period, or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year (for the portion of the accrual period ending on the last day of such taxable year), or (2) the date of receipt, if such date is within five business days of the last day of the accrual period. Such election must be applied consistently by the U.S. holder to all debt instruments from year to year and can be changed only with the consent of the IRS.

A U.S. holder that uses the accrual method of tax accounting will recognize foreign currency exchange gain or loss on the receipt of an interest payment equal to the difference between (i) the value of the euros received as interest, as translated into U.S. dollars using the spot rate of exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars, and (ii) the U.S. dollar amount previously included in income with respect to such payment. Such foreign currency exchange gain or loss will be treated as ordinary income or loss that is U.S. source (for purposes of computing a U.S. holder's foreign tax credit limitation) but generally will not be treated as an adjustment to interest income received on the notes.

Interest income to a U.S. holder will be treated as foreign source income for purposes of calculating that holder's foreign tax credit limitation. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex and, therefore, U.S. holders should consult their own tax advisers regarding the availability of foreign tax credits in their particular circumstances.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Note. Upon a sale, exchange, redemption, retirement or other taxable disposition of a note, a U.S. holder generally will recognize gain or loss equal to the difference, if any, between (i) the amount realized upon the disposition and (ii) the holder's adjusted tax basis in the note. The amount realized will generally be equal to the sum of the amount of cash and the fair market value of any property received in exchange for the note (which, in the case of euros received, would equal the U.S. dollar value of such euros calculated as discussed below) less any portion allocable to accrued and unpaid stated interest, which will be taxed as ordinary interest income (as described above under ''—Stated Interest'') to the extent not previously so taxed. A U.S. holder's adjusted tax basis in a note generally will be the cost for that note (i.e., the U.S. dollar value of the euro purchase price calculated at the spot rate of exchange on the settlement date of purchase). Except with respect to any gain or loss attributable to changes in the euro to U.S. dollar exchange rate, as discussed below, any such gain or loss will be 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. In general, long-term capital gains of a non-corporate U.S. holder are taxed at lower rates than those applicable to ordinary income. The deductibility of capital losses is subject to limitations. U.S. holders should consult their own tax advisors as to the deductibility of capital losses in their particular circumstances.

Except as provided in the next sentence, an amount realized (from a disposition of a note) in the form of euros will equal the U.S. dollar value of such euros based on the spot rate of exchange on the date of disposition. However, if the notes are traded on an established securities market, a U.S. holder that uses the cash method of tax accounting, and if such U.S. holder so elects, a U.S. holder that uses the accrual method of tax accounting, will determine the U.S. dollar values of its amount realized on the disposition of a note by translating euro amounts at the spot rate of exchange on the settlement date of the disposition. The election available to accrual basis U.S. holders discussed above must be applied consistently by the U.S. holder to all debt instruments from year to year and can be changed only with the consent of the IRS.

Any gain or loss recognized by a U.S. holder on a sale, exchange, retirement, redemption or other taxable disposition of a note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in the euro to U.S. dollar exchange rate during the period in which the U.S. holder held such note. Such foreign currency exchange gain or loss will equal the difference between the U.S. dollar value of the euro purchase price of the note calculated at the spot rate of exchange on the date (i) the note is disposed of (or the spot rate on the settlement date, if applicable) and (ii) the U.S. holder purchased the note (or the spot rate on the settlement date, if applicable). The recognition of such foreign currency exchange gain or loss will be limited to the amount of overall gain or loss recognized on the disposition of a note (including with respect to any interest payments received as part of the disposition). A U.S. holder that computes its amount realized based on the exchange rate on the disposition date (as opposed to the settlement date) will recognize additional exchange gain or loss (taxable as ordinary income or loss that is U.S. source (for purposes of computing a U.S. holder's foreign tax credit limitation)) to the extent that the U.S. dollar/euro exchange rate fluctuates between the disposition date and the settlement date.

Any gain or loss recognized on the sale, exchange, retirement, redemption or other taxable disposition of a note (including any foreign currency exchange gain or loss) generally will be treated as U.S. source (for purposes of computing a U.S. holder's foreign tax credit limitation).

Transaction in Euros. Euros received as interest on, or on a disposition of, a note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time such proceeds from disposition are received. The amount of gain or loss recognized by a U.S. holder on the sale or other disposition of such euros will be equal to the difference, if any, between (i) the amount of U.S. dollars, or the fair market value in U.S. dollars of the other property received in such sale or other disposition, and (ii) the U.S. holder's adjusted tax basis in such euros. A U.S. holder that purchases a note with previously owned euros will generally recognize gain or loss in an amount equal to the difference, if any, between such U.S. holder's adjusted tax basis in such euros and the U.S. dollar fair market value of such note on the settlement date of such purchase.

Any such foreign currency gain or loss generally will be ordinary income or loss that is U.S. source (for purposes of computing a U.S. holder's foreign tax credit limitation) and will not be treated as interest income or expense. The conversion of U.S. dollars to foreign currency and the immediate use of such foreign currency to purchase a note generally will not result in any exchange gain or loss for a U.S. holder.

Information Reporting and Backup Withholding. In general, we must report certain information to the IRS with respect to payments of stated interest on a note, and payments of the proceeds of the sale or other disposition (including a retirement or redemption) of a note, to certain U.S. holders. The applicable withholding agent will be required to impose backup withholding in respect of such amounts, at a rate of 28%, if (i) the payee fails to furnish a taxpayer identification number (''TIN'') to the applicable withholding agent or to establish an exemption from backup withholding, (ii) the IRS notifies the applicable withholding agent that the TIN furnished by the payee is incorrect, (iii) there has been a notified payee underreporting described in section 3406(c) of the Code, or (iv) the payee has not certified under penalties of perjury that it has furnished a correct TIN and that the IRS has not notified the payee that it is subject to backup withholding under the Code. United States backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. holder will be allowed as a credit against the holder's United States federal income tax liability, if any, and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

Reportable Transactions. Under applicable Treasury regulations, a U.S. holder who participates in ''reportable transactions'' (as defined in the Treasury regulations) must attach to its United States federal income tax return a disclosure statement on IRS Form 8886. The Treasury regulations could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the relevant rules, a U.S. holder may be required to treat a foreign currency exchange loss arising from an interest payment on or disposition of the notes as a reportable transaction if this loss exceeds the relevant threshold in the Treasury regulations. U.S. holders should consult their own tax advisors to determine the tax reporting obligations, if any, including any requirement to file IRS Form 8886, with respect to the ownership or disposition of the notes or any related transaction such as the disposition of any euros received in respect of the notes, and the significant penalties for noncompliance.

Information Regarding Foreign Financial Assets and Tax Return Disclosure Requirement. Certain U.S. holders are required to report information on IRS Form 8938 on the holding of certain foreign financial assets, including debt of foreign entities, if the aggregate value of all of these assets exceeds $50,000. The notes are expected to constitute foreign financial assets subject to these requirements, unless the notes are held in an account at a domestic financial institution. U.S. holders should consult their tax advisors regarding the application of this reporting obligation, and the significant penalties for noncompliance.

Foreign Account Tax Compliance

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. federal tax (at a rate of 30%) on certain pass-through payments made after December 31, 2018 to the extent such payments are treated as attributable to certain U.S. source payments. Debt obligations that generate solely non-US source interest and are 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 such obligations are materially modified after such date. As of the date of this offering circular, applicable final regulations have not yet been filed. Accordingly, if we are 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. Non-U.S. governments have entered into intergovernmental 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 generally will be no additional amounts payable to compensate for the withheld amount.

Certain Non-U.S. Tax Considerations

Summary of Dutch Tax Considerations

The following is a general summary of certain material Netherlands tax consequences of the acquisition, holding and disposal of the notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution. Holders or prospective holders of notes should consult with their own tax advisors with regard to the tax consequences of investing in the notes in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof and as interpreted in published case law until this date, including, for the avoidance of doubt, the tax rates and brackets applicable on the date hereof, without prejudice to any amendment introduced at a later date and/or implemented with or without retroactive effect.

Withholding Tax

All payments made by the Issuer under the notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) holders of notes if such holders, and in the case of individuals, his or her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his or her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in The Netherlands Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Netherlands corporate income tax; and

(iii) holders of notes who are individuals for whom the notes or any benefit derived from the notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in The Netherlands Income Tax Act 2001).

Netherlands Resident Entities

Generally speaking, if the holder of notes is an entity (which includes an association, a partnership and a mutual fund taxable as a corporate entity) that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes (a ''Netherlands Resident Entity''), any payment under the notes or any gain or loss realized on the disposal or deemed disposal of the notes is subject to Netherlands corporate income tax at a rate of 20% with respect to taxable profits up to €200,000 and 25% with respect to taxable profits in excess of that amount.

A holder of notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of notes or the performance by the Issuer of its obligations under such documents or under the notes.

Netherlands Resident Individuals

If a holder of notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (a ''Netherlands Resident Individual''), any payment under the notes or any gain or loss realized on the disposal or deemed disposal of the notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

(i) the notes are attributable to an enterprise from which the holder of notes derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or

(ii) the holder of notes is considered to perform activities with respect to the notes that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the notes that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of notes, such holder will be taxed annually on a deemed, variable return (with a maximum of, currently, 5.39%) of his/her net investment assets (*rendementsgrondslag*) for the year at an income tax rate of 30%.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The notes are included as investment assets. A tax free allowance may be available. Actual income, gains or losses in respect of the notes are as such not subject to Netherlands income tax.

For the net investment assets on 1 January 2017, a deemed return between 2.87% and 5.39% (depending on the aggregate amount of such holder's net investment assets on 1 January 2017) will be applied. The deemed, variable return will be adjusted annually.

Non-residents of the Netherlands

A holder of notes that is neither a Netherlands Resident Entity nor a Netherlands Resident Individual will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the notes or in respect of any gain or loss realized on the disposal or deemed disposal of the notes, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the notes are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the notes that go beyond ordinary asset management and does not derive benefits from the notes that are taxable as benefits from other activities in the Netherlands.

Gift and Inheritance Taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the notes by way of a gift by, or on the death of, a holder of such notes who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of the notes by way of gift by, or on the death of, a holder of notes who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax ("VAT")

No Netherlands VAT will be payable by the holders of the notes on (i) any payment in consideration for the issue of the notes or (ii) any payment of interest or principal by the Issuer under the notes.

Other taxes and duties

No Netherlands registration tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the notes in respect of or in connection with (i) the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of the notes, (ii) any payment by the Issuer under the notes, (iii) the performance by the Issuer of its obligations under such documents or under the notes, or (iv) the transfer of the notes.

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 U.S. Employee Retirement Income Security Act of 1974, as amended (''ERISA'' and each employee benefit plan subject to Title I of ERISA, an ''ERISA Plan''), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code and entities whose underlying assets are deemed to include ''plan assets'' of any of the foregoing (each, a ''Benefit Plan Investor'') and plans or other arrangements that are subject to any provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, ''Similar Laws'' and such plans together with Benefit Plan Investors referred to herein as ''Plans'').

General Fiduciary Matters

ERISA and the Code impose certain requirements and duties on Benefit Plan Investors and on those persons who are fiduciaries of a Benefit Plan Investor. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Benefit Plan Investor or the management or disposition of the assets of such a Benefit Plan Investor, or who renders investment advice for a fee or other compensation to such a Benefit Plan Investor, is generally considered to be a ''fiduciary'' (within the meaning of Section 3(21) of ERISA and Section 4975 of the Code) of the Benefit Plan Investor.

In considering an investment in the notes of a portion of the assets of any Benefit Plan Investor, a fiduciary must, among other things and as applicable: (1) discharge its duties solely in the interest of the participants and beneficiaries of such Benefit Plan Investor and for the exclusive purpose of providing benefits to such participants and beneficiaries and defraying reasonable expenses of administering the Benefit Plan Investor; (2) act prudently with respect to the Benefit Plan Investor; (3) diversify the investments of such Benefit Plan Investor so as to minimize the risk of large losses; and (4) discharge its duties in accordance with the documents and instruments governing such Benefit Plan Investor. In addition, fiduciaries are generally required to hold all assets of a Benefit Plan Investor in trust and to maintain the indicia of ownership of such assets within the jurisdiction of the district courts of the United States. A fiduciary of a Plan should determine whether the investment in the notes satisfies these requirements, whether such investment is in accordance with the documents and instruments governing the Plan and whether such investment is in accordance with the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to such Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Each Benefit Plan Investor should consider the fact that none of the Issuer, the initial purchasers, the trustee, nor any of their respective affiliates (the ''Transaction Parties'') will act as a fiduciary to any Benefit Plan Investor with respect to the decision to purchase or hold the notes and is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to such decision. The decision to purchase and hold the notes must be made by each prospective Benefit Plan Investor purchaser on an arm's length basis. In addition, each Benefit Plan Investor purchasing the notes must generally be represented by a fiduciary independent of the Transaction Parties (which may not be an owner of an IRA, in the case of an investor that is an IRA) that (i) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the notes, (ii) has exercised independent judgment in evaluating whether to invest the assets of such Benefit Plan Investor in the notes and (iii) is a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer or an independent fiduciary with at least $50 million of assets under management or control.

Prohibited Transaction Issues

A purchaser who is considering acquiring the notes with the assets of a Plan must consider whether the acquisition and holding of such notes will constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation of any applicable Similar Law. Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions that involve a Benefit Plan Investor and a ''party in interest'' (within the meaning of Section 3(14) of ERISA) or a ''disqualified person'' (within the meaning of Section 4975(e)(2) of the Code) with respect to such Benefit Plan Investor, unless a statutory, class or individual prohibited transaction exemption (as discussed below) is available. Examples of such prohibited transactions include, but are not limited to, sales or exchanges of property (such as the notes) or extensions of credit between a Benefit Plan Investor and a party in interest or disqualified person. Section 406(b) of ERISA and Sections 4975(c)(1)(E) and (F) of the Code generally prohibit fiduciaries from dealing with the assets of Benefit Plan Investors for their own benefit (for example when a fiduciary of a Benefit Plan Investor uses its position to cause such Benefit Plan Investor to make investments in connection with which the fiduciary (or a party related to the fiduciary) receives a fee or other consideration). A party in interest or disqualified person who has engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and such transaction may have to be rescinded. The fiduciary of a Benefit Plan Investor that engaged in such non-exempt prohibited transaction may also be subject to penalties and liabilities under ERISA and the Code.

The acquisition and/or holding of notes by a Benefit Plan Investor with respect to which the Issuer, a guarantor, Bain Capital or an initial purchaser is considered a party in interest or a 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. ERISA and the Code contain certain exemptions from the prohibited transactions described above, and the U.S. Department of Labor has issued several prohibited transaction class exemptions (''PTCEs'') that may apply to the acquisition and holding of the notes. These PTCEs include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting investments by insurance company pooled separate accounts, PTCE 91-38 respecting investments by bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the Issuer nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Benefit Plan Investor involved in the transaction and provided further that the Benefit Plan Investor receives no less, nor pays no more, than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Benefit Plan Investors considering acquiring and/or holding the notes in reliance on these or any other exemption should carefully review the exemption to ensure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

As a general rule, a ''governmental plan'' (as defined in Section 3(32) of ERISA), a ''church plan'' (as defined in Section 3(33) of ERISA) that has not made an election under Section 410(d) of the Code and a ''non-U.S. plan'' (defined as any plan maintained outside the United States primarily for the benefit of persons substantially all of whom are nonresident aliens) are not subject to Title I of ERISA or Section 4975 of the Code. Accordingly, assets of such plans may be invested without regard to the fiduciary and prohibited transaction considerations described above. However, while such plans are not subject to Title I of ERISA or Section 4975 of the Code, each such plan may be subject to other applicable Similar Laws. A fiduciary of any such plan should therefore consider whether investing in the notes satisfies the requirements, if any, under all applicable Similar Laws.

Because of the foregoing, the notes should not be purchased or held by any person investing ''plan assets'' of any Plan unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA or the Code or a similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a note, each purchaser and subsequent transferee of a note will be deemed to have represented and warranted that either (a) it is not a Plan, or (b)(i) its acquisition, holding and disposition of the notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation of applicable Similar Law and (ii) if it is a Benefit Plan Investor, the decision to purchase the notes has been made by a Plan Fiduciary who is independent of the Transaction Parties, which Plan Fiduciary (A) is a fiduciary under ERISA or the Code, or both, with respect to the decision to purchase the notes, (B) is not an IRA owner (in the case of an IRA), (C) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the notes, (D) has exercised independent judgment in evaluating whether to invest the assets of such Benefit Plan Investor in the notes and (E) is either a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer or an independent fiduciary with at least $50 million of assets under management or control as specified in 29 C.F.R. Section 2510.3-21(c)(1)(i).

The foregoing discussion is general in nature and is not intended to be all inclusive nor should it be construed as legal advice. 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 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 investment and whether an exemption would be applicable to the purchase and holding of the notes. Purchasers have exclusive responsibility for ensuring that their purchase and holding of the notes do not violate the fiduciary responsibility or prohibited transaction rules of ERISA, the Code, or any applicable Similar Laws. Except as otherwise stated herein, the sale of any notes to a Plan is in no respect a representation by the Issuer, an initial purchaser, or any of their respective affiliates or representatives that such an investment meets all legal requirements with respect to such investments by any such Plan generally or any other particular Plan, or that such investment is appropriate for such Plan generally or for any other particular Plan.

LIMITATIONS ON THE ENFORCEABILITY OF GUARANTEES AND CERTAIN INSOLVENCY CONSIDERATIONS

European Union

The Issuer and certain of the guarantors are organized under the laws of member states (the ''Member States'') of the EU.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings, as amended (the ''EU Insolvency Regulation''), which applies within the EU, other than Denmark, the courts of the Member State in which a company's ''centre of main interests'' (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings. The determination of where a company has its ''centre of main interests'' is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that a company has its ''centre of main interests'' in the Member State in which it has its registered office in the absence of proof to the contrary, Preamble 13 of the EU Insolvency Regulation states that the ''centre 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 that ''a debtor company's main centre of 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 centre of the company's main interests is located in that place, shall be non-rebuttable. 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 abovementioned 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 the 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. A company's ''centre of main interests'' may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the request to open or initiate those proceedings.

The EU Insolvency Regulation applies to insolvency proceedings which are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation. If the ''centre of main interests'' of a company is located in the Member State in which it has its registered office, the main insolvency proceedings in respect of such 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. 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 ''territorial'' proceedings may be opened in another Member State.

If the ‘‘centre of main interests’’ of a company 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’’ against that company only if such company has an ‘‘establishment’’ in the territory of such other Member State. An ‘‘establishment’’ is defined to mean a place of operations where the company carries on non-transitory economic activity with human means and goods. The effects of those territorial proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State.

Where main proceedings have been opened in the Member State in which the company has its ‘‘centre of main interests’’, any proceedings opened subsequently in another Member State in which the company has an establishment (territorial proceedings) are limited to ‘‘winding up proceedings’’ listed in Annex B of the EU Insolvency Regulation. Where main proceedings in the Member State in which the company has its ‘‘centre of main interests’’ have not yet been opened, territorial proceedings can only be opened in another Member State where the company has an establishment where either (a) insolvency proceedings cannot be opened in the Member State in which the company's ‘‘centre of main interests’’ is situated under that Member State's law; or (b) the territorial proceedings are opened at the request of a creditor which is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of the establishment. Irrespective of whether the insolvency proceedings are main or territorial proceedings, such proceedings will always, subject to certain exemptions, be governed by the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognize the judgement of the court opening main proceedings which will be given the same effect in the other Member States so long as no territorial proceedings have been opened there. The liquidator appointed by a court in a Member State which has jurisdiction to open main proceedings (because the company's ‘‘centre of main interests’’ is there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State) subject to certain limitations so long as no insolvency proceedings have been opened in that other Member State or any preservation measures have been taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

On 20 May 2015, the European Parliament adopted the regulation of the Council of the EU amending the EU Insolvency Regulation. The text of the regulation appeared in the Official Journal on 5 June 2015 (OJ L 141/19) and the amended EU Insolvency Regulation (the ‘‘Recast Regulation’’) entered into force on 26 June 2015. The Recast Regulation applies (except for certain provision) to insolvency proceedings opened from 26 June 2017. In the interim the provisions of the existing EU Insolvency Regulation shall continue to apply. The Recast Regulation has direct effect in each EU Member State (except for Denmark) without the need for separate enactment at a national level. Prospective investors should consult their own legal advisors with respect to the potential impact of the Recast Regulation on any investment in this transaction (without limitation to their need to seek legal advice on this transaction more broadly).

The Netherlands

Insolvency Law

The Issuer and certain guarantors (the ‘‘Dutch guarantors’’) are incorporated in the Netherlands and are presumed to have their centre of main interest in the Netherlands. Consequently, in the event of an insolvency of the Issuer or any Dutch guarantor, insolvency proceedings are likely to be initiated in the Netherlands. Such proceedings would then be governed by Dutch law.

There are two applicable corporate insolvency regimes under Dutch law: (a) suspension of payments (*surseance van betaling*), which is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern, and (b) bankruptcy (*faillissement*), which is primarily designed to liquidate and distribute the debtor's assets to its creditors.

Application for suspension of payments (or ''moratorium'') can only be made by the debtor, and only if it foresees that it will be unable to continue payments when they fall due and could be used as a defense by the debtor against a bankruptcy application by a creditor. Once the application has been filed, a court will immediately (*dadelijk*) grant a provisional suspension of payments and appoint one or more administrators (*bewindvoerders*).

A meeting of creditors is required to decide on the definitive moratorium. The court will grant a definitive moratorium, unless a qualified minority (i.e., more than one-quarter of the amount of claims held by creditors represented at the creditors' meeting or more than one-third of the number of creditors of the amount of claims held by creditors) of the unsecured, non-preferential, creditors is opposed or if there is a valid fear that the debtor will try to prejudice the creditors during a moratorium or if there is no prospect that the debtor will be able to satisfy its creditors in the (near) future. A moratorium will only affect unsecured, non- preferential creditors.

Under Dutch law, a debtor can be declared bankrupt when it has ceased to pay its debts. Bankruptcy can be requested by a creditor of a claim when there is at least one other creditor. At least one of the claims (of the creditor requesting bankruptcy or the other creditor) needs to be due and payable. The debtor can also request the application of bankruptcy proceedings itself. Furthermore, the Public Prosecution Service (*het Openbaar Ministerie*) can request the application of bankruptcy proceedings for reasons of public interest (*openbaar belang*). In Dutch bankruptcy proceedings, a debtor's assets would generally be liquidated and the proceeds distributed to the debtor's creditors according to the relative priority of those creditors' claims and, to the extent certain creditors' claims have equal priority, in proportion to the amount of such claims. Certain parties, such as secured creditors, will benefit from special rights. Secured creditors, such as pledgees and mortgagees, may enforce their rights separately from suspension of payments or bankruptcy and do not have to contribute to the liquidation costs; however, enforcement of the security interest might be subject to the following: (a) a statutory stay of execution of up to two months extendable by another period of up to two months imposed by court order pursuant to articles 63a of the Dutch Bankruptcy Act (*Faillissementswet*); (b) a liquidator (*curator*) may force a secured creditor to enforce its security interest within a reasonable period of time, failing which the liquidator will be entitled to sell the secured assets, if any, and the secured creditor will have a preferred claim in respect of the proceeds, meaning that the secured creditor will have to share in the bankruptcy costs, which may be significant or force a secured party to foreclose its security interest within a reasonable time (as determined by the liquidator pursuant to Article 58(1) of the Dutch Bankruptcy Act), failing which the liquidator will be entitled to sell the relevant rights or assets and distribute the proceeds to the secured party after a deduction of liquidation costs; and (c) excess proceeds of enforcement must be returned to the company's liquidator and may not be offset against an unsecured claim of the company's secured creditor.

Unlike Chapter 11 proceedings under U.S. bankruptcy law, where both secured and unsecured creditors are generally barred from seeking to recover on their claims, moratorium and bankruptcy proceedings allow secured creditors (and in case of moratorium also preferential creditors (including tax and social security authorities)) to satisfy their claims by proceeding against the assets (that secure their claims) as if there were no bankruptcy or moratorium. However, a statutory stay of execution of up to two months, extendable by another period of up to two months, may be declared applicable. Furthermore, certain preferred creditors have a preference by virtue of law. Unlike secured creditors, preferred creditors are not entitled to foreclose on assets of the bankrupt company. They do have priority in the distribution of the proceeds of the bankrupt company's assets.

Any pending executions of judgments against the debtor will be suspended by operation of law when suspension of payments is granted and terminate by operation of law when bankruptcy is declared. In addition, all attachments on the debtor's assets will cease to have effect upon the suspension of payments having become definitive, a composition having been ratified by the court or the declaration of bankruptcy (as the case may be) subject to the ability of the court to set an earlier date for such termination. Litigation pending on the date of the bankruptcy order is automatically stayed.

Both in a definitive suspension of payments and bankruptcy, a composition (*akkoord*) may be offered to creditors. A composition will be binding for all unsecured and non-preferential creditors if it is: (i) approved by a simple majority (*gewone meerderheid*) of the number of creditors represented at the creditors' meeting, representing at least 50% of the amount of the claims that are acknowledged and conditionally admitted, and (ii) subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency law could preclude or inhibit the ability of the holders of the notes to effect a restructuring and could reduce the recovery of a holder of notes in a Dutch suspension of payments proceeding or bankruptcy. Interest accruing after the date on which a suspension of payments or bankruptcy is granted, cannot be claimed in a composition. All unsecured, pre-bankruptcy claims will have to be verified in the insolvency proceedings in order to be entitled to vote and, in a bankruptcy liquidation, to be entitled to distributions. ''Verification'' under Dutch law means, in the case of a suspension of payments, that the treatment of a disputed claim for voting purposes is determined and, in the case of a bankruptcy, the unsecured, pre-bankruptcy claims are submitted to a liquidator for verification, and the liquidator then makes a determination as to the claim's existence, ranking and value and whether and to what extent it should be admitted in the bankruptcy proceedings (for voting). In the situation of bankruptcy, creditors that wish to dispute the liquidator's verification of their claims will be referred to a claim validation proceeding (*renvooiprocedure*) in order to establish the amount and rank of the disputed claim, while in suspension of payments the court will decide how a disputed claim will be treated for voting purposes. Interest on the notes accruing after the bankruptcy order date cannot be admitted unless secured by a pledge or mortgage, in which case interest will be admitted pro memoria. To the extent that any interest is not covered by the proceeds of the security, the creditor may not derive any rights from the admission. No interest is payable in respect of unsecured claims as of the date of a bankruptcy.

Limitations on guarantees and security interests

Under Dutch law, the obligations of the Issuer and the Dutch guarantors may be affected by (a) the standards of reasonableness and fairness (*maatstaven van redelijkheid en billijkheid*); (b) force majeure (*niet-toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*); and (c) the other general defenses available to debtors under Dutch law in respect of the validity, binding effect and enforceability of the notes. Other general defenses include claims that a security interest should be avoided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or error (*dwaling*). Other impeding factors include dissolution of contract (*ontbinding*) and set-off (*verrekening*).

A corporate resolution approving the issuance of a guarantee granted by a Dutch company may be suspended or voided by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of shares or depository receipts issued for shares in such company who, solely or jointly, represent at least one tenth of the issued capital in such company or shares or depositary receipts issued therefore with a nominal value of €225,000 or such lesser amount as provided in the company's articles of association. If the company has an issued share capital of at least €22.5 million, such motion may be made by a holder or holders of 1% or more of the shares in such company or, provided those are listed on a qualifying trading venue, shares or depositary receipts issued therefor with a value of €20 million or more or such lesser amount as provided in the company's articles of association. The right to file such motion is further vested in an association of employees which has amongst its members person working for the enterprise and which has at least two years full legal capacity, and, for reasons of public interest, the advocate general at the Court of Appeals in Amsterdam. Guarantee or security itself may further be upheld by the Enterprise Chamber, yet actual payment under it may be suspended or voided.

Under Dutch law, any creditor of the Issuer or a Dutch guarantor or each of its liquidator (*curator*) may nullify the issuance of the notes or the grant of the guarantees, or any other transaction or legal act entered into by the Issuer or a Dutch guarantor in connection with the notes, under certain circumstances, if (i) the issuance of the notes, any other transaction or legal act entered into by the Issuer or a Dutch guarantor in connection with the notes was conducted without prior existing legal obligation to do so (*onverplicht*), (ii) the creditor(s) concerned or, in the case of its/their bankruptcy, any creditor was prejudiced as a consequence of such transactions or legal act (irrespective of whether a creditor's claim arose prior to or after such transactions) and (iii) at the time of the issuance of the notes, or any other transaction or legal act entered into by the Issuer or a Dutch guarantor in connection with the notes was conducted, the Issuer or the Dutch guarantors and, unless the transactions were conducted for no consideration (*om niet*), the counterparty knew or should have known that one or more of the entities' creditors (existing or future) would be prejudiced (*actio pauliana*). A liquidator (*curator*) may nullify a transaction on behalf of and for the benefit of the joint insolvent debtor's creditors, and the burden of proof of the abovementioned elements of fraudulent conveyance in principle rests on the liquidator. Knowledge of prejudice is however presumed by law for certain transactions performed within a ''suspect period'' of one year prior to an adjudication of bankruptcy.

The foregoing requirements for invoking fraudulent transfer provisions outside of a bankruptcy apply mutatis mutandis when invoking fraudulent transfer provisions during a bankruptcy. In addition, the liquidator may challenge a transaction if it was conducted on the basis of a prior existing legal obligation to do so (*verplichte rechtshandeling*), if (i) the transaction was conducted at a time when the counterparty knew that a request for bankruptcy had been filed, or (ii) if such transaction was conducted as a result of deliberation between the debtor and the counterparty with a view to giving preference to the counterparty over the debtor's other creditors. Consequently, the validity of any such transactions conducted by a Dutch legal entity may be challenged and it is possible that such challenge would be successful.

Limitations on the Validity and Enforceability of Guarantees

The validity and enforceability of the guarantees of the Dutch guarantors incorporated in the Netherlands may be successfully contested by such Dutch guarantors (or their respective administrator in suspension of payments, or a receiver of such guarantors in bankruptcy) on the basis of an ultra vires claim or other defenses affecting the rights of creditors generally, including without limitation fraudulent conveyance and voidable preference. An ultra vires claim may be successful if both (i) the obligations of the relevant Dutch guarantor do not fall within the scope of the purpose clause set forth in the company's articles of association and (ii) the counterparty of such Dutch guarantor knew or ought to have known (without inquiry) that the transaction was not within such scope. In determining whether a transaction is in furtherance of the corporate purpose of a Dutch company, a court will consider (i) the text of the purpose clause in the company's articles of association; (ii) whether the granting of such security interest is in the company's corporate interests and to its benefit; and (iii) whether the company's subsistence is jeopardized by the relevant transaction. The mere fact that a certain legal act is explicitly reflected in a Dutch company's purpose clause may not be conclusive evidence that such legal act is not ultra vires.

Australia

Certain Insolvency Considerations

As one of the guarantors is located in Australia, proceedings may be commenced in Australia against this entity should either of them become insolvent. Insolvency proceedings in Australia can take a number of forms, the most relevant for the holders of notes being the voluntary administration and liquidation processes. The law relating to these proceedings is complex and detailed. The following is only a brief summary of its key features which are likely to be relevant to holders of notes.

One further procedure which could occur is provisional liquidation, in which the Australian courts can appoint an independent office holder to take control of the company with powers similar to a liquidator. For the purposes of this document, provisional liquidation would have a substantially similar effect on the company as liquidation, so the procedure is not separately outlined here. Accordingly, references in this document to a liquidator can be considered to include a provisional liquidator, except where specifically stated.

Under Australian law, a company will be insolvent if it is unable to pay its debts as and when they become due and payable. Australian courts have held that this is a question of fact which involves consideration of the company's financial position as a whole, taking into account commercial realities.

Voluntary Administration

The voluntary administration process in Australia is governed by Part 5.3A of the Corporations Act 2001 of Australia (the ''Australian Corporations Act''). Voluntary administration is an out-of-court insolvency procedure that can be initiated by the directors of a company, a secured creditor who is entitled to enforce a security interest over the whole, or substantially the whole, of the property of the company, or if the company is already in liquidation, by its liquidator.

Outside the voluntary administration procedure, Australian law imposes a strict duty on directors of a company to prevent insolvent trading. For directors, failure to prevent insolvent trading carries with it a risk of personal liability under section 588G of the Australian Corporations Act, which if established can result in civil and criminal penalties. If a company is found to have traded whilst insolvent, directors can be personally liable for debts incurred by the company whilst the company was insolvent. Upon the appointment of a voluntary administrator, the directors cease to control the company and their liability for future trading ceases (although liability continues in respect of trading prior to the administrators' appointment). Accordingly, voluntary administration can be described as a ''safe harbor'' for directors and, as a result, is a step commonly taken by directors where they become concerned that a company may be insolvent or is likely to become insolvent in future.

The procedure involves the appointment of an administrator to a company that is, or is likely to become, insolvent. It is a temporary process in the sense that it is not an end in itself. Rather, the administrator assumes management of the company's business, property and affairs (the directors' powers being suspended) for a short time with a view to either:

- maximizing the chances of the company, or its business, remaining in existence; or

- if it is not possible for the company or its business to remain in existence — to result in a better return for the company's creditors and members than would result if the company were to enter liquidation.

Once an administrator has been appointed, the administrator must investigate the company's business, property, affairs and financial circumstances (and the directors are required to assist the administrator in doing this). Two meetings of creditors are held. The first is held within 8 business days of the administrators' appointment. The purpose of that meeting is largely to confirm the appointment of the administrator, or to enable creditors to resolve to replace that administrator.

The second meeting is held within 20 business days of the administrators' appointment. If the administration occurs during the Christmas or Easter holiday period, the period is 25 business days. Prior to the second meeting, the administrator must formulate an opinion as to whether the administration should end (thus returning the company to the directors, for example because the company can continue to trade on a solvent basis), the company should be subject to a deed of company arrangement (in essence, a contract that binds all creditors and seeks to restructure/rehabilitate the company), or the company should be wound up, and report to creditors. At the second meeting, creditors may resolve on one of those three outcomes by a simple majority resolution. The capacity to vote on the resolution gives creditors a significant measure of control over the outcome of the voluntary administration procedure, in particular whether a deed of company arrangement is approved or whether the company goes into liquidation.

During the voluntary administration procedure, a statutory moratorium is imposed which prevents the enforcement of security interests against the company and its assets. There are exceptions to the moratorium which apply if the relevant security interest has been perfected within the meaning of the Personal Property Securities Act 2009 of Australia. In particular, a creditor that holds a security interest over the whole, or substantially the whole, of the property of the company is permitted to enforce its security interest within the 13 business day period from the commencement of the administration. It is common for secured lenders to take security over the whole or substantially the whole of the property of Australian companies to avail themselves of this exception.

Liquidation/Winding Up

In Australia, company liquidations can commence voluntarily (by resolution of the company's members, if the company is solvent) or by court order (on the application of the company, a creditor, a contributory, a director, a liquidator or provisional liquidator or certain regulatory bodies).

Once a liquidator has been appointed, the liquidator takes control of the company's affairs. The liquidator has similar powers as a voluntary administrator to carry on and conduct the company's business. However, the liquidator can exercise those powers only to the beneficial conduct of the winding-up of the company. The approval of creditors or the court is also required for the liquidator to enter into certain contracts on the company's behalf, including those with obligations or arrangements that endure longer than 3 months.

The liquidator also has powers and duties to investigate the conduct of the company's business and affairs prior to the liquidation. Investigations include transactions entered into by the company, the conduct of its directors and officers. Other functions and powers of the liquidator include gathering in the assets of the company, discharging its liabilities and distributing the remaining assets in accordance with the statutory priority regime set out in the Australian Corporations Act. Throughout the course of the liquidation the directors' powers cease and, once the liquidation is finalized, the company is ultimately deregistered and dissolved.

Limitations on the Validity and Enforceability of Guarantees

The Australian Corporations Act provides for a number of grounds under which a liquidator may apply to the Court for a declaration that a guarantee granted by the company in the lead up to its insolvency be deemed void. A brief summary of the types of transactions that can be deemed voidable (and therefore ‘‘clawed back’’ by a liquidator) include:

- *Unfair Preference* — this is a transaction between the company and the creditor that results in the creditor receiving from the company, in respect of an unsecured debt, more than the creditor would receive on a winding up of the company. A guarantee could be declared void (and therefore reversed) if a liquidator establishes to a Court that:
  - it is an unfair preference;
  - it was granted (or an act was done to give effect to it) when the company was insolvent (or the company became insolvent as a result of entry into (or giving effect to) the transaction); and
  - it was granted into during the 6 months prior to the liquidators' appointment.
- *Uncommercial Transaction* — this is a transaction of a company that a reasonable person in the company's position would not have entered into, having regard to the benefits and detriment to the company, the benefits to the other parties to the transaction and any other matters the Court considers relevant. A guarantee could be declared void if a liquidator establishes to a Court that:
  - it is an uncommercial transaction;
  - it was granted (or an act was done to give effect to it) when the company was insolvent (or the company became insolvent as a result of entry into (or giving effect to) the transaction); and
  - it was granted during the 2 years prior to the liquidators' appointment.
- *Transaction to Defeat, Delay or Interfere with the Rights of Creditors* — a liquidator could also seek to set aside a guarantee if it established to a Court that:
  - the company granted the guarantee for the purpose, or for purposes including the purpose, of defeating, delaying, or interfering with, the rights of any or all of its creditors on a winding up of the company;
  - the guarantee was granted (or an act was done to give effect to it) when the company was insolvent (or the company became insolvent as a result of entry into (or giving effect to) the transaction); and
  - the guarantee was granted during the 10 years prior to the liquidators' appointment.

Austria

Diversey Austria Trading GmbH is incorporated in the form of an Austrian company with limited liability (*Gesellschaft mit beschränkter Haftung*). Consequently, the granting of guarantees as well as the assumption of certain obligations of other group companies by it is subject to certain mandatory Austrian capital maintenance rules (‘‘Austrian Capital Maintenance Rules’’), including, without limitation, section 82 et seq. of the Austrian Act on Limited Liability (*Gesetz über Gesellschaften mit beschränkter Haftung*).

Rights of holders of notes might also be affected by the Austrian Business Reorganisation Act (*Unternehmensreorganisationsgesetz*), which does not govern insolvency proceedings but regulates the reorganization of companies in financial distress.

The Austrian Insolvency Act regulates on the one hand liquidation proceedings in which the debtor's assets or company as a whole are sold and the proceeds are distributed among its creditors. On the other hand it also provides for restructuring proceedings enabling the debtor to discharge its liabilities through quota payments and to continue its activities under certain conditions.

The Business Reorganization Act, which regulates reorganization proceedings for enterprises threatened by insolvency, is not designed to assist creditors in satisfying their debts, but rather to support the reorganization of the debtor's enterprise. The insolvency laws of Austria may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions including in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of the insolvency proceedings. As a result, your ability to recover payments due on the notes may be limited to an extent exceeding the limitations arising under other insolvency laws.

In the event of insolvency of a guarantor organized under the laws of Austria and/or having its centre of main interests in Austria at the time the application for the opening of insolvency proceedings is filed, Austrian insolvency law would most likely govern such proceedings.

The following is a brief description of certain aspects of the insolvency laws of Austria.

Austrian Insolvency Proceedings

In respect of the insolvency of companies, the Austrian Insolvency Act provides the legal framework for three forms of insolvency proceedings (actually one uniform proceeding with three names depending on the procedural route taken):

- bankruptcy proceedings (*Konkursverfahren*), for which a bankruptcy administrator (*Masseverwalter*) is appointed;
- restructuring proceedings without self-administration (*Sanierungsverfahren ohne Eigenverwaltung*), for which a bankruptcy administrator is also appointed and in which a few provisions differ from those for a bankruptcy proceedings; and
- restructuring proceedings with self-administration (*Sanierungsverfahren unter Eigenverwaltung*), which are designed as a special form of restructuring proceedings and for which a restructuring administrator (*Sanierungsverwalter*) is appointed to monitor the activities of the debtor. In such case, certain transactions are either subject to the restructuring administrator's approval or may be performed only by the restructuring administrator.

While bankruptcy proceedings aim at the debtor's liquidation (the sale of the whole insolvency estate and distribution of sales proceeds), restructuring proceedings aim at the preservation of the debtor as a going concern. To that end, a restructuring plan (*Sanierungsplan*) must be prepared by the debtor and presented to its unsecured creditors for approval. Such restructuring plan presented in the course of restructuring proceedings with self-administration must offer satisfaction of all preferred claims and at least 30% of the insolvency claims payable within two years. In case of a restructuring plan to be adopted in the course of restructuring proceedings without self-administration, the minimum quota is lowered to 20%.

If the adopted restructuring plan is fulfilled, the debtor is discharged of all its past debts.

A debtor is deemed insolvent if one or both of the following applies: (i) if it is illiquid, i.e. it is unable to pay its debts as and when they fall due and payable, provided that such payment delay is not only temporary where there is a high probability that liquid funds will be available in the near future (the cash flow test). Courts allow the debtor a grace period, which (depending on the court) may take up to three months to overcome its payment delays before they consider the debtor illiquid; and/or (ii) if the debtor is over-indebted, i.e. liabilities on the debtor's balance sheet exceed the assets, in the presence of a negative going concern forecast (*negative Fortbestandsprognose*) (the balance sheet test). Insolvency proceedings (*Insolvenzverfahren*) must be opened by a court in the event that the debtor is insolvent.

The effective date of insolvency is the date on which the debtor is, as a matter of fact, insolvent. The effective date is crucial with respect to a number of issues, including managing directors' obligation to file for the opening of insolvency proceedings and the beginning of hardening periods.

The debtor is obliged, ''without culpable delay'', to apply for the opening of insolvency proceedings no later than 60 days after the insolvency effective date. During this 60-day period, the managing directors may make reasonable efforts to prepare for a filing of restructuring proceedings or agree with the creditors on an out-of court settlement. Typically, the insolvency proceedings are opened immediately upon application by the debtor. Further, in the case that a debtor is at imminent risk of being unable to pay its debts when they fall due (*drohende Zahlungsunfähigkeit*), the debtor may (but is not obliged to) apply for the opening of restructuring proceedings. A creditor may also file for the opening of insolvency proceedings but will have to demonstrate that the debtor is insolvent or over-indebted. In the case of an imminent risk of insolvency, a creditor may, however, not initiate the opening of insolvency proceedings.

The initiation of insolvency proceedings brings about substantive and procedural law effects as of the beginning of the day (0:00 a.m.) that follows the publication of the court's order to open such proceedings in the official online insolvency data base (*www.edikte.justiz.gv.at*). As of this point in time, the managing directors lose the power to dispose over the insolvency estate — except in respect to legal acts in the course of ordinary business undertaken in restructuring proceedings with self-administration — and legal acts by the managing directors performed thereafter are ineffective as far as the creditors are concerned. In particular, the following are the most important effects:

Contracts may be terminated. As a general rule, bilateral agreements are not automatically terminated in case of the opening of insolvency proceedings. However, in a case where a bilateral agreement has not been fully fulfilled by both the debtor and the other party to such agreement, the insolvency administrator has the choice whether to continue and fulfil such agreement or to prematurely terminate such agreement within a certain time period to be set by the court upon application of one of the parties.

Further, any appointment as a legal representative (*Vollmachtsnehmer*) or as an agent (*Auftragnehmer*) granted by a debtor will cease to be valid upon the opening of insolvency proceedings over its assets.

Additionally, the insolvency administrator has certain preferential rights to terminate employment contracts in case the debtor's enterprise or a part thereof is closed or downsized during insolvency proceedings.

A debtor's contractual partner must not terminate contracts concluded with the debtor for a period of six months if such termination could endanger the continuation of the debtor's business.

Pursuant to section 25b para 2 of the Austrian Insolvency Act, generally a contractual stipulation providing for the right to withdraw from the agreement or for an automatic termination in the event of opening of insolvency proceedings (*Insolvenzverfahren*) against the other party is not enforceable by the debtor's contractual partner. There are certain limited exemptions to this rule.

Any individual enforcement action brought against the debtor's assets by any of its unsecured creditors is subject to an automatic stay upon the opening of insolvency proceedings.

The title owner (*Eigentümer*) or the economic owner (in case of a trust relationship (*Treuhandschaft*)) of an asset in the possession of the debtor at the time of the opening of insolvency proceedings has a right of separation (*Aussonderungsrecht*) with regard to its assets. Such separation assets (*Aussonderungsgut*) do not form part of the insolvency estate (*Insolvenzmasse*) and the relevant creditor can (subject to a six-month stay as described below) require the surrender of its separation assets. During a period of six months after the opening of insolvency proceedings, the owners' claims for surrender of its separation asset are stayed (that is a legal respite becomes effective) if such surrender would endanger the continuation of the business conduct of the debtor provided that, among other things, such stay does not cause a severe personal or economic harm to the owner.

Creditor's rights secured by a right in rem over the debtor's assets or any part thereof (for example, by a mortgage or pledge over bank accounts, receivables, movables) are not affected by the opening of insolvency proceedings. This, however, requires prior perfection of the establishment of the security interest (subject to a six-month stay as described below). Such secured creditors have a right of preferential satisfaction (*Absonderungsrecht*) with regard to charged assets (*Absonderungsgut*) and are as such entitled to satisfy their claims out of the enforcement proceeds with regard to such charged assets. To the extent the net enforcement proceeds exceed the amount of secured claims, the excess proceeds are distributed to the unsecured creditors on a *pro rata* basis.

As is the case with the right to separation, the right of preferential satisfaction of a secured creditor may be subject to a compulsory stay for a period of six months.

Secured creditors who are not only secured by a charged asset, but also have a direct claim for payment against the debtor may participate with their claims which are not covered by the charged asset in the *pro rata* distribution of the insolvency estate in a bankruptcy proceedings or in the restructuring plan.

The rights of a secured creditor depend on the type of its right of preferential satisfaction. If no compulsory stay applies or once the six month period has expired, the secured creditor can assert its claim outside of insolvency proceedings in regular court. The proceeds from the realization serve the preferred satisfaction of the secured claims.

A creditor is entitled to exercise its rights of set-off and netting in the course of insolvency proceedings; however, leaving aside certain derivatives and other financial/treasury transactions, such rights are restricted to claims that have been compensable at the time of the opening of insolvency proceedings. A creditor's claim that has not become due at the time of the opening of insolvency proceedings, as well as a creditor's claim that is subject to a condition, are compensable by operation of law.

As a general rule, the debtor's enterprise (as well as its assets) must not be sold in the course of restructuring proceedings since restructuring proceedings aim at the preservation of the debtor as a going concern. In contrast, bankruptcy proceedings aim at the liquidation of the debtor through the sale of its assets.

A bankruptcy administrator is only appointed upon the opening of bankruptcy proceedings and restructuring proceedings without self-administration whereby the managing directors lose control over the debtor. In case of restructuring proceedings with self-administration the managing directors stay in control of the debtor; however, a restructuring administrator having a right to veto certain transactions out of the ordinary business is appointed. Under the supervision of the insolvency court and the creditors' committee, the insolvency administrator is acting in the interest of all creditors and its main functions are evaluating the merits of insolvency claims filed by creditors; deciding on whether the debtor's business may be continued; examining whether a restructuring plan is in the common interest of all creditors; distribution of liquidation proceeds; and, in case of a bankruptcy administrator, the management of the debtor's business (for certain transactions not part of the ordinary business, the consent of the creditors' committee or insolvency court is required).

As a general rule, the insolvency estate consists of all of the debtor's assets with a monetary value at the time of the opening of insolvency proceedings and all assets which have been acquired during such proceedings.

Voidance Rights

In the event of insolvency proceedings, the insolvency administrator (*Insolvenzverwalter*) (in case of restructuring proceedings with debtor's asset management (*Sanierungsverfahren unter Eigenverantwortung)* the restructuring administrator (*Sanierungsverwalter*)) can contest legal actions and transactions which have taken place within certain suspective periods prior to the opening of insolvency proceedings over the assets of the debtor (each such period referred to herein as a ''hardening period'') and which relate to the assets of the insolvent (illiquid or over-indebted) debtor, provided that (i) the avoidance results in an increase of the insolvency estate (*Befriedigungstauglichkeit*), (ii) the challenged legal action or transaction has caused a direct or indirect discrimination of the other creditors (*Gläubigerbenachteiligung*), (iii) one of the special conditions outlined below is fulfilled and (iv) the avoidance claim is filed within one year after the opening of the insolvency proceedings.

Legal acts (*Rechtshandlungen*) may be contested:

- if they have caused disadvantage (*Benachteiligung*) to the creditors of the debtor, and
- if the debtor's intention to cause disadvantage must have been known (where slight negligence (*leichte Fahrlässigkeit*) of the counterparty is sufficient) to the counterparty,

provided that such legal acts have been carried out during a hardening period of two years. If the counterpart had actual knowledge of such intention to cause disadvantage, such hardening period is extended to ten years.

In case the debtor and the counterpart are members of the same affiliated group, the burden of proof is eased in favor of the contesting insolvency administrator since the respective creditor of the debtor must prove that it did not know of the debtor's intention to cause disadvantage to its creditors.

The intention to cause disadvantage is fulfilled not only if the satisfaction of another creditor is prevented but also when it is delayed or aggravated.

Purchase, barter and delivery agreements (*Kauf-, Tausch- und Lieferverträge*) may be contested:

- if they have caused disadvantage (*Benachteiligung*) to the creditors of the debtor; and

- if the debtor's intention to fraudulently convey its assets (*Vermögensverschleuderungsabsicht*) (e.g., selling the purchased shares for an unusual and unjustified low price) under such agreements must have been known to the counterpart,

provided that such agreements have been concluded during a hardening period of one year.

Transactions free of charge (*unentgeltliche Verfügungen*) may be contested, provided that such transactions have been concluded during a hardening period of two years.

If any of the following acts in relation to the providing of security interests or the satisfaction of claims occurred 60 days prior to or after the debtor had become insolvent (illiquid or overindebted) or insolvency proceedings had been opened over the debtor's assets:

- creditor has obtained a security interest regarding, or the satisfaction of, a claim to which such creditor was not entitled to receive in this way or at this time except in case such creditor has not been preferentially treated as compared to other creditors of the debtor; or
- the debtor has provided a creditor with a security interest or satisfied a claim with the intention to preferentially treat (*Begünstigungsabsicht*) such creditor if such creditor knew or must have known of the debtor's intent to preferentially treat such creditors,

such legal acts of the debtor can be contested provided that such acts were undertaken within a hardening period of one year.

If any of the following legal acts (*Rechtshandlungen*) were undertaken after the debtor had become illiquid (*zahlungsunfähig*) or insolvency proceedings had been open over the debtor's assets:

- legal acts (*Rechtshandlungen*) providing a security interest to , or the satisfaction of, a claim *vis-à-vis* an insolvency creditor and any legal transactions (*Rechtsgeschäfte*) entered into by the debtor with any third party to the direct detriment (*unmittelbarer Nachteil*) of its other creditors, if such third party counterpart knew or must have known of the debtor's insolvency (illiquidity or over-indebtedness) or the opening of insolvency proceedings; In case the debtor and the counterpart are members of the same affiliated group, the burden of proof is eased in favor of the contesting insolvency administrator since the respective creditor of the debtor must prove that it did not know of the debtor's insolvency; or
- any legal transactions (*Rechtsgeschäfte*) entered into by the debtor with any third party to the indirect detriment (*mittelbarer Nachteil*) of its other creditors, if such third party counterpart knew or must have known of the debtor's insolvency (illiquidity or over-indebtedness) or the opening of insolvency proceedings provided that the occurrence of such detriment for the insolvency estate (*Insolvenzmasse*) was objectively foreseeable. Such indirect detriment to other creditors is in particular foreseeable in the presence of an unfit restructuring concept (*offensichtlich untaugliches Restrukturierungskonzept*),

such legal acts of the debtor can be contested provided that such legal acts (*Rechtshandlungen*) were undertaken within a hardening period of six months.

Outside of insolvency proceedings, creditors can use the rights of contestation granted to them by the Austrian Act on Avoidance of Legal Transactions (*Anfechtungsordnung*). However, this act limits the right of contestation to transactions similar to those mentioned above of the Austrian Insolvency Act.

The claim for contestation can be filed by any creditor whose claim against the debtor has not been satisfied by the proceedings under the Austrian Enforcement Act (*Exekutionsordnung*) or is not likely to be satisfied by such proceedings. The relevant point in time is not the formal opening of insolvency proceedings, but the filing of the contestation claim with the competent court. The time period can be extended through notification procedure by the court. The rights of contestation under the Austrian Act on Avoidance of Legal Transaction may be exercised by any creditor.

The Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz)

The Austrian Business Reorganisation Act (*Unternehmensreorganisationsgesetz*) governs business reorganizations, which are designed to enable businesses in temporary financial distress to continue to do business after having undergone a reorganization procedure. Only the debtor may apply for the opening of a reorganization procedure, provided, however, that it is still solvent at the time of its application. The relevant criteria for the opening of a business reorganization procedure are the quota of own funds (*Eigenmittelquote*) of less than 8% and a fictitious duration of debt redemption period (*fiktive Schuldentilgungsdauer*) of more than 15 years, each as defined in, and determined in accordance with, the Business Reorganization Act. Failure to timely apply for the opening of reorganization proceedings may result in personal liability of the representatives of the relevant company. Pursuant to section 19 of the Austrian Business Reorganization Act, a contractual stipulation providing for the right to withdraw from an agreement or for its automatic termination in the event of the opening of reorganization proceedings relating to the other party is not enforceable.

Equity Replacement Law

The Austrian Substitute Equity Act (*Eigenkapitalersatz-Gesetz*) contains detailed provisions regarding equity replacing shareholder loans. It in particular stipulates that a loan granted by a ''shareholder'' to its subsidiary which is in a financial crisis (i.e., the subsidiary is insolvent, over-indebted or the requirements of a business reorganization procedure are met, see above at *The Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz)*) is deemed to be recharacterized as equity. In a financial crisis such recharacterized shareholder loans (i.e., principal amount and any interest accrued thereupon) may not be repaid and any security granted in connection with such loans may not be enforced until the borrowing/guaranteeing subsidiary has been reorganized or restructured. This means in particular that in an insolvency the respective claims of the shareholder lender are subordinated (i.e., there is no right for separation (*Aussonderungsrecht*) or a right for preferential satisfaction (*Absonderungsrecht*) for such claims). A ''shareholder'' is defined to be (i) a shareholder with controlling participation, (ii) a shareholder with a participation of at least 25%, and (iii) any person not holding a participation in the company but having a controlling influence (*beherrschenden Einfluss*) with regard to the company. Furthermore, a person granting a loan/credit to a company is to be considered as ''shareholder'' if (i) it holds a participation or other rights in a person other than the company receiving the loan/credit which has a dominant (*beherrschenden*) influence regarding the company granted the loan/credit (indirect controlling participation), or (ii) it indirectly holds a participation in the company receiving the loan/credit of at least 33%, or (iii) it holds a controlling direct or indirect participation in a company which holds a participation of at least 25% in the company receiving the loan/credit.

Prior to the enactment of the Austrian Substitute Equity Act, the Austrian Supreme Court had developed even stricter rules on equity substituting shareholder loans. Following this, it is unclear whether, in addition to the provisions of the Austrian Substitute Equity Act, such rules (or certain of its rules) developed by the Austrian Supreme Court are still applicable/relevant and would be applied by Austrian courts.

Limitations on the Validity and Enforceability of Guarantees

Capital Maintenance Rules

Diversey Austria Trading GmbH is incorporated in the form of an Austrian company with limited liability (*Gesellschaft mit beschränkter Haftung*). Consequently, the granting of guarantees as well as the assumption of certain obligations of other group companies by it is subject to certain mandatory Austrian capital maintenance rules (''Austrian Capital Maintenance Rules''), including, without limitation, section 82 et seq. of the Austrian Act on Limited Liability (*Gesetz über Gesellschaften mit beschränkter Haftung*).

Austrian Capital Maintenance Rules aim at preserving the capital of, among others, a company with limited liability against unlawful distributions by such company to its shareholders. According to Austrian Capital Maintenance Rules any direct or indirect distribution (a ''Distribution'') — i.e., the entering into a business transaction that provides for any value transfer, including, but without limitation, providing a guarantee or any other security interest — to a shareholder, including to a third party upon request of a shareholder (*e.g.*, to a holding company (up-stream) or a sister company (side-stream)), without adequate consideration constitutes an unlawful repayment of capital contributions (*verbotene Einlagenrückgewähr*) and, consequently, violates Austrian Capital Maintenance Rules. Guarantees granted by an Austrian subsidiary in order to guarantee liabilities of a direct or indirect parent or sister company are considered Distributions and may thus be held (in whole or in part) invalid and unenforceable by Austrian courts if the granting of such guarantees were not at arm's length terms or for the Austrian subsidiary's corporate benefit (see below).

A Distribution that does not provide for adequate consideration at first sight may, under certain circumstances, not constitute a violation of the Austrian Capital Maintenance Rules if it is ''commercially justified (*betrieblich gerechtfertigt*)''. Generally, a Distribution is deemed commercially justified (*betrieblich gerechtfertigt*) if a prudent business man (*sorgfältig handelnder Geschäftsleiter*) would have entered with an unrelated third party under the same circumstances into this particular transaction and at the same terms (so called third party — or arm's-length — test (*Drittvergleich*)). This needs, however, to be evaluated on a case by case basis taking into account all particularities of the respective transaction and based on the assessment of the overall benefit for the Austrian company; such corporate benefit may be e.g. the receipt of monetary compensation or other benefits received by the Austrian company which may result from the overall transaction. The Austrian Supreme Court has not yet specified what exactly is meant by corporate benefit. As a consequence, there always remains the risk that the assumption of an upstream/cross-stream guarantee by an Austrian subsidiary violates the Austrian capital maintenance rules (due to a lack of corporate benefit).

According to settled case law of the Austrian Supreme Court, unless an Austrian guarantor receives adequate consideration for providing the upstream and/or cross stream guarantees, those guarantees would be held to be null and void. The guarantee granted by an Austrian guarantor to guarantee obligations of their direct or indirect parent companies or their sister companies may only be held valid and enforceable if:

- an Austrian guarantor receives a consideration (i.e., a guarantee fee (*Avalprovision*)) from the benefiting parent company for assuming the guarantee;
- such guarantee fee would also be common in comparable banking transactions (*banküblich*) (whereby it should be noted that the Austrian Supreme Court ruled that, in the case of the granting of a mortgage over real property, the consideration must be exceptionally high (*ein ganz ungewöhnliches Entgelt*), higher than is usual in the market; it is unclear whether such ruling only applies to the granting of mortgages over real property or also to the guarantees);

- the management board of the subsidiary has with due care verified that the subsidiary and the parent are in a position to honor their obligations and finance the repayment of the secured funds; and
- the granting of the guarantee does not endanger the existence of the respective company.

Since the policy of granting guarantees by an Austrian guarantor is different from such policy of a bank, the guarantee fee to be charged by an Austrian guarantor should be above the guarantee fee a bank would charge in similar transactions.

Any transaction violating Austrian Capital Maintenance Rules may be held (in whole or in part) null and void by Austrian courts. Consequently, any direct or indirect shareholder (side-stream or up-stream) who has received any Distribution under such transaction may be liable to its Austrian (direct or indirect) subsidiary for repayment of unlawfully received Distributions. The nullity may also affect a third party (e.g., noteholders) if such third party knew or should have known (*gross negligence*) that the respective transaction was not permitted pursuant to Austrian capital maintenance rules.

Consequently, to the extent a guarantee is provided by an Austrian subsidiary to guarantee liabilities of a direct or indirect parent or sister company or any liability or obligation is assumed by an Austrian subsidiary for the benefit of such parent or sister company, it is standard market practice to include limitation language in the relevant transaction documents (*e.g.* indentures, purchase agreements, guarantees etc.). Pursuant to such limitation language the scope of the guarantee / assumption of liability, as far as the Austrian subsidiary is concerned is limited to the extent permissible under Austrian Capital Maintenance Rules. No case law is available to confirm and it is thus not certain whether these limitations would be valid and enforceable under Austrian law and achieve the desired effect of legally preserving the guarantees to the extent possible or whether the guarantees could be deemed void in their entirety.

Austrian Capital Maintenance Rules are subject to ongoing court decisions and it cannot be ruled out that future court decisions may further limit the access of creditors and/or shareholders to assets of Austrian subsidiaries, including, but without limitation, guarantees of guarantors organized under Austrian laws, which could negatively affect our ability to make payment on the notes.

Financial Assistance

Although there is no explicit legal provision for Austrian limited liability companies under the Austrian Limited Liability Act the risk that in the future the Austrian Supreme Court also applies the prohibition of financial assistance (in acquiring its own shares) rules, which are explicitly stated for Austrian stock corporations (section 66a Austrian Stock Corporation Act), also with respect to Austrian limited liability companies, cannot be excluded. Austrian legal literature provides for positions arguing for and against such application. However, an application of the prohibition of financial assistance (in acquiring its own shares) rules would not result in the agreements being void, but would lead to damage claims against the managing directors of the involved parties (including the benefitting party). To avoid such liability risk, the limitation language mentioned above will typically also limit the guarantee obligation of an Austrian guarantor to the effect that the guarantee does not violate mandatory Austrian financial assistance rules.

Banking Law Restrictions

The Austrian Banking Act (*Bankwesengesetz*) enumerates certain banking activities which, if conducted on a commercial basis (*gewerblich*) in Austria require a local Austrian banking license or an appropriate license duly ''passported'' into Austria based on the European law directive 2013/36/EU and covering such activities. In addition, the Austrian Securities Supervision

Act 2007 (*Wertpapieraufsichtsgesetz 2007*), enumerates certain activities which qualify as investment services and investment activities which, if conducted on a commercial basis (*gewerblich*) in Austria require a local Austrian investment services license or an appropriate EU license duly ''passported'' into Austria based on the European law directive 2004/39/EC, as amended, and covering such activities.

Besides any entity licensed by the Austrian supervisory authority to conduct regulated activities within the meaning of the Banking Act and the Securities Supervisory Act credit institutions or investment firms, respectively, authorized in a member state of the EEA, may conduct certain of the regulated activities in Austria. Any such entity may conduct the relevant activities in Austria either by the establishment of a branch office or by way of the freedom to provide services, insofar as such activities are authorized under the legal provisions of the Member State of incorporation and the relevant notification procedure in line with the European law directive 2013/26/EU or the European law directive 2004/39/EC, respectively, and the relevant local laws have been complied with. Accordingly, any entity which intends to conduct activities regulated by the Austrian Banking Act or the Securities Supervision Act in Austria or, from outside of Austria, into Austria on a commercial basis, requires a respective license or successful completion of EEA notification procedures. The conducting of such regulated activities in Austria without the necessary license or successful completion of EEA notification procedures can trigger in particular administrative fines and civil law sanctions. The Banking Act and the Securities Supervision Act, respectively, provide that whoever conducts banking transactions (a) set out in Art. 4 para 1 no 1 of European law regulation 575/2013 (i.e. taking deposits and granting credit) without the required authorization is guilty of an administrative offence and may be subject to an administrative fine of up to EUR 5 million or up to twice the benefit derived from such violation, in case the benefit can be quantified or (b) other banking/investment services transactions without the required authorization is guilty of an administrative offence and may be subject to an administrative fine of up to EUR 100,000. Furthermore, the laws provide that whoever conducts such regulated activities unlicensed shall not be entitled to any compensation connected with such activities (e.g. interests, commissions, fees, etc.); sureties (*Bürgschaften*) and guarantees granted in connection therewith are ineffective. Furthermore, a civil law suits for unfair competition by competitors are possible. The transaction (agreement) itself, however, remains valid.

Stamp Duty

Under the Austrian Stamp Duty Act (Gebührengesetz), stamp duty is triggered upon the creation of a document (Urkunde; a term which has a technical meaning within the context of the Stamp Duty Act) on certain dutiable transactions enumerated in the Stamp Duty Act. Dutiable transactions include, e.g., lease agreements, sureties, assignments, mortgages.

According to the Austrian Stamp Duty Act, stamp duty on, e.g.:

(a) sureties (*Bürgschaft*) amounts to 1% of the guaranteed amount (a guarantee may be treated as a surety for stamp duty purposes if the guarantor under the guarantee does not explicitly waive all claims, remedies or defences with respect to the underlying guaranteed transaction); and

(b) assignments amounts to 0.8% of the consideration for the assignment, or, in case of an assignment for security (*Sicherungszession*), 0.8% of the higher of the secured amount and the value of the assigned receivables.

Dutiable transactions for security (in particular sureties, assignments, mortgages) may be exempt from stamp duty if such transaction (exclusively and directly) secures claims against a borrower under a loan or credit agreement (section 20(5) of the Austrian Stamp Duty Act). Note that this exemption is not available for security transactions which only indirectly secure a loan or credit agreement or which secure obligations of other obligors (such as guarantors).

Basically, Austrian stamp duty is triggered if a document on a dutiable transaction is created in Austria and such transaction is not exempt. Under certain circumstances, also the creation of a document on a dutiable transaction outside of Austria may trigger stamp duty. Stamp duty may generally be triggered for a document created outside of Austria if (i) the parties to the transaction are resident for stamp duty purposes in Austria (Austrian residence, place of habitual abode, seat, place of effective management or permanent establishment) and (ii) the transaction concerns an Austrian situated asset or a party to the transaction is entitled or obliged to performance under the transaction in Austria.

If the creation of a document outside of Austria did not trigger Austrian stamp duty, stamp duty may be triggered if the document (or a certified copy thereof) is imported into Austria and (i) the transaction concerns an Austrian situated asset or a party to the transaction is entitled or obliged to performance under the transaction in Austria, or (ii) a legally relevant action is taken in Austria based on the transaction or official use of the document (or a certified copy thereof) is made in Austria.

Austrian stamp duty may also be triggered by a document that refers to a dutiable transaction in a qualified manner (so called confirming document; *rechtsbezeugende Urkunde*). According to the Austrian Federal Ministry of Finance, a confirming document within the present context is constituted if the parties to and the nature of the transaction referred to may be derived from the document. Such document may (already) trigger Austrian stamp duty if signed by one of the parties and sent to the other party or its representative (or, in case of a transaction under which both parties are obliged to performance, a third party in order to furnish proof of the underlying transaction). Further, stamp duty may be triggered by a so called substitute document (*Ersatzurkunde*; e.g., a signed protocol on an orally agreed transaction) on a dutiable transaction or a document that incorporates by reference a document on a dutiable transaction.

If Austrian stamp duty is triggered, pursuant to the Stamp Duty Act generally the parties to the transaction are jointly and severally liable for the amount of Austrian stamp duty triggered. In case of a transaction under which only one party is obliged to performance, the party in whose interest the document was created is liable for the stamp duty (e.g., the beneficiary in case of a surety). In any case, the other party (as well as, if the competent tax office is not duly notified of the dutiable transaction, the persons who would be responsible for such notification) would be secondarily liable for the stamp duty triggered. Agreements between the parties as to who shall bear stamp duty if triggered are not binding on the tax authorities but may be honored by the tax authorities within their discretion.

If stamp duty was triggered and not duly paid or the competent tax office was not duly notified of a dutiable transaction, the competent tax office may, within its discretion, increase the amount of stamp duty due by up to 100 per cent, depending on whether the taxpayer could have recognized that stamp duty was triggered, the notification was made with slight or substantial delay, or provisions of the Stamp Duty Act have been infringed for the first time or repeatedly.

Shadow Director

A person granted the rights of information and control and that actually influences the management of an Austrian guarantor could, depending on the extent of such rights granted and the actual use of such rights, qualify as shadow director (*faktischer Geschäftsführer*). A person qualifying as such could be liable for any acts made in connection with the management company (the shadow director in general has the same obligations and liability as a regular director appointed in accordance with applicable corporate law); in particular the shadow director could be liable towards the company and, potentially, also towards the creditors of the company.

Appointment of a Curator

Pursuant to the Act on Curators regarding Partial Debentures (*Kuratorengesetz*), a curator may be appointed as representative for the holders of partial debentures (*Teilschuldverschreibungen*) by the competent court under specific circumstances, in particular if rights of holders of such partial debentures might be endangered due to the lack of common representation. Following this, in general and with regard to the scope of the representation by the curator, the respective holders of such partial debentures may not exert their rights arising out of the partial debentures on their own as such rights are then exerted by the curator; however, they are in general entitled to accede to the respective legal proceedings initiated by the curator against the Issuers as intervenors (*Nebenintervenient*).

Enforceability of Judgments

According to the Austrian Enforcement Act (*Exekutionsordnung*), foreign judgments are only enforceable if reciprocity is warranted by a bilateral or multilateral treaty between the countries involved or by an ordinance (*Verordnung*) of the Austrian government (in which ordinance the Austrian government confirms the reciprocity). As reciprocal recognition and enforcement of judgments, other than arbitration awards, within the meaning of section 79 of the Austrian of the Austrian Enforcement Act between Austria and the U.S is currently not ensured by bilateral treaties or otherwise, judgments of a United States court are not recognized and enforceable in Austria. Therefore, a judgment rendered by any court in the United States (whether a Federal court or a State court) against an Austrian guarantor or against an Austrian collateral provider whether or not predicated solely upon U.S. securities laws will not be enforceable in Austria. Accordingly, the subject matter upon which a judgment has been obtained in a United States federal or state court must be re-litigated before Austrian courts in accordance with applicable Austrian Civil Procedure Laws (*Zivilprozessverfahren*). Only after having obtained a final judgment before Austrian courts, enforcement procedures can be initiated under the Austrian Enforcement Act.

Belgium

Certain Insolvency Considerations

A number of the guarantors are incorporated under the laws of Belgium (the ''Belgian guarantors''). Consequently, in the event of an insolvency of any of the Belgian guarantors, main insolvency proceedings may be initiated in Belgium, to the extent the Belgian guarantors are viewed to have their centre of main interests in Belgium. Such main proceedings may also be initiated against companies incorporated under the laws of a foreign jurisdiction to the extent that the centre of their main interests is located in Belgium. In addition, and in accordance with the Recast Regulation, secondary proceedings may be initiated against companies which have an establishment (but not their centre of main interests) in Belgium. Proceedings opened in Belgium will be governed by Belgian insolvency law, whereby for secondary proceedings, the effects of Belgian insolvency law will be limited to assets located in Belgium.

The following is a brief description of certain aspects of Belgian insolvency law.

Belgian insolvency laws provide for two main types of insolvency proceedings: judicial reorganisation proceedings (*gerechtelijke reorganisatie*/*réorganisation judiciaire*) and bankruptcy proceedings (*faillissement*/*faillite*).

Judicial reorganisation

Judicial reorganisation is a reorganisation procedure for which companies of which the continuity is threatened, in the short or longer term, may apply. It aims to preserve the continuity of a company as a going concern, and offers a stay for an initial duration of maximum six months, extendable in certain circumstances.

Voluntary procedure (with exceptions)

It is a voluntary procedure and the debtor is, as a rule, the only person who can apply for judicial reorganisation. An exception applies to type III judicial reorganisation proceedings (court-organised auction), the opening of which can also be requested by third parties (creditors, interested third parties, and the public prosecutor).

A debtor may file a petition for judicial reorganisation if the continuity of the enterprise is at risk, whether in the short or longer term. The continuity of the enterprise in any case (without limitation) is deemed to be threatened when its net assets have fallen (as a result of losses) below 50% of the company's registered capital, but this presumption does not trigger an obligation for the debtor to file for judicial reorganisation.

Third parties can request the opening of type III judicial reorganisation proceedings to the extent they can evidence that the conditions for bankruptcy are met, and the debtor has not applied for protection under the judicial reorganisation act.

Objectives of the procedure

The judicial reorganisation procedure gives a debtor the framework to pursue one of the following objectives, which it has to choose from in its petition to the competent commercial court: (i) an amiable in-court agreement with two or more creditors; (ii) a collective reorganisation plan applying to all creditors; or (iii) a court-organised auction leading to the transfer of part or all of the assets of the undertaking as a going concern. The debtor has some flexibility to change the objective so chosen in the course of the proceeding, or to choose different objectives for the various activities of the company. In certain circumstances, the public prosecutor, a creditor or any third party having an interest in acquiring, in whole or in part, the debtor's enterprise, may apply to the court to change the objective to a court-organised transfer. The objective may also depend on the position of the court and/or third parties.

Debtor in possession

During the judicial reorganisation procedure, the board of directors and management of the debtor remain as a rule in charge of the company while the procedure is ongoing. However, upon request of the debtor or any other interested party and to the extent it is deemed useful for reaching the aims of the reorganisation, the court may appoint, in its decision to open the judicial reorganisation procedure or at any other point in time during the course of the procedure, a judicial administrator (*gerechtsmandataris/mandataire de justice*) to assist the board of directors or management of the debtor during the reorganisation. The court may also appoint a judicial administrator entrusted with tasks it deems necessary to the extent the debtor or its board is viewed to have been grossly shortcoming (*kennelijke grove tekortkoming/manquement grave et caractérisé*). The court can also, in certain exceptional circumstances (clear bad faith or clear gross mistake (*kennelijke grove fout/faute grave et caractérisée*) opt to replace the board of directors or management of the debtor by an interim manager appointed by the court (*voorlopig bestuurder/administrateur provisoire*).

Finally, note that although the board of directors and management of the debtor remains (in principle) in place during type III reorganisation proceedings (court-organised auction), the auction process will be led by the court-appointed judicial administrator(s), under supervision of the court (who will finally decide which bidder is allowed to purchase the assets under auction).

Filing for judicial reorganisation

As long as the court overseeing a judicial reorganisation has not issued a ruling on the judicial reorganisation petition, the debtor cannot be declared bankrupt or wound up by court order. In addition, during the period between the filing of the petition and the court's decision on the opening of the judicial reorganisation procedure, none of the debtor's assets may be disposed of by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets (subject to certain limited exceptions).

Opening of judicial reorganisation — Duration of stay

Within a period of fourteen days as from the filing of the petition and subject to the satisfaction of the filing conditions, the court will declare the judicial reorganisation procedure open, and will set the initial duration of the stay for a period of up to six months, extendable in certain (exceptional) circumstances of up to 18 months (extendable with another six months in case the judicial reorganisation does not culminate in a collective reorganisation plan but leads to a transfer of all or part of the undertaking).

Creditors' rights during the stay

During the stay, as a rule, the debtor cannot be judicially dissolved or declared bankrupt, and, generally (subject to exceptions), no enforcement measures (e.g., attachment or foreclosure) can be taken or continued for claims that pre-date the opening of the judicial reorganisation procedure. Conservatory attachments made prior to the opening of the judicial reorganisation retain their conservatory character, but the court may order their release, provided that such release does not have a material adverse effect on the situation of the creditor concerned.

The stay affects secured and unsecured creditors alike, with the exception of secured creditors benefiting from a specific receivables pledge or financial collateral (including cash collateral, title transfer collateral, repo's and pledges in respect of financial instruments), which, subject to certain exceptions in respect of cash collateral, are entitled to foreclose during the stay.

In the absence of contractual netting clauses, netting between claims that arose prior to the opening of the judicial reorganisation procedure and claims that arose after the opening of the judicial reorganisation procedure will only be allowed between ''closely tied'' reciprocal claims.

The stay will not suspend third-party guarantees or third-party security. It will further have no impact on co-debtors' obligations.

The stay further does not prevent voluntary payment by the debtor of its debts, including those preceding the judicial reorganisation, provided that such payment is needed to secure the continuity of the enterprise.

(Cross-)default clauses

The reorganisation procedure aims to preserve the continuity of a company as a going concern. Consequently, the initiation of the procedure does not terminate any contracts, and contractual provisions which provide for the early termination or acceleration of the contract by the fact of the judicial reorganisation itself are null and void (with the exception of close-out netting clauses).

Other types of (cross-)default clauses are valid and enforceable (e.g., termination for non-payment of principal sum), even if triggered after the opening of the judicial reorganisation. In the event that a creditor would exercise its right to terminate an agreement following the opening of the procedure of judicial reorganisation on the basis of such type of (cross-)default clause which has been triggered before the opening of the judicial reorganisation, the debtor would by law benefit from a 15-day cure-period of its receiving notice of termination to remedy the (cross-)default situation.

Fixed indemnity clauses (i.e., clauses pursuant to which a pre-agreed lump sum indemnity is paid to a debtor to cover the potential damages resulting from a default), including clauses to increase the interest rate upon default, are unenforceable during the stay and cannot be entered in a reorganisation plan. The creditor is, however, entitled to claim its actual damages in the reorganisation plan, in which case such creditor is deemed to have definitively waived its fixed indemnity, and such waiver will remain in force even after the full execution of the reorganisation plan. Certain authoritative scholars have argued that, as from the full execution of the reorganisation plan, the debtor is freed from all fixed indemnities that arose before that time, even if the creditor of such fixed indemnity has not opted to claim actual damages instead of its fixed indemnity.

Ongoing contracts

As an exception to the general rule of continuity of contracts, the debtor may elect, within two weeks of the court's decision to open the reorganisation proceeding, not to perform a contract (other than an employment contract) during the entire period of the stay provided that such non-performance is necessary for the reorganisation plan or the transfer of the enterprise under court supervision. This possibility is not available in the ''out of court amicable settlement'' option. Should the debtor so elect not to perform the contract, Belgian contract law in turn allows the creditor to suspend performance its obligations under the contract (on the basis of the *exception non adimpleti contractus*).

Continuing the contract despite the judicial reorganisation

If a creditor continues to perform a contract despite the debtor's judicial reorganisation, its claims that come to exist as a result thereof in the period following the opening of the judicial reorganisation will not be suspended and will be enforceable. In case of a subsequent bankruptcy, and subject to certain conditions, such claims will have priority over the claims of unsecured creditors (and secured creditors, if the continuation of the contract has contributed to the preservation of the secured assets).

Objectives of the procedure — In-court amicable agreement

An in-court amicable agreement requires unanimity among the creditors concerned. The debtor may petition the court to grant a grace period in respect of its payment obligations, e.g., in relation to interest payments, pending the negotiation of the agreement. Once agreement is reached, the court will record it. The agreement will be publicly available, but its contents will not, and its terms will only be binding upon the creditors that have agreed to it.

Objectives of the procedure — Reorganisation plan

In the case of a judicial reorganisation by collective agreement, the creditors agree to a reorganisation plan during the reorganisation procedure.

Procedure. Within a period of fourteen days following the opening of the judicial reorganisation procedure, the debtor must inform each of its creditors individually of the amount of their claims against the debtor as recorded in the books of the debtor, as well as of details regarding security interests, if applicable. A copy of such a communication to the creditors is sent to the clerk's office of the commercial court.

Creditors with pre-existing claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the ranking of the secured claims declared by the debtor. The court will determine either on a preliminary basis for the purpose of the reorganisation procedure (if the court has no jurisdiction over such claims) or definitely (if the court has jurisdiction over such claims), the disputed amounts and the ranking of such claims.

Measures. The reorganisation plan may include, without limitation, (i) a rescheduling of debts, (ii) debt waivers (principal sum and/or interest), (iii) the conversion of debt into equity, and (iv) a differentiated treatment for certain categories of claims (e.g., based on nature or size). The performance period of the plan may not exceed five years from the date of court approval. The plan cannot impose any of these measures to secured creditors (unless they individually agree) or reduce the claims of its employees resulting from work performed prior to the opening of the reorganisation procedure. In addition, the reorganisation plan may not impose a waiver of more than 85% of the outstanding claim of a creditor, except if a more substantial reduction is motivated by compelling reasons related to the continuity of the enterprise. Public creditors that benefit from a general lien, such as the social security administration or the tax administration, will, in principle, benefit from the same regime as the best treated creditors under the reorganisation plan.

Vote. The reorganisation plan must be approved by the majority of the creditors participating in the vote (including the secured creditors) and such majority must represent at least half of the outstanding debt in principal sum. The court must also approve the plan, and can only refuse it in limited circumstances. The court-approved reorganisation plan is binding for all creditors in the stay including those who voted against it or did not vote and whether secured or not, subject to limited exceptions. The plan must be filed with the clerk's office of the commercial court at least twenty days before the date on which the creditors will vote on the approval of the reorganisation plan.

Secured creditors. The plan may provide for a suspension of the enforcement rights of secured creditors but such suspension may not exceed 24 months (extendable with 12 months if the debtor can prove that it will be able to fully reimburse the secured creditors) from the initial filing for judicial reorganisation, and the company must in any event continue to pay interest on the secured obligations during the period of the reorganisation plan. In the absence of their individual agreement, the plan cannot contain any other measure affecting the rights of the secured creditors.

Objectives of the procedure — Court-ordered transfer

The court-ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It can be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances.

In case the judicial reorganisation procedure would culminate in a transfer of the undertaking, the proceeds of the sale of the pledged assets will be paid in priority to the relevant secured creditors. The judicial administrator leading the auction may only accept offers if the proposed purchase price at least equals the expected proceeds of a forced sale of such assets in a bankruptcy or liquidation. The assets will be transferred free from any existing security, subject however to the rights of creditors holding *in rem* security over assets of the debtor located in another EU member state.

Bankruptcy — Initiative

A bankruptcy procedure may be initiated by the bankrupt debtor, unpaid creditors or upon the initiative of the public prosecutor or by the liquidator of the ''main insolvency proceeding'' in another EU member state according to the EU Insolvency Regulation.

Bankruptcy — Grounds

A company can be declared bankrupt if (i) it is in a situation of cessation of payments (*staking van betaling/cessation de paiements*) — i.e., it is persistently unable to make payments when they become due; and (ii) it is unable to obtain further credit at normal commercial terms (*wiens krediet geschokt is/ébranlement de credit*).

The directors of the debtor company are under an obligation to file for bankruptcy within one month of the date of cessation of payments, and failure to do so is a criminal offence.

Bankruptcy — Appointment of bankruptcy trustee and continuation of business

In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The court-appointed bankruptcy trustee (*curator/curateur*) is responsible for the operation of the business and for implementing the sale of the debtor's assets, the distribution of the sale proceeds to creditors and, ultimately, the liquidation of the bankrupt debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

The bankruptcy trustee may elect to continue the business of the debtor, provided the bankruptcy trustee obtains the authorisation of the court and such continuation does not cause any prejudice to the creditors.

Bankruptcy — Ongoing contracts

The bankruptcy trustee must decide whether or not to continue performance under ongoing contracts. Two exceptions to the decision to continue contracts apply:

(i) the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and

(ii) *intuitu personae* contracts (i.e., contracts whereby the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the date of the judgment opening the bankruptcy since the debtor is no longer responsible for the management of its business as of that date. Parties can agree to continue to perform under such contracts.

The bankruptcy trustee may elect not to perform the obligations of the bankrupt party which are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy if such decision is necessary for the management and liquidation of the bankrupt estate. The counterparty to that agreement may file a claim for damages in the bankruptcy proceedings — such claim will rank *pari passu* with claims of all other unsecured creditors — and/or seek a court order to have the relevant contract terminated. The counterparty is not entitled to seek injunctive relief or require specific performance of the contract.

If the bankruptcy trustee decides to continue to perform the obligations of the bankrupt party under an agreement, claims of the counterparty will have priority over the claims of unsecured creditors, to the extent that such claims relate to obligations under the agreement performed after the opening of the bankruptcy.

Bankruptcy — Creditors' rights

Save for secured creditors benefiting from financial collateral (including cash collateral, title transfer collateral, repo's and pledges in respect of financial instruments), which are entitled to enforce their rights notwithstanding the opening of bankruptcy proceedings, the enforcement rights of individual creditors are suspended upon the opening of the bankruptcy proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt.

Bankruptcy — Priority order

Ranking of claims against the bankrupt estate are subject to an elaborate set of rules. The following is a general overview of certain of these rules:

Estate debt: Costs and indebtedness incurred by the bankruptcy trustee during the bankruptcy proceedings, so-called ''estate debts'', have senior priority. In addition, if the bankruptcy trustee has contributed to the realisation and enforcement of secured assets (including charges for (i) assessing the value of the secured asset(s) and (ii) realising the secured asset(s)), such costs will be paid to the receiver in priority out of the proceeds of the realised assets before distributing the remainder to the secured creditors;

- *Security interests:* Creditors that hold security interests have a priority right over the proceeds resulting from the enforcement (whether by means of appropriation or sale) of the collateral assets;
- *Legal liens:* Certain creditors may have liens on certain or all assets (e.g., tax claims, claims for social security premiums, etc.). Liens on specific assets rank before liens on the entirety of the debtor's assets; and
- *Pari passu:* Once all estate debts and creditors' claims benefitting from security interests and/or legal liens have been satisfied, the proceeds of the remaining assets will be distributed by the bankruptcy trustee amongst the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated).

Bankruptcy — Hardening Periods and Fraudulent Transfer

Pursuant to the Belgian Bankruptcy Law (Law of August 8, 1997), certain transactions deemed detrimental to the bankrupt estate's creditors may be declared ineffective against third parties if concluded or performed during a so-called ''*hardening period*'' (*verdachte periode/periode suspecte*). This hardening period starts from the date as of which the debtor is deemed to have been in a situation of cessation of payments, as may be determined ex post by the commercial court in charge of the bankruptcy proceedings. While, as a rule, the cessation of payments is deemed to have occurred as of the date on which the company is declared bankrupt by the court, the court may determine, based on serious and objective indications, that the cessation of payments occurred on an earlier date, which, in principle, may not be earlier than six months before the date of the bankruptcy order, except in cases where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors. In the latter case, the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the ‘‘hardening period’’.

At the request of the bankruptcy trustee, the court shall declare void the following type of transactions if entered into by the bankrupt company during the hardening period:

- contracts made without consideration or where the consideration is manifestly inadequate;
- the granting of security for pre-existing debt;
- payments made other than in cash (unless that was contemplated at the outset); or
- the prepayment of debt.

In addition, the court may, at the request of the trustee and in its discretion, declare void any other transaction made after the company became insolvent, when the contracting party knew of such insolvency when entering into the transaction and the court determines that voiding the transaction would benefit the bankruptcy estate.

Finally, any transaction or payment made with fraudulent intent can be declared void irrespective of its date.

The proceeds of an unenforceable or void transaction will benefit the creditors as a whole (through the bankrupt estate) rather than the creditor next in rank.

Limitations on the Validity and Enforceability of the Guarantees

The Belgian Companies Code (*Wetboek van Vennootschappen/Code des Sociétés*) (‘‘BCC’’) limits the ability for companies organised under Belgian law to grant guarantees for the performance of third parties’ obligations:

- A Belgian company may not make loans or grant guarantees with the view to the acquisition of its shares by a third party.
- The granting of a guarantee over its assets may not violate a company’s corporate purpose, as set out in its articles of association.

  The sanction of acting outside the scope of the corporate purpose clause as set out in the articles of association is joint and several directors’ liability, and, if the beneficiary acted in bad faith, the guarantee or security could be declared void. Bad faith is found when the beneficiary knew or should have known that the company was acting outside of the scope of its corporate purpose.
- Providing a guarantee without deriving or having a possibility to derive any direct or indirect profit could be considered a gratuitous act contrary to a profit corporation’s legal and essential mission to pursue profit.

  If found gratuitous, the guarantee is considered to be contrary to public policy and is as such voidable. Each party with a valid interest, including the guarantor, can request the guarantee to be declared void, even if such party contributed to the gratuitous nature of the guarantee. Case law and legal writing give a rather narrow interpretation of a ‘‘gratuitous act’’ in this context and a remote and indirect benefit should satisfy this test.
- The granting of a guarantee must serve the company’s corporate interest, which is to be assessed on a case-by-case basis and taking into account any direct and/or indirect benefit that the company would derive from the transaction as a whole. Compliance with corporate benefit is a factual assessment to be made by the board of directors of the company and is ultimately subject to the appreciation of the court.

> The sanction of acting outside of the corporate interest is individual directors' liability. A guarantee contrary to the corporate benefit can be declared void or considered unenforceable in specific circumstances (e.g., illicit cause, abuse of majority in the vote, fraudulent conveyance, co-contractor's knowledge). Some authors have pleaded for a decrease of the amount of the guarantee.

In practice, limitation language is often included in order to provide that the obligations of a guarantor are limited by reference to:

- the amounts lent or on-lent to that obligor; and/or
- a certain percentage of the net assets of the guarantor.

The indenture will expressly provide substantially as follows:

In the case of a Belgian guarantor, with respect to the obligations of any obligor which is not a subsidiary of such Belgian guarantor, its liability under the guarantee clause of the Indenture shall be limited, at any time, to a maximum aggregate amount equal to the greater of:

(a) An amount equal to 80% of such Belgian guarantor's net assets (as determined in accordance with articles 320 for SPRL/BVBA) and 617 (for SA/NV) of the Belgian Companies Code and accounting principles generally accepted in Belgium, but not taking intragroup debt into account as debts) as shown by its most recent audited annual financial statements on the date on which the relevant demand is made; and

(b) The aggregate amount outstanding on the date on which the relevant demand is made of (i) the amounts (including interest thereon, commissions, costs and fees) made available directly or indirectly to such Belgian guarantor from the proceeds of the notes, and (ii) the aggregate amount of any intragroup loans or facilities to it by any group company directly and/or indirectly using all or part of the proceeds of the notes (whether or not such intragroup loan is retained by the Belgian guarantor for its own purposes or on-lent to a subsidiary of such Belgian guarantor).

In addition, Belgian courts may, in any civil proceeding involving a debtor, defer or otherwise reasonably reschedule the payment dates of payment obligations. Belgian courts can also decide that the interest rate applicable be reduced if it is considered to exceed the normal rate applicable to similar debts.

Further, Belgian courts may condition the enforcement of a guarantee upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the guarantee. Enforcement of guarantees may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of the English documents which they may review.

Brazil

Certain Insolvency Considerations

Under Brazilian law, a company or individual entrepreneur will be considered bankrupt whenever (i) fails, without any sound legal ground, to pay a debt which is represented by a protested enforceable instrument and exceeds the equivalent of 40 minimum wages, the total of which currently equates to BRL 37,480 (as of January 1, 2017); or (ii) a foreclosure proceeding is pending and it does not pay, deposit or appoint sufficient assets to secure the proceeding within the requisite legal term. A debtor may also be considered bankrupt if it (i) sells its assets in a precipitated manner or resorts to ruinous or fraudulent means to make payments, (ii) performs (or tries to perform by unequivocal actions) a fraudulent (sham) transaction or the disposal of part or all of its assets to a third party, with the objective of delaying payments or defrauding creditors, (iii) transfers its place of business without the consent of all creditors and does not maintain sufficient assets to settle its liabilities, (iv) performs a fraudulent (sham) transaction to transfer its main place of business to evade the law or to prejudice a creditor, (v) gives or increases security for an existing debt and does not maintain sufficient free and clear assets to settle its liabilities, (vi) becomes absent without leaving any competent representative with enough resources to pay the creditors, (vii) abandons its place of business or tries to hide from its domicile, head office or main place of business, and/or (viii) fails to perform an obligation due under a judicial reorganization plan.

Brazilian bankruptcy laws may be less favorable to creditors than those of certain other jurisdictions. Noteholders may have limited voting rights at creditors' meetings in the context of a court reorganization proceeding, as explained below. In addition, any judgment obtained in Brazilian courts in respect of any payment obligations under the guarantee normally would be expressed in the real equivalent of the foreign currency amount of such sum at the exchange rate in effect (i) on the date of actual payment, (ii) on the date on which such judgment is rendered, or (iii) on the date on which collection or enforcement proceedings are started against a Brazilian company.

In the event of bankruptcy, all credits, claims and pecuniary obligations, including the guarantee and security interest under the Indenture, which are denominated in foreign currency, will be converted into Brazilian Reals at the prevailing exchange rate on the date of declaration of the bankruptcy by the court.

Fraud Against Creditors

In general, if a debtor disposes of its property in a malicious manner when insolvent or to the level where remaining assets will be insufficient to ensure the payment of its obligations, such transfer would be fraudulent against creditors. Section 159 *et seq* of the Brazilian Civil Code (Law No. 10,406 of January 10, 2002, as amended) establishes that transactions for no consideration (i.e., donations or disposal or encumbrance of assets) may be declared null and void if consummated (i) when debtor was already insolvent or became insolvent as a result of the fraudulent transaction; and (ii) with frivolous intention to defraud creditors. In addition, onerous transactions (transactions for consideration) are also voidable if consummated when debtor's insolvency is known or should be known by the debtor's counterparty in the relevant transaction. For the purposes of the Brazilian Civil Code, a debtor is insolvent when its liabilities exceed its assets (balance sheet test).

Accordingly two elements must be generally satisfied for avoiding an antecedent transaction perpetrated in fraud against creditors: (a) objectively, transactions must cause debtor's insolvency and/or be implemented when debtor was already insolvent (*eventus damni*); and (b) subjectively, parties must implement the transaction with fraudulent intent (*consilium fraudis*), mainly to defraud debtor's existing creditors or when the counterparty was (or should have been) aware about the debtors' insolvency. A creditor may challenge transactions entered into by the Issuer or Diversey Brasil Industria Quimica Ltda. on the grounds above.

Fraud Against Enforcement Proceedings

The encumbrance or disposal of debtor's assets while pending an enforcement proceeding (*ação de execução*) against the debtor seeking to collect an unpaid debt under a fast-track procedure may be considered fraud against enforcement proceeding, as set forth in section 792 of the Brazilian Code of Civil Procedure (Law No. 13,105 of March 16, 2015, as amended). Court precedents and legal writing generally supports the view that the disposal or encumbrance debtor's asset may be considered ineffective if, cumulatively, (i) the enforcement proceeding is preexisting (antecedent) to the transaction; (ii) buyer or debtor's counterparty was (should be) unequivocally aware of the antecedent enforcement proceeding; and (iii) transaction compromised debtor's capability to solve its obligations. A creditor may challenge transactions entered into by the Issuer or Diversey Brasil Industria Quimica Ltda under the circumstances above or under other circumstances set forth under section 792 of the Brazilian Code of Civil Procedure, such as (i) the existence of pending litigation regarding the in rem rights over the underlying asset, (ii) the existence of an enforcement proceeding or of a judicial lien over the asset has been registered under the registry of the asset.

Bankruptcy Liquidation and Antecedent Transactions

The Brazilian Bankruptcy Law (Law No. 11.101 of February 9, 2005 —''BBL) also regulates scenarios where antecedent transactions are deemed ineffective or voidable. Indeed, certain specific acts and contracts performed under a statutory period before the adjudication of debtor's bankruptcy liquidation (*falência*) are considered ineffective. Further, acts performed with the intent to hinder or defraud creditors may also be declared null and void. Section 129 of the BBL establishes that certain acts performed during a claw-back (look-back) period (*termo legal*) shall be declared ineffective in relation to the estate. The claw-back can generally retroact up to the 90- days period prior to: (a) the filing of a bankruptcy liquidation (involuntary) request by debtor's creditor; (b) the filing for court-protection under judicial reorganization (in case judicial reorganization has been subsequently converted into bankruptcy liquidation proceedings); or (c) outstanding protest of a debtor's title due to lack of payment.

Ineffectiveness declaration under Section 129 of the BBL should apply regardless of whether the involved parties were aware of the financial condition of the debtor or had the intention to defraud creditors. The following actions (*inter alia*) if consummated during the claw-back period shall be considered objectively ineffective: (i) payment of obligations not matured (i.e. preferred payment); (ii) payment of matured obligations in a different manner than originally established by the parties in the relevant contracts; and (iii) creation of collateral to secure an existing unsecured debt. The transfer of substantially all debtor's assets shall also be ineffective if consummated without consent or payment of all creditors existing at the time of the transfer.

The ineffectiveness of the transaction can be recognized and declared by the Bankruptcy Court on its own initiative (ex officio). It can be argued as a defense under and during bankruptcy liquidation proceedings or in an independent lawsuit or ancillary proceeding filed for this purpose by the court-appointed trustee or interested parties. It is generally accepted that there is no time constrains or statute of limitations for the declaration of ineffectiveness of acts performed before the bankruptcy adjudication, provided the transaction was consummated during the claw-back period or other statutory period specifically set forth in the BBL.

In addition, similarly to the fraud against creditors under the Brazilian Civil Code, transactions implemented before or after debtor's bankruptcy liquidation adjudication may be revoked if they were performed fraudulently, irrespective if they were committed during the claw-back period. Indeed, section 130 of BBL establishes that acts performed with the intent to defraud creditors may be revoked, provided there is evidence of (i) the fraudulent collusion between the debtor and the contracting third party; and (ii) the actual loss suffered by the estate.

The court-appointed Trustee, the Public Prosecutor Office and creditors are entitled to file a claw-back lawsuit (*ação revocatória*) seeking the avoidance and nullification of the fraudulent transaction. Also similarly to the revocation lawsuit under the Brazilian Civil Code, if the claw-back litigation is successful, disposal or encumbrance of estate's assets should be considered null and void and parties should return to *status quo* with the relevant assets (or equivalent cash indemnification if the asset is unavailable) returning to the estate. Note that to ensure the end result of the claw-back proceeding the Bankruptcy Court may order the precautionary freezing and attachment of defendant's assets.

Formal Procedures for Insolvency

The main types of formal procedures available for companies in financial difficulties are: (i) out-of-court reorganization (also known as extrajudicial reorganization) (*recuperação extrajudicial*); (ii) judicial reorganization (*recuperação judicial*); and (iii) bankruptcy liquidation (*falência*). BBL provides that some credits are not impaired by judicial reorganization proceedings (such as tax credits and credits secured by fiduciary liens) and the measures (before courts or not) taken by the respective creditors, as a rule, are not subject to staying effects of the judicial reorganization proceedings.

Out-of-Court Reorganization

An out-of-court reorganization is a judicial procedure designed to promote corporate restructuring with the main goal of providing expedited confirmation of a plan of reorganization previously negotiated and eventually accepted by requisite majorities involving certain impaired classes of creditors or group of creditors of the same nature and similar payment conditions. Under out-of-court proceedings, shareholders and directors keep the control and management of the company. Debtor and creditors settle the conditions for payment of the debts, and the reorganization plan is submitted to the court for confirmation. Creditors may file challenges to the plan, but there are no specific legal provisions related to proof of claims (*habilitação de crédito*) for an out-of-court reorganization.

Judicial Reorganization

Upon filing of a request for judicial reorganization and consequent acceptance of its processing by the court, certain creditors are refrained from enforcing their rights. The BBL provides for a stay period of 180 days, during which the creditors cannot bring or continue any legal or enforcement proceedings against the debtor, except for those creditors holding to tax claims and claims secured by fiduciary lien, lessors, owners or committed sellers of real estate where the relevant agreement includes an irrevocability or irreversibility clause; and creditors holding claims that have retention of title clauses or are beneficiaries advance on foreign exchange agreements (*adiantamento de contrato de câmbio*) (however, these creditors cannot sell or remove assets that are deemed essential for the debtor's activities during the stay period). In practice, the stay period has been extended by courts whenever the delay to vote the reorganization plan is not caused by the debtor. After such period, without the approval of a reorganization plan, creditors are generally entitled to resume their legal proceedings against the debtor (or to initiate them). Shareholders and directors also keep the control and management of the company, but may be removed if certain requirements are met. A court-appointed trustee (*administrador judicial*) will supervise the administrators' acts in order to guarantee that they will comply with the legal requirements.

The debtor must formulate and submit a Plan of Reorganization within 60 days following the Processing Order. As a rule, the Plan of Reorganization must contemplate all means that will be employed by the debtor to reorganize and restructure the business. The BBL provides enough flexibility to accommodate any deal the parties in interest might find to suit their needs. Normally the Plan of Reorganization will estipulate the scale down of the pre-petition debt load with the consent of the requisite majorities of their creditors.

Following the presentation of the Plan of Reorganization and proper notice, creditors will have up to 30 days to file their respective objections against the Plan of Reorganization. If the Plan of

Reorganization is objected, the Bankruptcy Court shall call a General Meeting of Creditors (''GMC'') to deliberate and vote on the Plan of Reorganization.

In a GMC to deliberate and vote on the Plan of Reorganization, creditors are divided into 4 (four) classes, as follows: (i) holders of labor-related claims or occupational accident claims (''Labor Class''); (ii) holders of secured claims, up to the amount of the respective collateral (''Secured Class''); and (iii) holders of unsecured claims, with special priority claim, general priority claim or subordinated claim (''General Class''); and (iv) small companies creditors (''Small Companies Class'').

Consensual approval of the Plan of Reorganization (approval, rejection or modification of its terms and conditions) requires the approval of all four classes of creditors, assuming all classes are impaired (''General Rule''). Pursuant to the General Rule a Plan of Reorganization is considered accepted by each of the Secured Class and the General Class when the (a) the majority in number of creditors present at the GMC; and, cumulatively (b) the majority in amount of claims present at the GMC vote to accept the Plan of Reorganization. In other words, the Plan of Reorganization must be approved (in each respective class) by simple majority of creditors present (vote per head) and, cumulatively, by the majority in amount of the claims present at the GMC (dollar amount vote). In the Labor Class and Small Companies Class, all that is required is the approval of the majority of creditors attending the GMC.

If the Plan of Reorganization is not approved by all classes pursuant to the General Rule, there is an alternative form of approving and eventually confirming a Plan of Reorganization (''Cram Down Rule''). The Cram Down Rule stipulates that a Bankruptcy Court may confirm a Plan of Reorganization provided that the following requirements are cumulatively met: (a) the plan has obtained the favorable vote of the simple majority in amount of all the claims present at the GMC, regardless of the division by classes; (b) the plan has been accepted by two classes pursuant to the General Rule; and (c) the plan has obtained the favorable vote of at least ⅓ (one-third) of the creditors in the dissident class, pursuant to the General Rule. In order to confirm a Plan of Reorganization based on the Cram Down Rule, the Plan of Reorganization cannot estipulate different treatment among the respective creditors of the dissident class.

If the Plan of Reorganization is approved during the GMC, the Bankruptcy Court will eventually confirm the Plan of Reorganization and grant the judicial reorganization proceeding (''Confirmation Order''). The Confirmation Order will discharge and novate all obligations under and subject to the Plan of Reorganization. Given its contractual nature, the new obligations constituted under the Plan of Reorganization will be satisfied under the (new) terms and conditions stipulated thereof and will be binding on the debtor and its creditors, including nonaccepting (dissident) creditors and those who affirmatively supported the Plan of Reorganization.

Creditors are also generally entitled to file proof of claims to seek inclusion or adjustment of its respective claims to be reflected under Debtor's list of liabilities (which should be presented by the debtor upon the filing for reorganization).

Bankruptcy

The bankruptcy liquidation of a company may be requested by third parties (involuntary bankruptcy) or by the debtor itself (voluntary bankruptcy). Once the involuntary (or voluntary) bankruptcy request (*pedido de falência*) is accepted and the bankruptcy decree is issued, judicial measures filed by creditors must be stayed — and most part of the claims will be submitted to the bankruptcy court, which has jurisdiction over the debtor assets (*juízo universal*).

Upon adjudication of bankruptcy liquidation, the debts become due and payable (including those of shareholders with unlimited and joint liability), with a pro rata deduction of interest, all foreign currency claims are converted into Brazilian real, the debtor is automatically prevented from exercising any business activity and from managing or disposing of its assets, the court appoints a trustee to manage and represent the bankruptcy estate, the trustee collects the debtor's property and assets, and value them. Shareholders cannot sell their shareholdings or otherwise withdraw from the company. If the value of the debtor's assets is insufficient to pay creditors, no interest accrues on claims (except interest on debentures and secured claims, which can be paid from the proceeds of sale of the underlying security). Agreements which the debtor entered into with third parties are not necessarily terminated automatically. The trustee may perform these agreements if certain requirements are met.

For bankruptcy proceedings, there is a statutory order of preferences/privileges to be observed by the judge on the payment of the credits. Brazilian law establishes the following order for pre-petition claims (following administrative expenses, post-petition claims and claims for restitution): (i) claims relating to employee contracts — limited to 150 times the monthly minimum wage per employee — and claims deriving from occupational accidents; (ii) claims of creditors that hold *in rem* security (up to the value of the proceeds from the sale of the assets given as security); (iii) tax claims, excluding fines; (iv) special privileged credits; (v) general privileged credits; (vi) all other unsecured claims; (vii) contractual and public fines and penalties, including tax penalties; and (viii) subordinated claims, such as claims by the debtor's shareholders and managers which do not have an employment relationship with the debtor.

Participation of holders of notes in Insolvency Legal Procedures

Courts in Brazil have taken different approaches regarding the representations of creditors of a bond or note issuance in insolvency procedures. Some courts have admitted the representation of the holders of notes or bonds by a trustee or agent while others have required or authorized the direct participation of the beneficial owner of the notes, sometimes even considering the relevant note as independent credit.

Cross-Border Reorganization

Brazilian law has no specific provisions on cross-border reorganization or bankruptcy proceedings. Generally, foreign court decisions must be submitted to ratification before the Superior Court of Justice of Brazil (*Superior Tribunal de Justiça*) in order to become enforceable in Brazil (*homologação de sentença estrangeira*). Court decisions taken on foreign judicial reorganization or bankruptcy proceedings may be subject to the same proceeding, observing the proper formal and material requirements.

On the other hand, it must be highlighted that Brazilian courts have exclusive jurisdiction over reorganization and bankruptcy of Brazilian companies and branches of foreign companies located in Brazil, which means that only partial decisions (for example, the recognition of credits) should be homologated and enforced.

Limitations on the Validity and Enforceability of Guarantees

In the terms and conditions of the notes, the guarantors will (1) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, the guarantors will irrevocably submit to the jurisdiction of such courts, and (2) name an agent for service of process in the Borough of Manhattan, The City of New York. See ''Description of Notes''.

The Brazil guarantor and the Issuer understand that, subject to specific requirements described below, a final conclusive judgment for payment of a determined sum of money rendered by any court in the United States in respect of the notes and the guarantee would be recognized in the courts of Brazil (to the extent that Brazilian courts may have jurisdiction) and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been previously ratified by the Superior Court of Justice of Brazil (*Superior Tribunal de Justiça*), such ratification being available only if the judgment:

- fulfills all formalities required for its enforceability under the laws of the jurisdiction where the judgment was rendered;
- is issued by a competent court after proper service of process on the parties, which service must comply with Brazilian law if made in Brazil, or after sufficient evidence of the parties absence has been given as established pursuant to applicable law;
- is final and therefore not subject to appeals;
- is for payment of a specified sum of money or provides precisely how to calculate such sum;
- is authenticated by the competent Brazilian consulate with jurisdiction over the location of the court which issued the judgment;
- is translated into Portuguese by a certified translator; and
- is not against Brazilian public policy, good morals, national sovereignty or a final decision rendered in Brazil (not subject to further appeals.

Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the U.S. securities laws with respect to the guarantee by a Brazil guarantor.

We have also been advised that:

- civil actions may be brought before Brazilian courts based on the federal securities laws of the United States and that, subject to applicable law, Brazilian courts may enforce such liabilities in such actions against us (provided that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action); and
- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law.

In addition, a plaintiff, whether Brazilian or non-Brazilian, who resides or is incorporated outside Brazil or is outside Brazil during the course of the judicial litigation in Brazil and who owns no real estate property in Brazil must post a bond to secure the payment of the defendant's attorney's fees and court expenses in connection with court procedures for the collection of payments under the notes and the guarantees except in the case of claims for collection based on a *título executivo extrajudicial* (an instrument which may be enforced in Brazilian courts without a review on the merits) and in the case of enforcement of foreign judgments that have been duly confirmed by the Superior Court of Justice in Brazil.

We have been advised that, if the notes or the Indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside Brazil seeking to enforce the guarantee may not be ratified by the Superior Court of Justice in Brazil.

Guarantees and Security Interests

Under Brazilian law, guarantees may be either personal guarantees pursuant to which all of the assets of a guarantor secure the relevant obligations or *in rem* guarantees (''security'', under common law) pursuant to which only certain specific assets are segregated to secure an obligation. The validity and enforceability of guarantees and security interests granted by a Brazilian subsidiary to its parent company abroad or other Brazilian companies not subsidiary to its parent company abroad, vis-à-vis the Issuer hereunder may be subject to the effects of bankruptcy (*falência*), insolvency, judicial and out-of-court reorganization (*recuperação judicial e extrajudicial*), fraudulent transfer or any other law of general application limiting or affecting the enforcement of contractual or legal rights, and by the effect of general principles of Brazilian civil law, such as probity and good faith and the social function of contracts and property.

Guarantees

A guarantee may be granted by a Brazilian company to guarantee obligations under the notes or the indenture that will govern the notes, to the extent such guarantee is governed by a foreign law, will be subject to limitations and requirements applicable to foreign agreements as mentioned above. Furthermore, under Brazilian law, certain rights of the guarantor such as, for instance, the right to be released of a guarantee if the guaranteed obligation is deemed null or void, cannot be waived.

Canada

Certain Insolvency Considerations

Certain of the guarantors are organized under the laws of Canada (the ''Canadian guarantors''). In the event of the insolvency of the Canadian guarantors, insolvency proceedings may be initiated in Canada. Canadian law would govern those proceedings (subject to laws or protocols that may be applicable to international insolvencies if proceedings also occur in other jurisdictions in respect of those guarantors). The insolvency laws of Canada may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-filing interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

In Canada, there are two primary federal statutes that govern insolvency and restructuring proceedings of corporate debtors. The Bankruptcy and Insolvency Act (the ''BIA'') contains provisions for the liquidation of insolvent companies in a manner loosely akin, in substance, to U.S. chapter 7 proceedings, although there are important distinctions) and for the restructuring of corporations (in a manner loosely akin, in substance, to U.S. chapter 11 proceedings, although there are important distinctions). Similar to bankruptcy proceedings in the United States, a corporate debtor may be petitioned into bankruptcy (i.e., involuntary proceedings) or file for bankruptcy or reorganisation (i.e., voluntary proceedings). In addition to the BIA, Canada also has the Companies' Creditors Arrangement Act (''CCAA''), which is a restructuring statute that operates, in practice, in a manner loosely akin to U.S. chapter 11 proceedings (with important distinctions). CCAA proceedings are only available to insolvent debtor companies having debts in excess of CDN$5 million. Insolvency proceedings in Canada, whether under the BIA or CCAA, are court-supervised.

Upon the bankruptcy of a debtor corporation, whether voluntarily or upon the application of a creditor, the BIA imposes a stay of any action, execution or other proceeding by unsecured creditors in respect of the debtor, unless the creditors first obtain leave of the applicable court. Upon becoming bankrupt, whether voluntarily or involuntarily, all of a debtor's assets (subject to very limited exceptions) vest in a trustee in bankruptcy (subject to the rights of secured creditors with validly perfected security interests), at which point the debtor no longer has any ability to deal with those assets. The trustee typically proceeds to liquidate the assets and distribute the proceeds of the assets in accordance with the provisions of the BIA.

The BIA sets out the priority scheme for the payment of claims against a bankrupt debtor, which priority scheme takes precedence over any operative priority scheme outside of bankruptcy. Subject to certain statutory priority claims enumerated in the BIA (including, without limitation, a ''super priority'' charge under the BIA against a debtor's current assets for employee wages of up to CDN$2,000 per employee), certain deemed trust claims in favour of the Crown in Right of Canada and true trust claims, secured creditors have the right to look first to the assets charged by their validly perfected security for payment. Thereafter, the BIA provides a list of preferred creditors who recover their debts in priority to the general body of unsecured creditors. Preferred claims are paid in order of their ranking, before any payments to lower ranking, preferred creditors or general unsecured creditors. All other claims will be considered general unsecured claims and will rank *pari passu*.

The proceeds resulting from the realization of the estate of an insolvent Canadian debtor that has guaranteed the notes may not be sufficient to satisfy any secured claims, or your deficiency claims as unsecured creditors under the guarantees granted by the Canadian guarantor after any prior-ranking secured creditors and other claims that rank in priority to claims of holders of notes have been satisfied.

Corporate restructurings in Canada may be implemented under either the BIA or the CCAA with the latter being more commonly used by larger corporations. In either case, a broad stay of creditors' rights and enforcement proceedings is generally implemented (in the case of the BIA by a statutory stay, and in the case of the CCAA by a court-ordered stay). Under this protection, the debtor will typically formulate a restructuring proposal or plan or conduct an orderly wind-down or a sale as a going concern. In the event of a restructuring proposal or plan, a double majority of the creditors (i.e., a simple majority in number having two-thirds in value of the claims in question) present and voting either in person or by proxy at a meeting of creditors for each designated class must approve the proposal or plan, and the proposal or plan must be sanctioned by the court. In the event of a liquidation, proceeds are generally distributed in accordance with the priority established by statute and the court (which may differ in some respects from those in a bankruptcy under the BIA). The court may also authorize the creation of priority charges ranking ahead of other creditors in both CCAA and BIA restructurings (for example, for debtor-in-possession financings, directors' and officers' indemnification and administration costs).

The proposed treatment of creditors under the guarantees granted by the Canadian guarantors in a restructuring proposal or plan is generally at the discretion of the Canadian guarantors, subject to the rights of creditors affected by the proposal or plan to vote on such proposal or plan.

Where a debtor deals with his property in a manner that prejudices its creditors (particularly where such debtor is or becomes thereafter insolvent), such transactions by the debtor may be subject to challenge by creditors and the scrutiny of the court. Under Canadian federal and provincial law, there are a number of statutory means to challenge or avoid such transactions. Where a transaction subject to review is held to be contrary to Canadian law, the transaction is subject to be impugned and a wide variety of possible remedies may be imposed. Should the Canadian guarantor become insolvent within applicable time periods, the granting of the guarantee could be subject to challenge and potentially avoided, and any amounts obtained under the guarantee in support thereof that is avoided would have to be repaid. Should the holders of the notes be repaid or otherwise recover from the Canadian guarantor at a time when such guarantor is insolvent, or if the Canadian guarantor thereafter become insolvent within applicable time periods, the repayment or recovery may be subject to challenge.

Limitations on the Validity and Enforceability of the Guarantees

Where a debtor deals with its property in a manner that prejudices its creditors (particularly where such debtor is or becomes thereafter insolvent), such transactions by the debtor may be subject to challenge by creditors and the scrutiny of the court. Under Canadian federal and provincial law, there are a number of statutory means to challenge or avoid such transactions. Where a transaction subject to review is held to be contrary to Canadian law, the transaction is subject to be impugned and a wide variety of possible remedies may be imposed. Should the Canadian guarantor become insolvent within applicable time periods, the granting of the guarantee could be subject to challenge and potentially avoided, and any amounts obtained under the guarantee in support thereof that is avoided would have to be repaid. Should the holders of the notes be repaid or otherwise recover from the Canadian guarantor at a time when such guarantor is insolvent, or if the Canadian guarantor thereafter become insolvent within applicable time periods, the repayment or recovery may be subject to challenge.

Denmark

Certain Insolvency Considerations

Certain of the guarantors are companies incorporated under Danish law. Accordingly, insolvency proceedings with respect to these companies would likely proceed under and be governed by Danish insolvency law.

Certain of the guarantors are companies incorporated under Danish law. Accordingly, insolvency proceedings with respect to these companies would likely proceed under and be governed by Danish insolvency law.

Danish insolvency laws are in general not as favorable to investors' interests as the laws of the United States or other jurisdictions with which investors are familiar. In the event that a Danish guarantor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Bankruptcy

Bankruptcy (in Danish ''Konkurs'') is the principal form of proceeding in the Danish insolvency system. In bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims.

As a general rule, the insolvent company or any creditor of such company may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on an assessment of the debtor's liquidity status. Insolvency is pursuant to the Danish Bankruptcy Act defined as the debtor's inability to pay his debt as it falls due (unless the inability is temporary). A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security. In this context, valid security means a security right expected to provide full coverage for the creditor. If the security is avoidable in bankruptcy or the act of perfection has not been performed, the creditor does not have valid security The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's creditors. The principle is, however, to some extent modified by the rules governing priority of debts in bankruptcy. Some claims — preferential claims and privileged claims — rank before ordinary claims and some — the deferred claims — rank below ordinary claims. The status of a claim is dependent upon express statutory authority (except for subordinated loans). Preferential claims primarily include costs and expenses involved in the administration of the bankruptcy estate and debts approved by a supervisor during a suspension period. Privileged claims are mainly salary claims, including salary income taxes (excluding salary claims from the top management). It should be noted that almost all tax claims are ordinary claims. Interest accrued on ordinary claims will rank as ordinary claims up to the date of the bankruptcy adjudication, after which date the accrued interest will rank as a deferred claim.

Danish bankruptcy law contains several provisions enabling the trustee to initiate proceedings to have certain transactions prior to the bankruptcy avoided. Most avoidance provisions contain time limits, which are generally three months, but are in some cases up to two years. Payments made by unusual means and payments made before they are due or in amounts that have had a distinctly impairing effect on the debtor's ability to pay its debts, are typically subject to avoidance unless the creditor's claim was secured in full by a good and valid security. In addition, all types of charges, mortgages and other types of security (excluding, for the avoidance of doubt, guarantees) that were not granted to the creditor at the time the debt was incurred or that were not protected against legal process without undue delay after the time the debt was incurred will be avoided. A creditor who wishes to raise a claim for avoidance may do so through the trustees, who must litigate the matter under the jurisdiction of the ordinary courts (not the bankruptcy court). As a general rule, such legal proceedings must be initiated within twelve months after the declaration of the bankruptcy adjudication. In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner using the Danish National Bank's (*Nationalbanken*) official exchange rate for the relevant currency against Danish kroner as at the date of declaration of bankruptcy by the Danish Bankruptcy Court.

If a creditor has filed a petition for bankruptcy against a debtor and the bankruptcy requirements are not fulfilled or if the claim does not exist, then the creditor will be liable for any loss or injury to the debtor, caused by filing of the petition.

Further, the petitioner must provide security for the expenses relating to the administration of the bankruptcy estate. If the debtor has filed the petition for bankruptcy, the security must be provided by the funds of the bankruptcy estate.

Restructuring

A bankruptcy may be preceded by a restructuring process (in Danish: ''Rekonstruktionsbehandling''). A company as well as a creditor may file an application for restructuring with the Danish Bankruptcy Court. For the Danish Bankruptcy Court to initiate a restructuring process it is required that the company is insolvent and that the insolvency is not temporary. The main purpose of the restructuring is for an otherwise healthy company to overcome the insolvency. A restructuring must involve a compulsory composition and/or a business transfer. When a restructuring process is initiated, the Danish Bankruptcy Court will appoint a restructuring administrator and an accountant. The administrator shall, inter alia, prepare a restructuring plan and, together with the court-appointed accountant, a final restructuring proposal. A meeting shall be held at the Danish Bankruptcy Court where the creditors must vote on the final restructuring proposal. If the restructuring process does not result in a compulsory composition and/or a business transfer that is adopted by the creditors, the Danish Bankruptcy Court will commence bankruptcy proceedings. The restructuring will, however, be lifted if the debtor becomes solvent during the proceedings. As a result of the restructuring the debtor will be protected against claims for payment by his creditors during the restructuring. The company's management will continue to operate the company, but is not allowed to make any transactions of material importance without the approval of the administrator. Payments to creditors will continue may only be made in accordance with the ranking of creditors in bankruptcy or if the payment is necessary in order to avoid losses.

Limitations on the Validity and Enforceability of Guarantees

The notes will be guaranteed by the Danish subsidiaries of the Issuer. Each of the guarantees will be limited (A) if and to the extent required to comply with Danish statutory provisions on unlawful financial assistance and non-permitted shareholder loans including, without limitation, Sections 206-212 of Consolidated Act No. 1089 of 14 September 2015 on public and private limited liability companies, as amended and supplemented from time to time (the ''Danish Companies Act'') (*Lovbekendtgørelse om aktie-og anpartsselskaber* (*selskabsloven*)), and (B) to a maximum amount equivalent to the net equity of the Danish subsidiary granting the guarantee.

The enforceability of guarantees expressed to be granted in favour of unspecified creditors, and for which no notice of each new creditor is given to the guarantor, has not been tested by Danish courts.

The financial assistance must be within the distributable reserves and made on ordinary market terms (arms' length).

Danish law may limit a Danish guarantor ability to guarantee or provide security for the notes to the extent that the risk of issuing the guarantee or providing the security is not balanced against the corporate benefit (financial, commercial, strategic or otherwise) obtained by the Danish guarantor from the issuance of the notes.

Danish law does not make any distinction between registered and beneficial ownership and if such distinction is made under foreign law the beneficial owner will be deemed the owner under Danish law.

The enforceability of guarantees expressed to be granted in favour of unspecified creditors, and for which no notice of each new creditor is given to the guarantor, has not been tested by Danish courts.

England and Wales

Certain Insolvency Considerations

Certain of the guarantors are incorporated under the laws of England and Wales (such guarantors, the ''English guarantors''). Accordingly, insolvency proceedings with respect to each English guarantor would be likely to proceed under, and be governed by, English insolvency law (unless that company's ''centre of main interests'' for the purposes of the EU Insolvency Regulation is held to be in an EU Member State other than the United Kingdom in which case the laws of that jurisdiction will, subject to certain exceptions, govern the relevant insolvency proceedings). The Cross-Border Insolvency Regulations 2006, which implement the UNCITRAL Model Law on Cross-Border Insolvency in the U.K., provide for the recognition of both foreign main proceedings (those taking place in the state in which the debtor has its centre of main interests) and foreign non-main proceedings (those taking place in a state which the debtor does not have it centre of main interests) in the courts of England and Wales.

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar. In the event that the Issuer and the English guarantors experience financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company or a creditor making an application for administration in or out of court, or by a creditor filing a petition to wind up the company or the company resolving to do so (in the case of liquidation). A company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely to become, unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes (see below).

Under the Insolvency Act of 1986 (as amended) (the ''Insolvency Act''), a company is insolvent if it is unable to pay its debts. A company is deemed unable to pay its debts if it is insolvent on a ''cash flow'' basis (unable to pay its debts as they fall due), if it is insolvent on a ''balance sheet'' basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), or, among other matters, if it fails either to satisfy a creditor's statutory demand for a debt exceeding £750 or to satisfy in full a judgment debt (or similar court order).

English insolvency laws may not be as favorable to investors as United States and other insolvency laws. Insolvency laws and limitations on the notes and the guarantees of the notes may adversely affect the validity and enforceability of the notes and the guarantees and may limit the amount that can be recovered under the notes or the guarantees.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the notes and on the guarantees. The application of these laws could adversely affect investors, their ability to enforce their rights under the guarantees and therefore may limit the amounts that investors may receive in an insolvency of the Issuer and/or any of the guarantors.

Administration, administrative receivership and floating charges

The Insolvency Act empowers English courts to make an administration order in respect of an English company or a company with its ''centre of main interest'' in England in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge, and different procedures apply according to the identity of the appointor. The purpose of an administration is comprised of three objectives that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than if the company went into an immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to secured or preferential creditors.

During the administration, there is a statutory moratorium and in general, no proceedings or other legal process may be commenced or continued against the debtor, or security enforced over the company's property, except with leave of the court or the consent of the administrator. However, certain creditors of a company in administration may be able to realize their security over certain of that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a ''financial collateral arrangement'' (generally, cash at bank or financial instruments, such as shares, bonds or tradeable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. If an English guarantor were to enter administration, it is possible that the security granted by it or the guarantee granted by it may not be enforced while it is in administration. In addition, other than in limited circumstances, a secured creditor will not be entitled to appoint an administrative receiver (although it may be entitled to appoint an administrator).

In order to empower a secured creditor (or its agent) to appoint an administrative receiver or an administrator to the company out of court, the floating charge granted by the relevant English obligor must constitute a ''qualifying floating charge'' for the purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document pre dates 15 September 2003, fall within one of the exceptions in the Insolvency Act to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it; (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver. The secured creditor will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security, relates to the whole or substantially the whole of the property of the relevant English guarantor and at least one such security interest is a qualifying floating charge. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English company's assets at the time that the floating charges are enforced will be a question of fact at that time.

The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to ''capital market arrangements'' (as defined in the Insolvency Act), which may apply if the issue of the notes creates a debt of at least £50.0 million for the relevant company under the arrangement and the arrangement involves the issue of a ''capital market investment'' (which is defined in the Insolvency Act, and includes rated, listed or traded debt instruments, and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying charge using the out of court procedure), and then the court will only make an administrative order (i) the person who appointed the administrative receiver consents or (ii) the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge. If an administrator is appointed, any administrative receiver will vacate office, and any receiver of part of the company's property must resign if required to do so by the administrator.

Prescribed part

An administrator, receiver (including administrative receiver) or liquidator of the company will generally be required to ring fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses). Under current law, this applies to 50 per cent of the first £10,000 of floating charge realizations and 20 per cent of the remainder over £10,000, with a maximum aggregate cap of £600,000.

Liquidation/winding-up

Liquidation is a company dissolution procedure under which the assets of the company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act. At the end of the liquidation process the company will normally be dissolved. In the case of a liquidation commenced by way of a court order, no proceedings or other actions may be commenced or continued against the company except by leave of the court and subject to such terms as the court may impose (although security enforcement is not affected). In proceedings where the company or its directors have resolved to place the company into liquidation, the liquidator (or creditor or shareholder) can apply to the court for an order that no proceedings or other actions may be commenced or continued against the company.

Under English insolvency law, a liquidator has the power to disclaim any onerous property by serving the prescribed notice on the relevant party. Onerous property, for these purposes, is any unprofitable contract and any other property of the company which is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on the company which may be regarded as detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous, or because the company could have made, or could make, a better bargain. This power can not be used to disturb accrued rights and liabilities.

A liquidator has the power: to bring or defend legal proceedings on behalf of the company; to carry on the business of the company as far as it is necessary for its beneficial winding up; to sell the company's property and execute documents in the name of the company; and to challenge antecedent transactions.

Priority of claims

One of the primary functions of liquidation (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the insolvent company and to distribute realizations made from those assets to its creditors. Under the Insolvency Act and the Insolvency Rules 1986, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the ''Prescribed part'' (please see ''—*Prescribed part*'' above), distributions cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

The general priority of claims on insolvency is as follows (in descending order of priority):

First ranking claims: holders of fixed charge security and creditors with a proprietary interest in assets of the debtor but only to the extent of the realizations from those secured assets or with respect to the asset in which they have a proprietary interest;

Second ranking claims: expenses of the insolvent estate incurred during the relevant insolvency proceedings (there are statutory provisions setting out the order of priority in which expenses are paid);

Third ranking claims: preferential creditors. Preferential debts include (but are not limited to) debts owed by the insolvent company in relation to:

(i) contributions to occupational and state pension schemes;

(ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the insolvency date.

Fourth ranking claims: holders of floating charge security to the extent of the realizations from those secured assets, according to the priority of their security. This would include any floating charge that was stated to be a fixed charge in the document that created it but which, on a proper interpretation, was rendered a floating charge. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must be set aside for distribution to unsecured creditors (see ''—*Prescribed part*'');

Fifth ranking claims: unsecured creditors. However, any secured creditor not repaid in full from the realization of assets subject to its security can also claim the remaining debt due to it (a shortfall) from the insolvent estate as an unsecured claim. To pay a shortfall, the officeholder can only use realization from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part in respect of a shortfall unless the Prescribed Part is sufficient to pay out all unsecured creditors in full;

Sixth ranking claims: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Challenges to guarantees and security

There are circumstances under English insolvency law in which the granting by an English guarantor of security and guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English guarantor, the administrator or liquidator may challenge the validity of the security or guarantee given by such company. The Issuer cannot be certain that, in the event that the onset of an English guarantor's insolvency (as described further below) is within any of the requisite time periods set out below, the grant of a security interest or guarantee in respect of the relevant notes would not be challenged or that a court would uphold the transaction as valid.

Connected persons

A connected person for the purposes of transactions at an undervalue, preferences and invalid floating charges (as described below), is a party who is a director, shadow director, an associate of such director, or an associate, of the relevant company. A party is associated with an individual if they are a relative of the individual or the individual's husband, wife or civil partner, or the husband, wife or civil partner of a relative of the individual or the individual's husband, wife or civil partner. A party is associated with a company if employed by that company. A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

The following potential grounds for challenge may apply to any security interest or guarantee granted by an English guarantor, include, without limitation, the following:

Transaction at an undervalue

Under English insolvency law, a liquidator or administrator of an English guarantor could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or guarantee constituted a transaction at an undervalue. It will only be a transaction at an undervalue if, at the time of the transaction or as a result of the transaction, the English company is unable to pay its debts (as that term is defined in Section 123 of the Insolvency Act). The transaction can be challenged if the English guarantor enters into liquidation or administration proceedings within a period of two years from the date the English guarantor grants the security interest or the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. A court, however, will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the English guarantor was unable to pay its debts unless a beneficiary of the transaction was a connected person (as described above), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the English guarantor in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English guarantor could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or such guarantee constituted a preference. It will only be a preference if, at the time of the transaction or as a result of the transaction, the English guarantor was unable to pay its debts. The transaction can be challenged if the English guarantor enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English guarantor grants the security interest or the guarantee. A transaction may constitute a preference if it has the effect of putting a creditor of the English guarantor (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of such company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the position to what it would have been in if the preference had not been entered into. For the court to determine a preference, however, it must be shown that the English guarantor was influenced by a desire to produce the preferential effect. In any proceeding, it is for the administrator or liquidator to demonstrate that the English guarantor was unable to pay its debts and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceeding that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make against the company, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim that that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. An application to the court for an order to set aside the transaction may be made by an administrator, a liquidator, and subject to certain conditions, the UK Financial Conduct Authority, the UK Pensions Regulator, and any person who claims to be prejudiced by the transaction. There is no specified time limit for challenges in the insolvency legislation within which the challenge must be made (unlike in the case of transactions at an undervalue or preferences) and the relevant company does not need to be unable to pay its debts at the time of or as a result of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances and will not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

Avoidance of floating charges

Under English insolvency law, if an English company is insolvent at the time of (or as a result of) granting a floating charge, and the floating charge was granted within the specified period referred to below, then such floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English guarantor at the same time as or after the creation of the floating charge. The requirement for the English guarantor to be insolvent at the time of (or as a result of) granting the floating charge does not apply where the floating charge is granted to a connected person, and the floating charge is granted within the specified period referred to below. If the floating charge is granted to a connected person then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English guarantor at the same time as or after the creation of the floating charge, whether the relevant English guarantor is solvent or insolvent. The transaction can be challenged if the relevant English guarantor enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the relevant English company grants the floating charge.

If the floating charge qualifies as a ''financial collateral arrangement'' under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) then the floating charge will not be subject to challenge as described in the paragraph above.

Foreign currency

Under English insolvency law where creditors are asked to submit formal proofs of claim for their debts, any debt of a company payable in a currency other than pounds sterling must be converted into pounds sterling at the ''official exchange rate'' prevailing at the date when the company went into liquidation or administration (if the administration was immediately preceded by a winding up, on the date the company went into liquidation). This provision overrides any agreement between the parties. If a creditor considers the rate determined by the office holder is unreasonable, it may be apply to the court. If, on hearing the application, the court finds that the rate is unreasonable, it may itself determine the rate.

Limitations on the Validity and Enforceability of Guarantees

There are circumstances under English insolvency law in which the granting by an English company of guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the guarantee given by such company.

For further detail on potential grounds for challenge that may apply to guarantees, see ''—Insolvency proceedings and fraudulent transfer laws concerning the Issuer or any of the guarantors in the United States or certain non-U.S. jurisdictions may adversely affect a recovery by the holders of the notes—England and Wales'' above.

France

Certain Insolvency Considerations

A number of guarantors are incorporated in France (the ''French guarantors''). Consequently, in the event of an insolvency of any such French guarantor, insolvency proceedings may be initiated in France. Such proceedings would then be governed by French law.

As a general rule, if the debtor is located in the European Union, in accordance with Regulation EC 1346/2000 of 29 May 2000, French courts shall have jurisdiction to open insolvency proceedings if the centre of the debtor's main interests is situated in France. In the case of a company or legal person, the place of the registered office shall be presumed to be the centre of its main interests in the absence of proof to the contrary.

The following is a brief description of certain aspects of insolvency law in France.

French laws and proceedings affecting creditors include the civil law rescheduling of debt set out by article 1343-5 of the French Civil Code (*code civil*), court-assisted pre-insolvency proceedings (*mandat ad hoc* or *conciliation* proceedings) and court-administered insolvency proceedings being either safeguard (*sauvegarde*), accelerated safeguard (*sauvegarde accélérée*), accelerated financial safeguard (*sauvegarde financière accélérée*), reorganisation or liquidation proceedings (*redressement* or *liquidation judiciaire*).

French insolvency law changed as a result of Ordinance No. 2014-326 of March 12, 2014 relating to the reform of the prevention of corporate difficulties and of insolvency proceedings (''Ordinance No. 2014-326''), which came into force on July 1, 2014 (it being specified that it does not apply to proceedings ongoing at that date) and which was supplemented by Order of July 25, 2014 (''Order of July 25, 2014''), Decree No. 2014-736 of June 30 (''Decree No. 2014-736''), 2014 and Ordinance No. 2014-1088 of September 26, 2014 (''Ordinance No. 2014-1088''). Recently, certain aspects of French insolvency proceedings have been modified pursuant to Law No. 2015-990 of August 6, 2015 for growth, business and equal opportunities (''Law No. 2015-990''). Law No. 2016-1547 of November 18, 2016 (''Law No. 2016-1547'') (it being specified that the latter does not apply to proceedings opened before November 20, 2016) and Law No. 2016-1691 of December 9, 2016 (it being specified that the latter does not apply to proceedings opened before December 11, 2016).

Pre-insolvency Measures and Proceedings

Pursuant to article 1343-5 of the French Civil Code, French courts may, in any civil proceeding involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule the payment dates of payment obligations over a maximum period of two years. In addition, pursuant to article 1343-5, if a debtor specifically initiates proceedings therefore, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate) and/or that payments made shall first be allocated to repayment of the principal. If a court order under article 1343-5 of the French Civil Code is made, it will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court.

A debtor company may request, in its sole discretion, that the court appoints an ad hoc agent *(mandataire ad hoc)* if it finds itself in financial difficulties but is not yet unable to pay its due debts out of its available assets (in a state of *cessation des paiements*). The ad hoc agent's duties are determined by the court. Such ad hoc agents are usually appointed in order to facilitate the negotiations with creditors but they cannot coerce the creditors to accept any proposals. Ordinance

No. 2014-326 provides that the order appointing the *mandataire ad hoc* shall be notified for information purposes to the debtor auditors (if any).

A company may also initiate, in its sole discretion, a conciliation proceeding, which is another voluntary non-judicial amicable settlement of debts proceeding provided it (i) is not unable to pay its due debts out of its available assets (in a state of *cessation des paiements*) for more than 45 days and (ii) experiences legal, economic or financial difficulties, currently or in the foreseeable future. At the request of the company, the competent court will enter an order appointing a conciliator (*conciliateur*) for a maximum period of four months, renewable at the conciliator's request provided that the total duration does not exceed five months, and whose role is to help the company reach agreement with its creditors for reducing or rescheduling its indebtedness in order to resolve its difficulties. Unlike under the former *règlement amiable*, the conciliator no longer has the power to petition the court to grant an automatic stay of proceedings and claims. The agreement reached by the company with its major creditors can be either acknowledged by the President of the court (*constatation*) or approved (*homologation*) by the court. If the agreement is merely acknowledged, it allows the agreement to become enforceable (by giving it the *force exécutoire*) as against the signatories. Approval of the agreement by the court requires (i) that the company is not in a state of *cessation des paiements* or that such state has ceased by reason of the conclusion of the agreement with the creditors, (ii) that the terms of the agreement allow the company to continue in business and (iii) that the agreement does not negatively affect the rights of the creditors who are not a party thereto. The approval of the agreement makes the proceedings public. In addition, creditors who provide new money or goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity and creditors who extended credit prior to the beginning of the conciliation) will enjoy a priority of payment over all pre-proceeding and post-proceeding claims (except as regards certain post-proceeding employment claims and procedural costs), in the case of subsequent insolvency proceedings (*procédure de sauvegarde, redressement judiciaire* or *liquidation judiciaire*). Besides, Law No. 2016-1547 provides that the creditors committees to be set up in the framework of insolvency proceedings shall not be entitled to impose a rescheduling or a postponement of the debts benefiting from a ''conciliation/new money'' privilege or a waiver on part of such debt without the express approval of the creditors benefiting from the ''conciliation/new money'' privilege.

Ordinance No. 2014-326 has amended the provisions governing the *mandat ad hoc* and conciliation proceedings as follows:

- the conciliator may be entrusted, at the request of the debtor and after consultation of the participating creditors, with the mission of setting up a partial or total sale of the business that could be subsequently implemented in the context of further safeguard, reorganisation or liquidation proceedings, if required. Any offers received in the context of the *mandat ad hoc* or the conciliation may be directly submitted to the court in the context of reorganisation or liquidation proceedings after consultation of the public prosecutor (Article L 642-2 of the French Commercial Code, as amended by Ordinance No. 2014-326);
- where a conciliation agreement has been acknowledged by the President of the court or sanctioned by the court, said President of the court or the court may appoint the conciliator as a representative in charge of the implementation of said agreement;
- the judge having commenced conciliation proceedings may, during the execution period of a conciliation agreement, impose grace periods on creditors having participated in the conciliation proceedings (other than the tax and social security administrations) for their claims that were not dealt with in the conciliation agreement;
- so long as the conciliation agreement is in effect, interest produced by the affected claims can no longer be capitalised;

- the ‘‘new money’’ privilege may also benefit to new financing granted during conciliation proceedings should they end up on a conciliation agreement that is approved by the court; and
- two types of contractual provisions are deemed null and void: (i) any provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors’ rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end and (ii) any provision forcing the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, the fees of the professional advisers whom the creditor shall have retained in connection with these proceedings for the portion exceeding the proportion specified by Decree of July 25, 2014 (which sets the maximum amount of advisory fees that can be borne by debtors at 75% of these fees).

The approval of the agreement, as well as its acknowledgment, suspends any ongoing legal actions against the debtor brought by creditors who are a party to the agreement. A third party which has granted a guarantee *(sûreté personnelle)* can benefit from the provisions of the approved or acknowledged agreement.

Insolvency Proceedings

Safeguard Procedure (procédure de sauvegarde)

The safeguard procedure allows for the establishment of a restructuring plan negotiated with the creditors under court supervision before the company becomes insolvent. It is available only at the request of a debtor company, which is not in a state of *cessation des paiements*, experiencing difficulties that cannot be overcome. Law No. 2016-1547 obliges the Court to recommend the opening of a conciliation instead of a safeguard procedure to the debtor company that is facing financial difficulties, which are however manageable. Pursuant to the opening judgment of the safeguard procedure, both a creditors’ representative (*mandataire judiciaire*), who shall represent the creditors, and a judicial receiver (*administrateur judiciaire*), who shall assist the managers of the company, shall be appointed. Law No. 2015-990 provides that two of such creditors’ representatives or receivers may be appointed if the debtor or the public prosecutor requests so or, subject to certain thresholds being met, at the court’s discretion. The safeguard proceedings are public and include an automatic stay against creditors for up to six months, renewable for an additional six months with court approval and which can be extended to a maximum of 18 months upon request of the public prosecutor. During the safeguard procedure, payments by the debtor of any debts incurred prior to the opening of the procedure are prohibited, subject to limited exceptions. The bankruptcy judge can authorise payments for prior debts in order to discharge a lien on property needed for the continued operation of the business or get back goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*). Debts arising after the commencement of the safeguard procedure will be given priority over debts incurred prior to the commencement of the safeguard procedure if they relate to expenses necessary for the business’s ordinary activities or are for the requirements of the procedure. One of the main features of the safeguard procedure consists in the creation of two creditors’ committees (mandatory for companies employing more than 150 persons or with a turnover exceeding €20 million, optional below such thresholds), one consisting of banks and financial institutions and the other of suppliers, and a general meeting of bondholders in the event the concerned French company would have issued bonds, to which the debtor submits proposals to reach agreement on a recovery plan. The committees must accept or reject proposals for a plan within 20 to 30 days of such proposals. This time limit may be modified at the request of the debtor or the judicial receiver, but cannot be less than 15 days. The plan is approved where members of each committee voting in favour of the plan account for at least two-thirds of the outstanding claims of the creditors expressing a vote. In cases where bonds have been issued by the concerned French company, the plan, if approved by the committees, is then submitted to the general meeting of bondholders (a majority of two-thirds of the outstanding claims of the bondholders expressing a vote). The committees and the general meeting of bondholders, if any, shall vote on the plan within six months from the date of the judgement opening the procedure. The plan submitted to the committees and the bondholders, if any, may include the rescheduling of debts but also the cancellation of debts and debt-for equity swaps. Following approval by the creditors' committees and the general meeting of bondholders, if any, and subject to verification by the court that creditors' interests are adequately preserved, the court can approve the plan, in which case the plan will be binding on dissenting members of the committee although not on creditors who are not members of one of the committees and who are not bondholders.

With respect to creditors who are not members of committees and who are not bondholders, individual agreements will be negotiated. For those individual creditors who have not reached a negotiated agreement, the court can reschedule repayment of their debts over a maximum period of ten years, except for debts with maturity dates of more than ten years, in which case the maturity date will remain the same. The court cannot oblige such creditor to waive part of its claim. The first payment must be made within a year of the judgement adopting the plan (in the third and subsequent year, the amount of each annual installment must be of at least 5% of the total amount of the debt).

The court can also impose a plan if one or both of the committees, or the general meeting of bondholders, does not approve the debtor company's proposed plan, either by failing to act within the specified six-month period or by rejecting it. In such a case, the rules are the same as the one applicable to creditors who are outside committees and who are not bondholders (in particular, the court can only impose a rescheduling of the repayment of the debts over a maximum period of ten years).

Ordinance No. 2014-326 provides that the court will not be able to impose a rescheduling or a postponement of the debts benefiting from a ''new money'' privilege.

At any time during safeguard proceedings, the court may convert such proceedings into reorganisation if the debtor becomes insolvent or at the debtor's request, if the approval of a safeguard plan is obviously impossible and if the company would become insolvent should safeguard proceedings end. Ordinance No. 2014-326 also assigned this prerogative to the judicial receiver, the creditors' representative and to the public prosecutor when a safeguard or reorganisation plan has not been adopted. At any time during safeguard or reorganisation proceedings, the court may convert such proceedings into liquidation proceedings if the debtor is insolvent and its recovery is obviously impossible. However, further to recent decisions from the French Constitutional Court dated December 7, 2012 and March 7, 2014), the constitutionality of the conversion of safeguard proceedings into judicial reorganisation or liquidation proceedings, when it is decided upon the judge's own initiative, may be challenged.

In this respect, Ordinance No. 2014-326 took into consideration the aforementioned decision by removing the provisions authorising the opening of any insolvency proceedings upon the judge's own initiative (i.e., Articles L.621-2, L631.3, L.640-3, L.640-4 and L.640-5 of the French Commercial Code).

However, some of the provisions governing safeguard or reorganisation plan have been amended by Ordinance No. 2014-326 as follows:

- all members of the creditors' committees (for the avoidance of doubt, this excludes the bondholders' assembly) will have the possibility to propose an alternative plan. The committees will be required to vote on the different plans which will each be the subject of a report of the judicial receiver; and

- each member of the creditors' committees must inform the judicial receiver of the existence of any subordination agreement, any agreement restricting or conditioning their vote and any agreement allowing for third party payment of the relevant debt. The judicial administrator shall then submit to the creditor/note holder as proposal for the computation of its voting rights in the creditors committee/bondholders general meeting. In the event of a disagreement, the creditor/note holder or the judicial receiver may request that the matter be decided by the president of the commercial court in summary proceedings.

Accelerated Safeguard (sauvegarde accélérée) and Accelerated Financial Safeguard Procedure (sauvegarde financière accélérée)

Pursuant to Ordinance No. 2014-326, as from July 1, 2014, a debtor facing difficulties that it is not in a position to overcome may request commencement of Accelerated Safeguard proceedings (*procédure de sauvegarde accélérée*) as long as it is subject to ongoing *conciliation* proceedings and provided that it is not insolvent or it has not been insolvent (*en état de cessation des paiements*) for more than 45 days prior to the request for the commencement of conciliation proceedings. The debtor must have prepared a draft safeguard plan (i) ensuring the continuation of its business as a going concern and (ii) supported by enough of the creditors involved in the proceedings to render likely its adoption by a two-thirds majority within a maximum of three months of the commencement of the proceedings.

Such proceedings are available to debtors (i) who published accounts certified by an auditor and meet one of the thresholds set by Decree No. 2014-736 (either (a) more than 20 employees, or (b) a turnover greater than €3 million or (c) whose balance sheet exceeds €1.5 million) or (ii) who published consolidated accounts.

Unlike Accelerated Financial Safeguard (*sauvegarde financière accélérée*), such proceedings also include non-financial creditors and the competent court must approve any restructuring plan within three months of the date on which the Accelerated Safeguard proceedings have been commenced.

Accelerated Safeguard proceedings only apply to creditors involved in said proceedings: the other creditors are not directly impacted by such proceedings; their debts will continue to be due and payable according to their contractual or legal terms.

The list of claims of creditors involved in the *conciliation* proceedings shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims for the purpose of the Accelerated Safeguard proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

The total duration of the Accelerated Safeguard proceedings (i.e., the period between the judgment commencing the Accelerated Safeguard proceedings and the judgment adopting the plan) is three months. If a plan is not adopted by the creditors and approved by the court within such deadline, the court shall terminate the proceedings.

A debtor facing difficulties that it is not in a position to overcome may also request commencement of Accelerated Financial Safeguard proceedings as long as it is subject to ongoing *conciliation* proceedings and provided that it is not insolvent or it has not been insolvent (*en état de cessation des paiements*) for more than 45 days prior to the request for the commencement of conciliation proceedings.

The Accelerated Financial Safeguard procedure has been designed to "fast-track" purely financial difficulties of debtors (i) who published accounts certified by an auditor and meet certain thresholds set by Decree No. 2014-736 (either (a) more than 20 employees, or (b) a turnover greater than €3 million or (c) whose balance sheet exceeds €1.5 million) or (ii) who published consolidated accounts.

The debtor must have prepared a draft safeguard plan (i) ensuring the continuation of its business as a going concern and (ii) supported by enough of its financial creditors (i.e., credit institutions and bondholders) to render likely its adoption by a two-thirds majority of its financial creditors within a maximum of two months of the commencement of the proceedings.

Accelerated Financial Safeguard proceedings apply only to debt owed to financial institutions and bondholders (i.e., debts towards. credit institutions and bond debt) the payment of which is suspended by the plan adopted through the Accelerated Financial Safeguard proceedings, other debts (such as trade debt) continuing to be paid in the ordinary course of business. As to financial creditors, the debtor will be prohibited from paying any amounts in connection with the finance documents that fall due during the observation period. Should interest fall due during the observation period, it may be paid only after the judgment of the Commercial Court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by Accelerated Financial Safeguard proceedings. Their debts will continue to be due and payable according to their contractual or legal terms.

The list of claims of credit institutions and bondholders party to the *conciliation* proceedings shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims for the purpose of the Accelerated Financial Safeguard proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

The total duration of the Accelerated Financial Safeguard proceedings (i.e., the period between the judgment commencing the Accelerated Financial Safeguard proceedings and the judgment adopting the plan) is one month, unless the court decides to extend it by one additional month. If a plan is not adopted by the creditors and approved by the court within such deadlines, the court shall terminate the proceedings.

Judicial Reorganisation (redressement judiciaire)

A judicial reorganisation may be initiated with respect to a company incorporated in France if it cannot pay its due debts out of its available assets (it is in *cessation des paiements*) provided its financial situation is capable of improving.

Such proceedings may be initiated by the company, a creditor or the public prosecutor.

Pursuant to the judicial reorganisation opening judgment, both a creditors' representative (*mandataire judiciaire*) who shall represent the creditors and a judicial receiver (*administrateur judiciaire*) who shall assist the managers of the company shall be appointed. Law No. 2015-990 provides that two of such creditors' representatives or receivers may be appointed if the debtor or the public prosecutor requests so or, subject to certain thresholds being met, at the court's discretion.

The debtor is required to petition for insolvency proceedings within 45 days of becoming in *cessation des paiements* unless it initiated a conciliation procedure within the same period. If it does not, directors and, as the case may be, de facto managers, are subject to civil liability. The court sets the date of *cessation des paiements*. Failing such determination, the date of *cessation des paiements* is deemed to be the date of the court order acknowledging that the company has ceased its payments. However, in the order commencing proceedings or in a subsequent order, a court may set the date of the *cessation des paiements* at an earlier date of up to 18 months prior to the court order acknowledging that the company ceased its payments. Except for fraud, the date of the *cessation des paiements* may not be fixed at an earlier date than the date of the final court decision which approved an amicable settlement (*homologation*) in the context of a conciliation procedure. The date of *cessation des paiements* is important because it marks the beginning of the suspect period. Certain transactions undertaken during the suspect period may become void or voidable.

Judicial reorganisation is intended to allow the debtor company to write down its debts and continue operations. Creditors' committees are established and a plan is prepared in accordance with the rules applicable to the safeguard procedure.

If it appears the debtor is not able to ensure the recovery of its business, a total or partial sale of the business can be ordered by the court, at the request of the judicial receiver. In this case, the sale is conducted by the judicial receiver, if one has been appointed, or the creditors' representative (*mandataire judiciaire*) in accordance with rules applicable to the liquidation procedure.

Pursuant to new article L. 631-19-2 of the French commercial code introduced by Law No. 2015-990, the court is being vested, with the power to impose a share capital increase or a sale of shares on the shareholders of the debtor company, provided the following conditions are met:

- the company shall employ more than 150 persons or be the parent company of a group of companies which employs more than 150 persons
- the liquidation of the company shall result in a serious trouble to the national, regional or local economy and to the local employment area; and
- there shall be no available alternative to the share capital increase or sale of shares as envisioned under the proposed recovery plan.

In this situation, the Court, upon request of the judicial receiver or public prosecutor, may decide, as from the end of a three-month period which has begun as at the opening date of the proceedings, to:

- appoint an ad hoc representative who will have to vote in favour of the share capital increase instead of the opposing shareholders (the amount of such share capital increase shall be equal to the one set forth under the recovery plan); or
- sell some or all the shares held by the opposing shareholders who have at least a blocking minority to the benefit of the persons who has committed to perform the recovery plan. Such persons shall then offer to all shareholders to purchase their shares of the company. The other shareholders would then benefit from a right to withdraw from the company (i.e., sell their shares).

Article L.631-9-1 of the French Commercial Code entitles the judicial receiver to claim for the appointment of an ad hoc representative before the Court in the event the net equity of the debtor company has not been restored in accordance with Article L.626-3 of the French Commercial Code (i.e. convening of a shareholders meeting to vote on increase or decrease of the share capital and/or amendments of the Bylaws, it being specified that if the net equity is less than half the amount of the share capital, the shareholders shall first restore such net equity). This court-appointed ad hoc representative will be in charge of convening a shareholders' meeting and vote in favor of the restoration of the net equity in lieu of the shareholders, for the amount that he/she will be necessary.

Judicial Liquidation (liquidation judiciaire)

Such proceedings may be initiated by the company, a creditor or the public prosecutor.

Pursuant to the opening judgment of the judicial liquidation proceedings, a liquidator (''liquidateur'') shall be appointed. Law No. 2015-990 provides that two of such judicial liquidators may be appointed by the court subject to certain thresholds being met. Judicial liquidation would be applicable to any debtor company (i) that has ceased payments; (ii) that the court deems the recovery is obviously impossible. Debtors are required to file for liquidation within 45 days of ceasing payments if they do not request conciliation or judicial reorganisation. In judicial liquidation, the sole remedy is a sale of the company, either in whole or in part.

As a result of French Constitutional Court decisions (December 7, 2012 n°2012 286 QPC; March 7, 2014, n° 2013 368 QPC; March 7, 2014, n° 2013 372 QPC; June 6, 2014, n°2014-399), the French Commercial Code was amended by Ordinance No. 2014-326 and Ordinance No. 2014-1088. Pursuant to these ordinances, the Court can no longer rule at its own initiative (i) the commencement of judicial reorganisation proceedings, (ii) the commencement of judicial liquidation proceedings, (iii) the termination of the safeguard plan and subsequent commencement of reorganisation or judicial liquidation proceedings, (iv) the conversion of safeguard proceedings into judicial reorganisation proceedings, or (v) the re-opening of liquidation proceedings after they were closed due to an insufficiency of assets (*insuffisance d'actif*).

Void and Voidable Transactions

Void transactions include transactions or payments entered into during the suspect period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the company significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business, security granted for debts previously incurred, any provisional measures, unless the writ of attachment or seizure predates the date of *cessation des paiements,* any operations relating to stock options, any fiduciary transfers (unless the transfer is made as a security for an indebtedness entered into simultaneously) and modifications to existing fiduciary transfers securing previous debts and any declaration of non-seizability (*déclaration d'insaisissabilité*) that occurred during the suspect period.

Voidable transactions include transactions or payments for debts due made from the date of *cessation des paiements*, if the party dealing with the company knew that it was in a state of *cessation des paiements*. Transactions relating to the transfer of assets for no consideration are also voidable when realised during the six-month period prior to the beginning of the suspect period.

Status of Creditors

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of the proceedings must file a claim with the creditors' representative within two months of the publication of the court order in the *Bulletin Officiel des Annonces Civiles et Commerciales*; this period is extended to four months for creditors domiciled outside France. In certain circumstances, other time limits apply. Creditors who have not submitted their claims during the relevant period are barred from receiving distributions made in connection with the proceedings and their unasserted claims are extinguished. Employees are not subject to such limits and are preferential creditors under French law.

In Accelerated Financial Safeguard proceedings, as well as in Accelerated Safeguard, the debts held by financial creditors that took part in the conciliation negotiation are listed by the debtor and certified by its statutory auditor (or, in its absence, its accountant). Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth on the list prepared by the debtor (within the two or four months' time limit). Those creditors who did not take part in the conciliation proceeding would have to file their proofs of claim within the aforementioned legal time limit. In Accelerated Financial Safeguard, debts owed to creditors other than banks, financial institutions or bondholders should be paid in the ordinary course. Furthermore, pursuant to Ordinance No. 2014-326, where the debtor has reported a claim to the creditors' representative, it is presumed to have acted on behalf of the relevant creditor. The creditors are nevertheless recommended to file a proof of claim, in particular if they disagree with the amount reported by the debtor and/or the guarantees attached to their claim.

From the date of the court order commencing the insolvency proceedings (*sauvegarde*, *redressement* or *liquidation judiciaire* procedures), the company is prohibited from paying debts outstanding prior to that date, subject to specified exceptions, which essentially concern the set-off of interrelated debts and payments made to recover assets for which recovery is justified by the continued operation of the business provided that such payments are authorised by the court. During this period, creditors may not pursue any legal action against the company with respect to any claim arising prior to the court order commencing the proceedings if the objective of such legal action is:

(a) to obtain an order for or payment of a sum of money by the company to the creditor (however, the creditor may require that a court fix the amount due); or

(b) to terminate a contract for non-payment of amounts owed by the company; or to enforce the creditor's rights against any assets of the company.

Contractual provisions that would accelerate the payment of the company's obligations upon the occurrence of (i) the opening of safeguard or judicial reorganisation proceedings or (ii) a state of *cessation des paiements*, are not enforceable under French law. The opening of liquidation proceedings, however, automatically accelerates the maturity of the company's obligations. If, however, the court authorises the company to continue its activity because a sale of all or part of the business is feasible, the company's obligations which have not yet arrived at maturity shall only mature as at the date of the judgement ordering such sale.

In addition, during the observation period:

- accrual of interest is suspended (except in respect of loans providing for a term of at least one year, or contracts providing for a payment which is differed by at least one year);
- the debtor is prohibited from paying debts incurred prior to the date of the court decision commencing the proceedings, subject to specified exceptions which essentially cover the set-off of related (connexes) debts and payments authorised by the insolvency judge to recover assets for which recovery is justified by the continued operation of the business;
- creditors may not pursue any individual legal action against the debtor (or, in safeguard proceedings, against a guarantor of the debt provided such guarantor is an individual) with respect to any claim arising prior to the court decision commencing the proceedings if the objective of such legal action is:
  - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due);

- to terminate a contract for non-payment of pre-petition amounts owed to the creditor; or
- to enforce the creditor's rights against any assets of the debtor, except where such asset — whether tangible or intangible, moveable or immoveable — is located in another member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency procedure, in accordance with the terms of article 5 of EC Regulations 1346/2000.

Ordinance No. 2014-326 provides that all interest resulting from loan contracts having a duration of one year or more, or contracts having a deferred payment of one year or more, can no longer be capitalised as of the opening judgment.

In the current Accelerated Financial Safeguard, proceedings, as well as in the Accelerated Safeguard, the above rules only apply to the creditors that took part in the conciliation proceedings.

The judicial receiver may elect to terminate or continue ongoing contracts (*contrats en cours*) provided that the company fully performs its post-petition contractual obligations. The requirement of immediate cash payment for services rendered pursuant to an ongoing contract, absent consent to other terms of payment, will only continue to apply in the context of reorganisation or liquidation proceedings.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, officials appointed by the insolvency court, creditors who, as part of a sanctioned conciliation agreement, have provided new money or goods or services (the ''new money privilege''), certain pre-petition secured creditors in judicial liquidation proceedings only, post-petition creditors, the French State (taxes and social charges), other pre-petition secured creditors and pre-petition unsecured creditors.

Notwithstanding the above, the opening of collective insolvency proceedings may trigger further consequences pursuant to Ordinance No. 2014-326:

- the opening judgment renders due and payable all unpaid capital of the debtor and the creditors' representative (*mandataire judiciaire*) may demand that a shareholder to pay its portion of the unpaid capital; or

if the court gives a mandate to the judicial receiver to convene any shareholder meeting to adopt any modifications required by the safeguard plan, the court can order that upon the first convening, the decisions will be adopted by a majority of the shareholders present or represented at the meeting as long as such shareholders own at least half of the shares with voting rights.

Limitations on the Validity and Enforceability of Guarantees

The grant of a guarantee by a French company for the obligations of another group company must be for the corporate benefit of the granting company.

The question of corporate benefit must be determined on a case-by-case basis and consideration has to be given to any direct and/or indirect (group) benefit that the company would derive from the transaction. When the benefit is not a direct one, French case law, which is however not clearly settled, has set a number of criteria to uphold a ''group exemption'', which may summarised as follows (i) the group must have a ''group policy'', (ii) the guarantee must be for a reasonable consideration, (iii) the guarantee must maintain a balance between the financial commitments of the concerned affiliates and (iv) the financial support granted by the company should not exceed its financial capabilities.

If the corporate benefit requirement is not met, the directors and/or shareholders of the company may be held liable for breach of their fiduciary duties, and, under certain circumstances, the guarantee could be declared null and void.

In order to enable French subsidiaries to grant a guarantee in respect of liabilities of a direct or indirect parent or sister company without the risk of being in breach of French rules on corporate benefit, it is standard market practice for indentures, credit agreements and guarantees to contain so-called ''limitation language'' in relation to subsidiaries incorporated or established in France. Accordingly, the indenture that will govern the notes will contain such limitation language and the guarantees of the French guarantors will be so limited.

Germany

Certain Insolvency Considerations

Certain guarantors are incorporated in Germany and have their centre of main interest in Germany (such guarantors, the ''German guarantors''). Consequently, in the event of an insolvency of any such German guarantor, insolvency proceedings may be initiated in Germany. Such proceedings would then be governed by German law.

Under German law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) or illiquidity (*Zahlungsunfähigkeit*) of the debtor. After the occurrence of either over-indebtedness or illiquidity, a managing director of a German legal entity or a German partnership with, directly or indirectly, no natural person as fully liable partner is obligated to file for insolvency proceedings immediately (with the possibility that if it is more likely than not to cure the over-indebtedness or illiquidity within three weeks, this period may be used for the cure). The debtor is over-indebted if its liabilities exceed the market value of its assets, but, the debtor is in any case not over-indebted in terms of German insolvency law if its continuation as a going concern is more likely than its liquidation based on a two-year forecast horizon. The debtor is illiquid if it is unable to pay 10% or more of its debts as and when they fall due for a period longer than three weeks. In addition, the debtor can (but is not obligated to) file for insolvency proceedings if it is imminently at risk to be unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*). The insolvency proceedings are court-controlled and the court opens the insolvency proceedings if certain formal requirements are met and if there are sufficient assets to cover at least the costs of the proceedings. To determine if that is the case, a preliminary insolvency proceeding is initiated and a preliminary insolvency administrator (V*orläufiger Insolvenzverwalter*) (or preliminary supervising trustee (*Vorläufiger Sachwalter*), in the case of preliminary debtor-in-possession proceeding (*Vorläufige Eigenverwaltung*)) is appointed. If the assets of the debtor are not expected to be sufficient, the insolvency court will open main insolvency proceedings only if third parties, (e.g. creditors) advance the costs themselves. In the absence of such third party advancement of funds, the petition for opening of insolvency proceedings will usually be rejected due to lack of sufficient assets (*Abweisung mangels Masse*). If insolvency proceedings are commenced, the court appoints an insolvency administrator who has full power to dispose of the debtor's assets which constitute the estate, whereas the debtor is no longer entitled to dispose of those assets. Alternatively, the court can, upon request, authorise the debtor to administer and dispose of the insolvency estate under the supervision of a custodian (*Eigenverwaltung unter Aufsicht eines Sachwalters*). If, as part of the preliminary proceeding, a preliminary creditors' committee (*Vorläufiger Gläubigerausschuss*) has been constituted, the court may only appoint an administrator against the unanimous recommendation of the preliminary creditors' committee if the recommended administrator is unsuited to fulfil the duties of an administrator. In addition, the first creditors' assembly (*Gläubigerversammlung*) can change the administrator by vote.

Any person that has a right for segregation of assets (*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 (with some exceptions, e.g., for security rights in real estate) brought against the debtor by any of its creditors other than certain creditors with preferred claims (*Absonderung der Masseverbindlichkeit*) is subject to an automatic stay once insolvency proceedings have been opened. Secured creditors are generally not entitled to enforce their security interests outside the insolvency proceedings. However, secured creditors have certain preferential rights. The enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets and (ii) realising the secured assets (*Verwertungskosten*) are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts are distributed among the secured creditors to the extent they have not realised their claim by preferred liquidation and unsecured creditors. If the German guarantors grant security to creditors other than the holders of the notes over their assets, such security may result in a preferred treatment of creditors secured by such security. The proceeds resulting from such collateral may not be sufficient to satisfy the holders of the notes under the guarantees granted by the German guarantors after such secured creditors have been satisfied. 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 requires the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules.

Hardening Periods and Fraudulent Transfer

In the event of insolvency proceedings with respect to a German guarantor, which would most likely be based on and governed by the insolvency laws of Germany, the guarantee provided by that entity could be subject to potential challenges (*Anfechtung*) by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Based on these rules, an insolvency administrator may challenge (*anfechten*) acts (*Rechtshandlungen*) and transactions (*Rechtsgeschäfte*) that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the notes as well as granting them any security interest or a guarantee. The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the filing of the petition for commencement of insolvency proceedings. In the event such a transaction is successfully avoided, the holders of the notes would be under an obligation to repay the amounts received to the insolvency estate or to waive the 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, as recently amended by the act to improve legal certainty with respect to avoidance claims under the German Insolvency Code and the German Code on Avoidance (*Gesetz zur Verbesserung der*

Rechtssicherheit bei Anfechtungen nach der Insolvenzordnung und dem Anfechtungsgesetz) which became effective on 5 April 2017:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security (*Sicherung*) or satisfaction (*Befriedigung*) (i) if such act was performed during the last three months prior to the filing of the petition for the commencement of the insolvency proceedings and the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor had knowledge of such illiquidity at such time, or (ii) if such act was performed after the filing of the petition for the commencement of the insolvency proceedings and the creditor had knowledge of the illiquidity of the debtor or the filing of such petition (awareness of other circumstances leading inevitably to the conclusion of illiquidity or the filing of an insolvency petition will be deemed equivalent to the actual awareness of the illiquidity or of the filed petition);

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security (*Sicherung*) or satisfaction (*Befriedigung*) 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 performed during the last month prior to the filing of the petition for the commencement of the insolvency proceedings or after such filing, (ii) such act was performed 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 performed during the second or third month prior to the filing of the petition for the commencement of the insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (awareness of other circumstances leading inevitably to the disadvantageous treatment of insolvency creditors will be deemed equivalent to the actual awareness of such disadvantage);

- any transaction 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 the debtor is obtained or becomes enforceable, if (i) it was entered into during the three months prior to the filing of the petition of the commencement of the insolvency proceedings, the debtor was illiquid at the time of such transaction and the counterparty to such transaction had knowledge of the illiquidity at such time or (ii) it was entered into after such filing and the counterparty to such transaction had knowledge of either the debtor's illiquidity or such filing at the time of the transaction;

- any act by the debtor without (adequate) consideration (e.g., whereby a debtor grants security for a third-party debt, which might be regarded as having been granted gratuitously (*unentgeltlich*)), if it was effected in the four years prior to the filing of the petition for the commencement of insolvency proceedings;

- any act performed by the debtor (i) during the ten years prior to the filing of the petition for the commencement of insolvency proceedings or at any time after the filing with the intent to prejudice the insolvency creditors and the other party knew of such intention at the time of such act, with such knowledge being presumed if the beneficiary knew that the debtor's illiquidity was imminent and that the transaction disadvantaged the other creditors (except for acts granting an insolvency creditor, or enabling an insolvency creditor, to obtain security or satisfaction to which such creditor was entitled, in which case such knowledge (solely) being presumed if such creditor knew that the debtor was illiquid and that the transaction disadvantaged the other creditors), (ii) except for such acts granting an insolvency creditor, or enabling an insolvency creditor, to obtain security (*Sicherung*) or satisfaction (*Befriedigung*) (whether or not it was granted or obtained in a form or at a time to which or at which such creditor was entitled to such security or satisfaction), which may only be avoided if they were effected in the four years prior to the filing of the petition for the commencement of insolvency proceedings or at a time after the filing;

- any non-gratuitous contract concluded between the debtor and a related party of the debtor that directly causes detriment to creditors, 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; and
- any act that provides security (*Sicherung*) or satisfaction (*Befriedigung*) for a shareholder loan (*Gesellschafterdarlehen*) made to the debtor or an economically similar claim if (i) in the case of the provision of security, the act occurred during the ten years prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition, or (ii) in the case of satisfaction, the act occurred during the last year prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition. It being understood, that the regulation for shareholder loans does not apply (i) to shareholders which own 10% or less of the shares or interest and are not engaged in management and (ii) until the successful restructuring of the debtor in case a creditor for the first time acquires shares during over-indebtedness, illiquidity or imminent illiquidity for the purpose of restructuring the debtor.
- any act whereby the debtor grants satisfaction for a loan claim or an economically similar claim to a third party if (i) the transaction was effected in the last year prior to the filing of a petition for opening of insolvency proceedings or thereafter, and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Garant*) or surety (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, ''knowledge'' generally is 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 debts generally as they fell due, that a petition for the commencement 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. With respect to a ''related party'', there is a general statutory presumption that such party had ''knowledge''. The term ''related party'' includes, subject to certain limitations, in the case of debtors that are corporate persons, members of the management or supervisory 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 persons that are spouses, relatives or members of the household of any of the foregoing persons.

If any of the guarantees granted by any of the German guarantors were avoided or held unenforceable for any reason, you would cease to have any claim in respect thereof. Any amounts received from a transaction that has been avoided would have to be repaid to the insolvent estate.

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 avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*).

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 Court of Justice (*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 restructuring laws may be subject to further amendments in near future due to the current EU Commission's proposal as of November 22, 2016 for a directive of the European Parliament and of the Council on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures and amending Directive 2012/30/EU which may, *inter alia*, stipulate that the claims under the notes can be modified by majority vote and against the voting of a creditor even outside formal insolvency proceedings.

Limitations on the Validity and Enforceability of Guarantees

The German guarantors are incorporated in the form of a German limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) or have a partner which is a GmbH. Consequently, the guarantees and the grant of collateral by them is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaft mit beschränkter Haftung,* ''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 shareholders to the extent that the amount of the GmbH's net assets (*i.e.*, assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*). The granting of guarantees, share pledges and other security by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company may be considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant guarantees and to create security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called ''limitation language'' in relation to subsidiaries in the legal form of a GmbH, a trade partnership (*offene Handelsgesellschaft*) with a GmbH as a partner (GmbH & Co. oHG) or a limited liability partnership (*Kommanditgesellschaft*) with a GmbH as its sole general partner (*Komplementär*) (GmbH & Co. KG) incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees and security interests agree, subject to certain exemptions, to require payments under the guarantee or, as the case may be, enforce the security interests against the German subsidiary only to the extent that such payment or, as the case may be, enforcement does not result in the GmbH's (or, in case of a GmbH & Co. KG or GmbH & Co oHG, its Gmb partner's) net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Indenture, security documents and other relevant documents relating to the guarantees and the collateral provided by the Issuer and the German guarantors or other German security providers will contain such limitation language and the relevant guarantees and collateral will be limited in the manner described. This could lead to a situation in which the respective security granted by a GmbH, a GmbH & Co. oHG or GmbH & Co KG cannot be enforced at all.

German capital maintenance rules are subject to ongoing court decisions. Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, a GmbH & Co. oHG or a GmbH & Co. KG, which can negatively affect the ability 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.

The beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the guarantee or security could moreover become personally liable under exceptional circumstances. The German Federal Court of Justice (*Bundesgerichtshof*) ruled that this could be the case if for example the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *contra bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee or security is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. Under such circumstances, the granted security interests and/or guarantees may also be invalid.

Furthermore, it cannot be ruled out that the case law of the German Federal Court of Justice (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (*i.e.*, a situation where a shareholder deprives a German limited liability company 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 granted by a German (direct or indirect) subsidiary of the Issuer. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero. Moreover, according to a decision of the German Federal Court of Justice (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the stressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of the guarantees and/or the collateral by the German guarantors.

In addition, enforcement of the guarantees and security interests granted by subsidiaries of the Issuer may be limited under its respective terms to the extent that it would lead to the illiquidity (*Zahlungsunfähigkeit*) of the Issuer granting such guarantee or security interest.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. In as far as the production of evidence is concerned, U.S. 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 equivalent pre-trial discovery process exists under German law.

If the party in whose favor a 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 such party 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.

Hong Kong

Certain Insolvency Considerations

Insolvency proceedings with respect to a guarantor incorporated under the laws of Hong Kong may be commenced in Hong Kong and, if so, will be based on Hong Kong insolvency law. Under certain circumstances, insolvency proceedings may also be opened in Hong Kong in accordance with Hong Kong law with respect to a company that is not incorporated under Hong Kong law (for example, if such company is registered as a non-Hong Kong company with the Companies Registry in Hong Kong or has (among other things) a sufficient connection with Hong Kong).

Formal insolvency proceedings under the laws of Hong Kong may be initiated in a number of ways, including by the company resolving to do so or by a creditor of the company filing a petition to wind up the company.

Liquidation is a company dissolution procedure under which the assets of a company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong). At the end of the liquidation process the company may be dissolved.

In the event of a liquidation under Hong Kong insolvency law, assets securing indebtedness may only be used to satisfy the liabilities of the company in liquidation to its unsecured creditors after payment of the indebtedness in respect of which the relevant security has been provided and after payment of all claims entitled to priority under Hong Kong insolvency law. Currently, these debts entitled to priority may include, among others, (a) certain amounts owed to the Government, and (b) certain amounts owed to employees, in each case, which also have priority ahead of a floating charge. Further, all expenses (including the liquidator's remuneration) properly incurred in a winding up are also payable out of the company's assets in priority to all other claims.

Any interest accruing under or with respect to amounts due under the guarantee provided by the company being liquidated under Hong Kong insolvency law with respect to any period after the commencement of liquidation proceedings would only be recoverable by the holders of the notes (pari with other creditors) from any surplus remaining after payment of all other debts proved in the proceedings and accrued and unpaid interest up to the date of the commencement of the proceedings.

Under Hong Kong insolvency law, any payment or other act relating to property made or done by a company within six months or two years in the event of transactions entered into with an ''associate'' (as defined in the Bankruptcy Ordinance (Cap. 6 of the laws of Hong Kong)) before the commencement of its winding up is invalid if the insolvent company in making that payment or doing that act did so with a view to giving a creditor an unfair preference, which will be presumed if the parties are ''associates''. Further, a transaction may be set aside by the court under Hong Kong law if it amounts to a disposition of property with the ''intent to defraud creditors''. A liquidator, creditor or other person thereby prejudiced may apply to the court for relief.

A floating charge on the undertaking or property of a company may be invalid if created in the period of twelve months ending with the presentation of a winding up petition of the company, unless it is proved that the company immediately after the creation of the charge was solvent, except to the extent of any cash paid to the company at the time of or subsequently to the creation of, and in consideration for, the charge (together with interest on such amount at the rate specified in the charge or at the rate of 12% per annum, whichever is less).

Limitations on the Validity and Enforceability of Guarantees

There is doubt as to the enforceability in Hong Kong in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon federal securities laws of the United States or the securities laws of any State or territory within the United States.

The United States and Hong Kong have not entered into any bilateral reciprocal enforcement agreement providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. A final judgment for the payment of money rendered by any federal or state court of the United States would not be automatically enforceable in Hong Kong.

Mexico

Certain Insolvency Considerations

In the event of insolvency of a Mexican guarantor, the relevant insolvency proceedings may be initiated in Mexico. Such proceedings will be governed by Mexican law. The insolvency laws of Mexico may not be as favourable to your interests — or may even preclude your interests as creditors — as the insolvency laws of other jurisdictions, including in respect of priority of creditors, enforceability, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to the extent exceeding the limitations arising under other insolvency laws.

The Mexican Insolvency Law (*Ley de Concursos Mercantiles*) contemplates a single proceeding for reorganisation (*concurso mercantil*) and bankruptcy (*quiebra*) with two successive stages: the first stage, known as the ''mediation'' stage (*etapa de conciliación*), is compulsory and is designed to reorganise the insolvent entity; and the second stage, known as the ''bankruptcy'' stage (*etapa de quiebra*), provides for the bankruptcy and liquidation of the insolvent entity. In limited cases (as described below), the creditors or the petitioner may decide to skip the first stage and begin the proceeding directly as a bankruptcy.

The mediation stage commences on the date the insolvency judgment is rendered and concludes on the date that is 185 calendar days after the last date of publication of such insolvency judgment in the Federal Official Gazzette (*Diario Oficial de la Federación*; the ''DOF''); *provided*, that if a reorganization agreement with creditors is not executed before the expiration of such 185 day period, (i) such mediation stage may be extended 90 calendar days at the request of the mediator *or* with the consent of those recognized creditors holding title to at least 50% of all aggregate recognized claims, and (ii) such term may be further extended for an additional 90 calendar days at the request of the insolvent entity *and* those recognized creditors holding title to 75% of all aggregate recognized claims, for a maximum term of 365 calendar days, whenever they consider that the execution of the reorganization agreement is forthcoming. If a valid reorganization agreement has not been reached upon the conclusion of such periods, the insolvent entity will be automatically declared in bankruptcy, without the need for a ruling (the judge shall only have the authority to certify the termination of the term, but may not issue a ruling concerning the termination of the mediation stage). The corresponding insolvency court may terminate the mediation stage at any time if either the insolvent entity or its creditors are unwilling or unable to reach an agreement.

In Mexico, a person will be declared insolvent when it generally fails to pay its obligations with two or more creditors as and when they become due. Insolvency of a person will be adjudicated upon the request of the insolvent entity, the Mexican attorney general's office or any creditor of the insolvent entity when, on the date of filing of the insolvency petition: (i) such delinquent obligations that have been delinquent for more than 30 days represent 35% or more of all its outstanding obligations; and/or (ii) the insolvent entity does not have sufficient liquid assets (namely, cash and cash equivalents, such as bank deposits and account receivables with a maturity of no more than 90 calendar days, or securities that may be sold within 30 banking days, in each case, from the date of filing of the insolvency request) to pay at least 80% of its due and payable obligations on the date of filing of the insolvency request. If the insolvency request is filed voluntarily by the insolvent entity, only one of the conditions described in items (i) and (ii) above would have to be satisfied. If the attorney general's office or any creditor of the insolvent entity files the insolvency request, both conditions described in items (i) and (ii) above would have to be satisfied. An insolvency presumption will exist with respect to any person or entity when, *inter alia*, (a) its assets for attachment in aid of execution of a judgment or claim are insufficient to satisfy such judgement; or (b) it has failed to pay two or more creditors; or (c) it has participated in fraudulent or fictitious acts to avoid payment to creditors.

In addition, the Insolvency Law allows for a company to file an insolvency petition by declaring under oath that a state of insolvency under items (i) or (ii) above is imminent (*i.e.*, that the company will unavoidably meet any of the conditions described therein within the 90 calendar days following such insolvency request), without complying with such conditions at the time the filing is made.

Upon filing of a petition for a judgment declaring insolvency, the court will instruct the Federal Institute of Insolvency Specialists (*Instituto Federal de Especialistas de Concursos Mercantiles*) to appoint an inspector (*visitador*) to visit the entity presumed to be insolvent and to inform the tax authorities. The inspector will review accounting and financial records and will then issue an opinion regarding the commercial entity's insolvency, which will enable the court to issue a judicial resolution declaring the legal insolvency of such person. Following the issuance of such insolvency judgement, the Federal Institute of Insolvency Specialists will designate and appoint a mediator (*conciliador*) who will facilitate the negotiations between the insolvent entity and its creditors in order to reach a creditors' reorganization agreement. The issuance of the insolvency judgment and the appointment of the mediator will initiate the ''mediation'' stage of the insolvency proceeding. The insolvency proceeding in Mexico is at all times court controlled, and upon receipt of an insolvency petition, the insolvency court may take preliminary measures (*providencias precautorias*) to safeguard the property of the insolvent entity.

As from the date a petition for insolvency is filed, the insolvent entity may request authorisation from the judge to receive emergency loans for the management of the estate of the insolvent entity or that is indispensable to maintain the operation of the company and to ensure there is enough liquidity during the insolvency proceeding. The judge may authorise these loans and may even authorise the granting of security interests in connection thereto. It should be noted that these loans are senior to secured and unsecured loans assumed before the insolvency petition.

During the ''mediation'' stage, the insolvent entity and those creditors that have been recognised within the insolvency proceeding as creditors of the insolvent entity would negotiate a reorganization agreement with respect to the payment of the outstanding obligations of the insolvent entity. In order for such creditors' reorganization agreement to become effective and binding, it must be entered into between the insolvent entity and those recognised creditors holding title to more than 50% of the sum of (i) the amount of all unsecured claims of all unsecured recognised creditors and subordinated creditors of the insolvent entity, plus (ii) the amount of all secured claims of those secured recognised creditors that enter into such creditors' reorganization agreement.

In the event the insolvent entity has recognised qualified subordinated creditors (essentially related parties of the insolvent entity) that represent at least 25% or more of the total amount of recognized claims, then such subordinated claims will not be taken into account for the voting requirements described above. The above shall not apply in the event the recognised subordinated creditors agree to the reorganisation accepted by the rest of the recognised creditors, in which case, the percentages provided in the foregoing paragraph apply.

The creditors' reorganization agreement would then have to be approved by the insolvency court. A secured claim under the Mexican Insolvency Law is considered to be a claim secured under a pledge or a mortgage or otherwise benefiting from any other form of statutory privilege or priority of payment. The concept of *subordinated creditor* was recently introduced to the Mexican insolvency law. Subordinated creditor means (i) any creditor that agreed to subordinate their debt below unsecured creditors; and (ii) certain related party that have unsecured credit against the Mexican guarantor.

Notwithstanding the aforementioned voting requirements, the Mexican Insolvency Law provides the possibility for partial cram-downs to be imposed as a result of a reorganization agreement. For such purposes, a reorganization agreement will only become binding on those unsecured recognized creditors that did not enter into such agreement to the extent that any cram-down, standstill, or any combination thereof imposed on such unsecured recognized creditors is at least equal to a lesser cram-down, longer standstill, or combination thereof, applicable to those unsecured recognized creditors that did enter into the reorganization agreement and that represent at least 30% of total amount of unsecured recognized claims.

The reorganization agreement is final and binding once voted by the creditors pursuant to the thresholds described above. The reorganization agreement may be subject to amendments only if circumstances which materially affect the possibility of complying with such agreement occur and a motion is filed before the judge that held jurisdiction over the original insolvency proceeding.

For purposes of determining the amount of all claims against the insolvent entity, (i) all unsecured peso denominated indebtedness will be converted into *Unidades de Inversión* (''UDIs''), and interest thereon will cease to accrue on such indebtedness; (ii) all unsecured indebtedness denominated in foreign currency will be converted into Mexican pesos and subsequently into UDIs, and interest thereon will cease to accrue on such indebtedness; and (iii) all secured indebtedness will be maintained in the agreed currency, and ordinary (but not default) interest thereon will continue to accrue on such indebtedness up to an amount equivalent to the value of the applicable collateral.

Secured recognised creditors that do not become a party to the creditors' reorganization agreement may commence or continue foreclosure of their respective collateral; unless, the creditors' agreement contemplates the payment of their respective claims or the payment of the price of the properties constituting such collateral. In this case, any credit excess with respect to the value of such properties would be deemed an unsecured claim for purposes of the insolvency proceeding.

In order to expedite an insolvency proceeding, the insolvent entity may file a proceeding with a reorganization plan, pre-agreed upon with its creditors that represent at least a simple majority of all outstanding indebtedness. Consequently, the mediation stage of the proceeding would be limited to the definitive approval of the plan pursuant to the voting requirements described above.

The insolvency court would be required to issue a judgment declaring the bankruptcy of the insolvent entity: (i) at the request of the insolvent entity (or its creditors but only to the extent that the insolvent entity confesses judgement (*se allane*) in the petition of the insolvency judgement); or (ii) at the expiration of the ''mediation stage'' without the filing of an approved creditors' reorganization agreement before the insolvency court or (iii) under certain circumstances at the request of the mediator.

Upon such declaration of bankruptcy, the insolvency court would instruct the Federal Institute of Insolvency Specialists (*Instituto Federal de Especialistas de Concursos Mercantiles*) to designate and appoint a receiver (*síndico*) that would be charged with the management of the insolvent entity until its liquidation. The receiver would carry out the liquidation of the insolvent entity through the sale of its assets, in accordance with certain pre-set rules and conditions. The proceeds obtained from the liquidation of the assets of the insolvent entity would be applied by the receiver to make payments to creditors in the following order of priority:

i. *first*, payment of labour claims for salaries and severance for the calendar year immediately preceding the insolvency judgment;

ii. *second*, claims derived from financing incurred for the management of the estate of the insolvent entity or financing that is indispensable to maintain the ordinary operations of the company and the necessary liquidity during the insolvency proceeding, in each case, as approved by the Mediator and by the court;

iii. *third*, payment of liabilities and obligations of the estate of the insolvent entity (i.e., management costs, fees and expenses incurred after the insolvency judgement is issued);

iv. *fourth*, payment of costs and expenses derived from judicial and extrajudicial proceedings for the benefit of the insolvency estate;

v. *fifth*, payment to secured creditors as described below (including costs and expenses relating to foreclosure and the enforcement of their respective rights, litigation expenses for the defense or recovery of the collateral and necessary expenses for the refurbishment, conservation and disposal of such collateral), but only to the extent of the value of their respective collateral;

vi. *sixth*, payment of labour claims (different than those described in numeral (i) above) and tax claims;

vii. *seventh*, payments to other creditors that qualify as ''privileged'' under Mexican commercial laws (e.g., creditors that are entitled to retain an asset until payment is made), but only to the extent of the value of the respective privilege;

viii. *eighth*, payments to unsecured creditors; and

ix. *ninth*, payments to (a) subordinated creditors and (b) creditors that are related parties of the insolvent company.

Notwithstanding the foregoing, claims of secured creditors would be paid on a ''super-priority'' basis up to the amount of the respective collateral, and only the following claims would have priority over the amount of such collateral:

1. *first,* labor claims for salaries and severance for the calendar year preceding the issuance of the insolvency judgment;

2. *second,* litigation expenses related for the defense or recovery of secured assets; and

3. *third,* necessary expenses for the repair, maintenance and disposition of the secured assets

Generally, the issuance of an insolvency judgment may affect the enforceability of the guarantees granted by the Mexican guarantors. On the date of an insolvency judgment issued against any of the Mexican guarantors, the obligations of such Mexican guarantor under the notes (i) would be subject to the outcome of, and priorities recognised in, the Mexican insolvency law, (ii) would cease to accrue interest from the date a reorganisation proceeding is declared and would be converted to UDIs (as described above), and (iii) would be subject to certain statutory preferences including tax, social security and labour claims (as described above).

Limitations on the Validity and Enforceability of Guarantees

In the event a Mexican guarantor becomes subject to an insolvency proceeding, the relevant guarantee may be deemed to have been a fraudulent transfer and rendered null and void. As a general rule, the insolvency judgment will become effective retroactively on the date that is 270 calendar days prior to the date of the applicable insolvency judgment (for the purposes of this description, the ''Effective Date''). The Effective Date may be extended if (i) the mediator, the receiver or any creditor describes a series of acts that may be deemed fraudulent and therefore requests such extension, which may not exceed 3 years; or (ii) regarding acts involving related parties, the insolvency judgment will become effective 540 days prior to such acts.

Under the Mexican Insolvency Law, all actions of the insolvent entity to defraud its creditors will be null and void. Any action consummated by a Mexican guarantor prior to the date of an insolvency judgement will be deemed fraudulent when the Mexican guarantor is knowingly defrauding its creditors, and the third party participating in any such action had actual knowledge of such fraudulent intent. If the action is gratuitous, the action will be deemed fraudulent even if the third party had no actual knowledge of the fraudulent intent.

Any action consummated by a Mexican guarantor at any time after the Effective Date, (i) will be deemed fraudulent when, *inter alia*, (a) the Mexican guarantor receives no consideration, or the consideration received or paid by the Mexican guarantor, or the terms and conditions of the transaction, are clearly or materially below market, or (b) the Mexican guarantor makes a payment of indebtedness not yet due, or forgives debt owed to it; and (ii) will be presumed fraudulent, unless the interested third party proves that it was acting in good faith, when (a) the Mexican guarantor grants or increases collateral that was not originally contemplated and (b) the Mexican guarantor makes any payments in-kind not originally contemplated. In addition, certain transactions among related parties will also be deemed fraudulent.

In addition, most civil codes of the different states in Mexico, contain fraudulent conveyance provisions pursuant to which a court may set aside the obligations of Mexican guarantors under any collateral documents even outside of an insolvency proceeding when the Mexican guarantor unduly gave a priority to one creditor over its former creditors.

Other Mexican Law Considerations

In the event that proceedings are brought against a Mexican guarantor in Mexico, either to enforce a judgment or as a result of an original action brought before Mexican courts, or if payment is otherwise claimed from a Mexican guarantor in Mexico, the Mexican guarantor would not be required to discharge those obligations in a currency other than Mexican currency. Under the Monetary Law of the United Mexican States (*Ley Monetaria de los Estados Unidos Mexicanos*) an obligation, whether resulting from a judgment or by agreement, denominated in a currency other than Mexican currency, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payments are made. Such rate is currently determined by the Mexican Central Bank (*Banco de México*) and published every banking day in Mexico's Federal Official Gazette. As a result, you may suffer a Euro shortfall if you obtain a judgment, a distribution in bankruptcy in Mexico or any other payment from a Mexican guarantor with respect to the notes or the guarantees granted by a Mexican guarantor in Mexico, in Mexican pesos. You should be aware that no separate action exists or is enforceable in Mexico for compensation for any Euro shortfall.

Self-help remedies are not enforceable in Mexico; the taking of possession, entry, removal, sale, transfer or other disposition of property or similar actions in Mexico pursuant to remedial provisions may not be made in Mexico without judicial intervention, under due legal process consistent with Mexican law provisions, including, without limitation, that the defendant is given the right to be heard and defeated in court.

Under Mexican law, the extension or the granting of grace periods to the Issuer under the notes, any modification of a guaranteed obligation that would increase any obligation of the Mexican guarantors under the guarantees granted, or the novation (*novación*) of the principal obligation of the Issuer under the notes, would require the consent of the Mexican guarantors. Therefore, it should be noted that the obligations of the Mexican guarantors under the guarantees granted, might not be enforced by Mexican courts if the guaranteed obligations are extended, increased or novated (*novadas*) without the consent of the Mexican guarantors at that time.

Provisions in the guarantees to the effect that the obligations of the Mexican guarantors are those of a principal obligor and not merely a surety, and that its obligations will not be discharged nor its liabilities be affected by the illegality, invalidity or unenforceability of any provisions of the notes, may be unenforceable under Mexican law. Therefore, it should be noted that upon the lack of genuineness, validity or enforceability of any principal obligations of the Issuer under the notes, the guarantees granted by the Mexican guarantors shall be equally affected and may be unenforceable in a proceeding before Mexican courts.

Judicial proceedings in Mexico tend to be formalistic and the enforcement of any guarantee in Mexico could be hindered or delayed by formalities such as proper service of process or the granting of an appropriate power of attorney to the attorney-in-fact acting on behalf of the plaintiff. Further, the court may request an official Spanish translation of any documentary evidence not executed in Spanish language.

The Mexican Supreme Court of Justice has recently determined that the usury prohibition provided under Article 21 third paragraph, of the American Convention on Human Rights allows Mexican judges to order, subject to their exclusive discretion and criteria, the reduction of any interest rate considered as excessive or abusive, even if such reduction is not expressly requested by the involved parties. The resolution adopted by the Mexican Supreme Court of Justice sets forth certain elements that judges must analyze in each case (such as interest rates collected by credit institutions under similar operations, among others). If on the date the resolution is adopted, and attending to the particular circumstances of the case as well as accounting for all the evidence validly presented before such court, the competent Judge is convinced that the interest rate agreed by the parties is notoriously usurious, then the Judge shall proceed to suspend such usurious condition and will reduce the interest rate by means of a reasoned and motivated judgement.

Poland

Certain Insolvency Considerations

Certain guarantors are incorporated in Poland (each, the ''Polish guarantor'') in the form of a limited liability company (*spółka z ograniczoną¸ odpowiedzialnością*). Consequently, their obligations under the guarantee are subject to limitations resulting from the application of laws on bankruptcy and insolvency and laws on restructuring proceedings, as set out in, respectively, the Polish Bankruptcy Act (*Prawo Upadłościowe*) of February 28, 2003 (Journal of Laws of 2015, item 233, as amended) (the ''Polish Bankruptcy Law'') and Polish Restructuring Act (*Prawo Restrukturyzacyjne*) of May 15, 2015 (Journal of Laws of 2015, item 978, as amended) (the ''Polish Restructuring Law'').

Insolvency and threat of insolvency

If a guarantor's centre of main business activity is in Poland, then pursuant to the Polish Bankruptcy Law and the Council Regulation (EC) No 1346/2000 on insolvency proceedings, bankruptcy proceedings of the guarantor should be conducted before a Polish court. Consequently, in the event of the insolvency of such guarantor, bankruptcy proceedings would be governed by Polish law. Similarly, in the event of such guarantor's insolvency or its threat, restructuring proceedings would also be subject to Polish law.

According to the Polish Bankruptcy Law, the Polish guarantor as a debtor will be declared bankrupt if it has become insolvent, namely: (i) if it has lost its ability to fulfill its due pecuniary liabilities when they fall due (*wymagalne zobowiązania pieniężne*) (presumed to arise, if the delay in fulfilling pecuniary obligations exceeds three months), or (ii) its pecuniary liabilities (except for future liabilities and those to shareholders relating to loans and legal acts of similar effect, granted within five years before the declaration of bankruptcy) exceed the total value of its assets (except for assets not constituting the bankruptcy estate) and such situation persists for longer than 24 months. It is presumed that the pecuniary liabilities of the debtor exceed its assets if, according to the balance sheet, its liabilities (except for reserves for liabilities and liabilities to affiliates) exceed the value of its assets and such situation persists beyond 24 months.

However, Polish Bankruptcy Law allows the court dismissing an application for bankruptcy if there is no threat of losing ability by the Polish guarantor to fulfill its due pecuniary liabilities in near future. Each individual who has the right to represent the Polish guarantor (whether alone or with others) is obliged to file a motion to declare the Polish guarantor bankrupt within 30 days from when the grounds for declaration of bankruptcy above are met. In practice, it is difficult to determine the day from which 30 days' time limit for filing the motion should be counted. Additionally, the Polish guarantor's personal creditors may file for bankruptcy of the Polish guarantor.

According to the Polish Restructuring Law, the Polish guarantor as debtor will be endangered with insolvency, if its commercial position shows that it may become insolvent within a short period of time.

If the Polish guarantor is insolvent or endangered by insolvency, it may file a restructuring motion. If a motion for declaration of bankruptcy and motion for restructuring have both been filed, the court should first decide on the restructuring motion and hold the proceedings on the motion for bankruptcy (unless putting them on hold would be against the interests of all creditors). The debtor cannot be declared bankrupt during restructuring proceedings.

Bankruptcy proceedings

The principal aim of bankruptcy proceedings is the satisfaction of the creditors from the proceeds obtained after sale of the debtor's assets (bankruptcy proceedings would result in dissolution of the debtor's company unless otherwise permitted by law). In the event of bankruptcy proceedings, the court appoints a bankruptcy receiver (*syndyk*) who takes over the management of the bankrupt's assets. From this moment on, the management of a debtor — bankrupt entity is replaced by the receiver who administers the bankrupt entity's assets and represents the bankrupt entity. The bankrupt entity's assets become bankruptcy assets which will be liquidated to pay off creditors. The composition of bankruptcy assets is determined during preparation of the inventory list and creditors' receivables list which are prepared by the receiver. A motion for approval of the terms of sale of the debtor's enterprise or its organized part, or substantial part of its assets, may be appended to the petition to commence bankruptcy proceedings (pre-packaged liquidation).

Upon the bankruptcy declaration all of the debtor's debts become due and payable and non-pecuniary debts are converted to pecuniary. Interest may be paid from the bankruptcy estate only for the period up to the date of the declaration of bankruptcy, unless they are secured by mortgages, pledges, registered pledges, treasury pledges and/or maritime pledges, and satisfied from the security assets' proceeds.

In bankruptcy proceedings, the claims of creditors under a guarantee will be satisfied from the proceeds obtained from the sale of the Polish guarantor's assets, unless an arrangement with creditors is concluded.

The bankrupt's claim may be set off against a creditor's claim if both claims existed on the date of declaration of bankruptcy, regardless of whether the claims have not yet become due and payable. A set-off is not admissible if the bankrupt's debtor acquired the claim by assignment or endorsement after bankruptcy was declared or acquired it during the year preceding the date of declaration of bankruptcy, while being aware that there were grounds for declaring bankruptcy. However, this limitation does not apply (i) if the acquirer has become the bankrupt's creditor as a result of repaying the bankrupt's debt, for which it was liable personally or with certain property items, and if the acquirer was not aware of the existence of grounds for declaring bankruptcy at the time of assuming liability for the bankrupt's debt or (ii) if the liability was assumed at least one year before the date on which bankruptcy was declared. The set off is also not admissible if bankrupt's creditor become bankrupt's debtor after the date of declaration of bankruptcy. The sum proposed to be set off on the part of the debtor is the total of the debtor's claim and on the part of the creditor it is the creditor's principal claim only, along with interests accrued until the date of declaring bankruptcy. If the bankrupt's debt without interest had not become due and payable by the date of declaration of bankruptcy, the sum to be set-off is the amount due reduced by statutory interest (which may not exceed six percent) between the date of declaration of bankruptcy until the date of payment, and may not exceed two years. A creditor wishing to exercise the set-off right must make a statement in this respect not later than when submitting the claim.

Once bankruptcy is declared, the bankrupt entity's assets may not be subject of security, charged with a pledge, registry pledge or treasury pledge, and no entries in land and mortgage register or other registers may be made to establish any security interests, except for the entry of mortgage if the application of such entry had been filed at least six months prior to filling the motion for bankruptcy.

Contractual provisions which explicitly stipulate the contract amendment or termination in case bankruptcy (or filling for it) by a contract party is declared are invalid. Also, provisions of an agreement to which the bankrupt company is a party that hinder or prevent the aims of the bankruptcy proceedings from being achieved will be deemed ineffective in relation to the bankruptcy estate. These specific provisions of Polish law are deemed to be forcing their jurisdiction with respect to provisions of the kind as referred to above also over contracts that are subject to laws other than the laws of Poland, as long as said provisions of such contract would apply to an entity that is subject to bankruptcy proceedings under Polish Bankruptcy Law.

If court proceedings against the bankrupt entity are pending on the day of the bankruptcy declaration in any common courts, then such proceedings are in some cases discontinued. In particular, in the bankruptcy proceedings, unless separate statutory laws provide otherwise, proceedings initiated against the bankrupt before the date of declaration of bankruptcy concerning a claim which filled within the bankruptcy proceedings may be continued only if they have not been included in the list of claims (see below) once the procedures set out in law for the establishment of the list have been exhausted. If proceedings were pending in which the bankrupt entity was the plaintiff, the receiver replaces the bankrupt entity. If enforcement proceedings regarding the receivables which may be filed within the bankruptcy proceedings were pending against the bankrupt entity on the day of bankruptcy declaration, they are suspended with effect from the date of the bankruptcy declaration and proceeds received are transferred to the bankruptcy estate after the decision on the declaration of bankruptcy becomes final. If the arbitration proceedings were not commenced on the date of declaration of bankruptcy, the receiver may with the consent of the judge — commissioner renounce the arbitration clauses if the arbitration proceedings hinder the liquidation of the bankruptcy estate. If the receiver renounces the arbitration clause it expires.

Creditors have a right to submit their claims within the time limit indicated in a decision declaring bankruptcy. Claims supported by evidence of claims are usually admitted, i.e., included in the list of claims. If a claim is not included in the list, then a creditor has a right to appeal. The procedural requirements for submitting a claim are very formalistic. Under Polish Bankruptcy Law, any debt payable in a currency other than Polish złoty (such as euro), if being put on the list of claims, must be converted into Polish zloty according to the National Bank of Poland's average exchange rate prevailing on the date the bankruptcy court issues a decision on the debtor's bankruptcy (and regardless of whether the debt has fallen due or not). Accordingly, in the event of a bankruptcy of the company, the Bondholders may be subject to exchange rate risk between the date of bankruptcy and the date of receipt of any amounts following a bankruptcy proceeding.

In the bankruptcy proceedings, creditors under the guarantee will be satisfied from the proceeds obtained from the sale of the Polish guarantor' assets.

As a rule, the Polish guarantor's debts are divided into four categories and creditors whose receivables are ranked in a lower category cannot be satisfied before all the debts in the higher category have been fully satisfied. The first category principally includes payments to the state or employees (remuneration, health benefit payments and social security obligations, etc.) or related to the restructuring proceedings (including arising under a credit facility, loan, bonds, guarantees or letters of credit, or other form of financing envisaged in the arrangement concluded in the restructuring proceedings and provided in connection with the arrangement's performance). Most unsecured commercial debts, tax and other public dues are listed in the second category. The third category encompasses interest on debts in the first and second categories (in the order in which the principal is satisfied), court or administrative penalties, donations etc. The fourth category concerns debts to direct and certain indirect shareholders relating to loans and legal acts of similar effect that were granted within five years prior to the declaration of bankruptcy. Within a category, each creditor's receivable is satisfied pro rata to the total value of receivables listed in that category. Before satisfying any claims, the official receiver covers the costs of bankruptcy proceedings and the liabilities of the bankruptcy estate.

If an asset owned by the bankrupt entity (Polish guarantor) is secured with a mortgage, pledge, registry pledge, treasury pledge or a maritime pledge, then a creditor has a right to receive proceeds from that asset before other creditors (with few exceptions such as, for instance, a certain portion of employee salaries). Where a number of mortgages or pledges have been established on a real estate or the object of the pledge which considerably exceed its value, creditors are repaid from according to their priority. The foreclosure of the object of encumbered with registered pledge or financial pledge is generally permitted if the relevant agreement provides for such method of satisfaction of creditor's claim. However, the foreclosure is not allowed if such object is the part of bankrupt's enterprise and the sale of such object with the rest of the enterprise is more beneficial than its separate sale.

In the course of the bankruptcy proceedings, an arrangement between the debtor and creditors can be voted on and approved by the creditors. In such case after the approval by the court, the provisions of the arrangement determine the manner of satisfaction of creditors' receivables. If the repayment of receivables arising under the guarantee are covered by the arrangement, there is a possibility that such receivables may be decreased on the basis of a decision of the creditors (such decisions would be subject to certain mandatory rules of the Polish Bankruptcy Law).

A holder of the notes who fails to satisfy his claim during bankruptcy proceedings may try to raise this claim directly against persons acting on behalf of the Polish guarantor being a limited liability company. Pursuant to the Polish Commercial Companies Code (*Kodeks Spółek Handlowych*) of September 15, 2000 (Journal of Laws no. 94, item 1037, as amended) (the ''Polish Commercial Companies Code'') if enforcement against a company proves to be ineffective, members of the management board of a limited liability company shall be jointly and severally liable for the company's liabilities. A member of the management board may be discharged from liability referred to above if he proves that the bankruptcy petition was filed in a timely manner or in the appropriate time the decision on the opening of the restructuring proceedings or the approval of the arrangement in the approval arrangement proceedings were issued, or that a failure to file a bankruptcy petition occurred through no fault on his part or that despite the failure to file a bankruptcy petition or to issue the decision on the opening of the restructuring proceedings or the decision on the approval the arrangement in the approval arrangement proceedings, the creditor suffered no additional damage.

Restructuring proceedings

Furthermore, the Polish guarantor may become subject to restructuring proceedings under Polish law. Restructuring proceedings essentially aim to avoid the debtor's bankruptcy through restructuring by arrangement with creditors and, in the event of remedial proceedings (*postępowanie sanacyjne*), also through remedial steps, while securing the justified rights of creditors.

Restructuring proceedings may be initiated by a debtor's motion, or, in case of remedial proceedings (*postępowanie sanacyjne*) also on creditor's motion, if the debtor is insolvent or endangered by insolvency. The court will refuse restructuring proceedings, if they are detrimental to creditors, or, in case of arrangement proceedings (*postępowanie układowe*) and remedial proceedings (*postepowanie sanacyjne*) if the debtor's ability to fund the costs of such proceedings and obligations arising after the date of opening of the proceedings cannot be substantiated.

The debtor may request the commencement of one of the following restructuring proceedings: (i) approval arrangement proceedings, (ii) accelerated arrangement proceedings; (iii) arrangement proceedings and (iv) remedial proceedings (*postępowanie sanacyjne*).

In the case of approval arrangement proceedings, the debtor solicits votes from creditors on a proposed arrangement without participation of the court. Once creditors have cast a sufficient number of votes, the debtor may apply to the court for approval of the arrangement. They are available when the sum of the disputed claims does not exceed 15% of the total claims.

Accelerated arrangement proceedings are designed to allow a debtor to conclude an arrangement with the creditors following the preparation of a list of creditors' receivables and its approval by a judge — commissioner in simplified proceedings. The procedure may be applied provided that the sum of disputed claims does not exceed 15% of the total claims. At the opening of accelerated arrangement proceedings, the debtor's assets constitute the arrangement estate. The arrangement estate is administered by the debtor, unless the court decides that an administrator should be appointed (e.g. if the debtor fails to perform the instructions of the judge — commissioner or the court supervisor). From the opening of accelerated arrangement proceedings, the debtor or administrator (if appointed) cannot satisfy any creditors' receivable which is covered by the arrangement, by operation of law. The enforcement proceedings concerning the claims to be covered by the arrangement are stayed by the operation of law.

In arrangement proceedings, an arrangement may be concluded following the preparation of the list of creditors' receivables and its approval by a judge-commissioner in ordinary proceedings. This procedure may be used when the sum of the disputed claims exceeds 15% of the total claims. As in accelerated arrangement proceedings, the assets of the debtor form the arrangement estate, which is administered by the debtor or administrator (if appointed). The debtor, or administrator (if appointed) also may not satisfy any debt which is covered by the arrangement, by operation of law. The enforcement proceedings concerning the claims to be covered by the arrangement are also stayed by the operation of law.

Remedial proceedings allow a debtor to conclude an arrangement with creditors and undertake various remedial actions which aim to improve the economic situation of the debtor and restore the debtor's capacity to perform his obligations. At the opening of remedial proceedings, the debtor is deprived of its right to administer its assets (from the opening of proceedings they constitute the remedial estate) and the assets are administered by a court-appointed administrator (unless the court allows the debtor to retain the right to administer the remedial estate). The administrator can undertake a number of restructuring steps, including renouncing a not performed mutual agreement, or challenging the effectiveness of certain acts undertaken by the debtor before filing the motion to open remedial proceedings. Upon opening of the remedial proceedings, the debtor or administrator are legally prohibited from making payments to satisfy claims which are covered by the arrangement. The enforcement proceedings are also stayed by the operation of law.

The claim of the company which is subject to restructuring may be set off against a creditor's claim if both claims existed on the date of opening of restructuring proceedings (other than the approval arrangement proceedings). However, the set-off is not admissible if (i) the debtor of the company subject to restructuring acquired the claim against the company subject to restructuring by assignment or endorsement after opening of the restructuring proceedings and (ii) such claim came into existence prior to the opening of the restructuring proceedings. This limitation does not apply (i) if the acquirer has become the creditor of company subject to restructuring as a result of repaying such company's debt, for which it was liable personally or with certain property items, and (ii) if the liability was assumed at least one year before the date of opening of the restructuring proceedings. Similarly, the set off is not permissible if the creditor of the company subject to restructuring become a debtor of such company after the opening of the restructuring proceedings. A creditor wishing to exercise the set-off right must make a statement within 30 days from opening of the restructuring proceedings and if the grounds for set off arose after that date, then within 30 days from arising of the ground for set off.

Once the accelerated arrangement proceedings, arrangement proceedings or remedial proceedings are opened, the entity's assets may not be subject of security, charged with a pledge, registry pledge or treasury pledge, and no entries in land and mortgage register or other registers may be made to establish any security interests, except for the entry of mortgage if the application of such entry had been filed at least six months prior to filling the motion for opening of the proceedings.

Additionally, contractual provisions which explicitly stipulate the contract amendment or termination in case opening restructuring proceedings (or filling for it) (except for approval arrangement proceedings) by a contract party is declared are invalid. Also, provisions of an agreement to which the debtor is a party that hinder or prevent the aims of the restructuring proceedings from being achieved will be deemed ineffective in relation to the arrangement or remedial estate (as applicable). These specific provisions of Polish law are deemed to be forcing their jurisdiction with respect to provisions of the kind as referred to above also over contracts that are subject to laws other than the laws of Poland, as long as said provisions of such contract would apply to an entity that is subject to restructuring proceedings (other than approval arrangement proceedings) under Polish Restructuring Law.

If the arrangement proceedings or accelerated arrangement proceedings are opened with respect to the Polish guarantor, then certain actions in court proceedings against the Polish guarantor will require court supervisor's consent. If enforcement proceedings regarding the receivables which are subject to arrangement were pending against the Polish guarantor on the day of opening of such restructuring proceedings, they are suspended with effect from the opening of such proceedings and proceeds received are transferred to the arrangement estate after the issuance of decision on opening of the restructuring proceedings. The creditor secured with a mortgage, pledge, registered pledge, treasury pledge and/or maritime pledge can conduct the enforcement only with respect to the object of such in rem right. The court may also stay enforcement of the claim which is not subject to the arrangement for the period of up to three months if such enforcement concerns the object which is necessary to run Polish guarantor's enterprise.

In case of opening of the remedial proceedings against the Polish guarantor, if proceedings were pending in which the entity was the plaintiff, the administrator replaces the entity. If enforcement proceedings regarding the receivables were pending against the Polish guarantor on the day of opening of the remedial proceeding, they are suspended and proceeds received are transferred to the remedial estate after the issuance of decision on the opening of the remedial proceedings.

If creditors vote in favor of an arrangement, the arrangement is accepted and then approved by the court. The court's decision approving the arrangement may be appealed against. An approved arrangement is binding on (affects) all creditors, whose receivables are covered by the arrangement. Certain receivables are not covered (affected) by the arrangement. These include, among other things: (i) receivables secured with mortgages, pledges, registered pledges, treasury pledges and/or maritime pledges, however only up to the value of the collateral (to the extent they can be satisfied from the security assets on which such security was established); a creditor whose claims are so secured may, however, consent to being subject to arrangement, (ii) receivables under derivative or repo transactions, and (iii) receivables under employment contracts. The arrangement may also concern only certain types of receivables (partial arrangement). In such case, the arrangement is binding on (affects) all creditors who have receivables of such type. In a partial arrangement, there are several exceptions to the general rule that receivables secured by mortgages, pledges, registered pledges, treasury pledges and/or maritime pledges are not covered by the arrangement, without the consent of the creditor, up to the value of the collateral. The consent of the creditor is not required, if the arrangement's initial proposals envisage full satisfaction of the creditor within the timeframe specified in the arrangement, or if they envisage satisfaction to an extent not less than may be expected from the collateral.

If the repayment of receivables arising under the guarantee are covered by the arrangement, there is a possibility that such receivables may be decreased on the basis of a decision of the creditors (such decisions would be subject to certain mandatory rules of the Polish Restructuring Law).

Limitations on the Validity and Enforceability of Guarantees

Limitations on Enforcement Resulting from Insolvency Laws and General Corporate Laws

Certain Polish guarantors are incorporated in Poland in the form of a limited liability company (*spółka z ograniczoną¸ odpowiedzialnością*). Consequently, their obligations under the guarantee are subject to limitations resulting from the application of the laws on bankruptcy and insolvency and the laws on restructuring proceedings, as set out in, respectively, the Polish Bankruptcy Act (*Prawo Upadłościowe*) of February 28, 2003 (Journal of Laws of 2015, item 233, as amended) (the ''Polish Bankruptcy Law'') and Polish Restructuring Act (*Prawo Restrukturyzacyjne*) of May 15, 2015 (Journal of Laws of 2015, item 978, as amended) (the ''Polish Restructuring Law'').

Pursuant to Article 11 sec. 2 of the Polish Bankruptcy Law, a corporate entity is deemed to be insolvent if its liabilities (*zobowiązania*) (excluding future liabilities, in particular the liabilities under condition precedent, and liabilities toward the shareholders under loan or legal acts of similar effect, granted within five years before the declaration of bankruptcy) exceed the value of its assets (property) (*majątek*) (except for assets which do not form part of the estate subject to bankruptcy) and such circumstance lasts for the period exceeding 24 months. Given certain legal controversies regarding the application of this rule, and in order to mitigate the possibility that the Polish guarantor could be declared bankrupt under this rule, the liability of any Polish guarantor on account of payments under the guarantee shall be limited to the amount equivalent to the Polish guarantor's assets (except for assets which do not form part of the estate subject to bankruptcy), to the extent the obligations and liabilities of the Polish guarantor under the guarantee are not deemed to be future or conditional in the meaning of Article 11 sec. 2 and 4 of the Polish Bankruptcy Law. This limitation of liability will no longer apply when the Polish guarantor becomes insolvent in the meaning of Article 11 of the Polish Bankruptcy Law or upon acceleration of the notes or the Senior Secured Credit Facilities (in spite of the previous application of that limitation of liability).

The guarantee by the Polish guarantor is also subject to certain provisions of the Polish Commercial Companies Code (*Kodeks Spółek Handlowych*) of September 15, 2000 (Journal of Laws no. 94, item 1037, as amended) (the ''Polish Commercial Companies Code'').

In accordance with Article 189 sec. 2 of the Polish Commercial Companies Code, shareholders may not receive, on whatever account, payments out of a company's assets which are necessary for the initial capital to be fully paid up. A more general Article 189 sec. 1 of the Polish Commercial Companies Code prohibits the return of contributions to share capital to such shareholders. In the Polish legal doctrine opinions are expressed that in certain situations, for example when the financial standing of a company entering into a transaction is poor and a shareholder of such company benefits from a transaction, it may in fact constitute the return of share capital contribution to the shareholder. A breach of these rules results in the shareholders' obligation to return the payments up to the amount of the share capital. Therefore, there is a risk that the payment under the notes guarantee of any guarantor incorporated under Polish law will be affected, or could be set aside, to the extent it would result in a reduction of its assets necessary to cover in full its share capital in breach of Article 189 sec. 2 of the Polish Commercial Companies Code or a return of contribution to share capital prohibited by Art. 189 par. 1 of the Polish Commercial Companies Code.

Effectiveness of the Guarantee in Case of Polish Guarantor's Bankruptcy or Restructuring

Under Polish Bankruptcy Law, the guarantee may be declared ineffective or deemed to be ineffective in certain situations. In particular, the enforceability of the receivables arising under the guarantee and the enforceability of the Security Interest in the insolvency proceedings depends on whether they were granted at least six months before the filing of the motion for bankruptcy of the Polish guarantor and, furthermore, whether the secured receivables are due and payable. Pursuant to Polish Bankruptcy Law, if: (i) the debt secured by the guarantee is not due (*dług niewymagalny*); and (ii) the guarantee was granted within six months before the filing of the motion for bankruptcy, then they will be deemed ineffective. However, in such case, the creditor may bring an action or charge in order to seek the recognition of the guarantee as effective if at the time when the same were granted the creditor was unaware of the existence of grounds for declaration of bankruptcy of the grantor.

Furthermore, if the guarantee is granted within six months preceding the date of the filing of the motion for bankruptcy, it will be assessed whether the guarantee in this state of facts was granted by the bankrupt entity to its partners or shareholders, their representatives or spouses of the same, or affiliates, their partners or shareholders, representatives, or spouses of the same as well as with another company, in the event of either being the controlling company. If so, the guarantee will be declared ineffective towards the bankruptcy estate, unless the other party is able to prove that they are not detrimental to other creditors.

The disposals made by the bankrupt in respect of its estate (*czynności prawne, którymi upadły rozporządził swoim majątkiem*) within one year before the filing of the motion for bankruptcy will be deemed ineffective towards the bankruptcy estate if the value of the disposal significantly (*rażąco*) exceeded consideration for the bankrupt, or there was no consideration for the bankrupt. It is not entirely clear under the Polish Bankruptcy Law whether the guarantees are subject to such clawback provisions since it is debatable whether they can be qualified as disposals. In addition, mortgages or pledges established in the year preceding the filing of the motion to declare bankruptcy may be challenged if the bankrupt entity was not a personal debtor of the creditor (such as a guarantor) and did not obtain any benefit in connection with such security interest. This rule shall apply respectively in situations where an encumbrance was established in exchange for a manifestly low (*niewspółmiernie niskie*) consideration. In addition, any assignment of the future claims is effective in bankruptcy proceedings if the assignment agreement was entered into at least six months prior to submission of the motion for declaration of bankruptcy in the form with signatures certified by the notary public.

Under the Polish Restructuring Law, the guarantee may also be declared ineffective or deemed ineffective in certain situations.

The disposals made by the debtor in respect of its estate (*czynności prawne, którymi dłużnik rozporządził swoim majątkiem*) within one year before the filing of the motion for remedial proceedings will be deemed ineffective towards the remedial estate if the value of the disposal materially (*istotnie*) exceeded consideration for the debtor or third party, or there was no consideration for the debtor. It is not entirely clear under the Polish Restructuring Law whether the guarantees are subject to such clawback provisions since it is debatable whether they can be qualified as disposals.

Additionally, pursuant to the Polish Restructuring Law, if: (i) the guarantee was granted within one year before the filing of the motion for opening restructuring proceedings; and (ii) the guarantee was not granted directly in connection with consideration received by the guarantor, then the guarantee will be ineffective towards the remedial estate. The guarantee will be ineffective towards the remedial estate in the part in which it exceeds (as at the date of granting the guarantee) the value of the secured claim together with ancillary claims specified in the document establishing the guarantee by more than a half, and provided that the guarantee was granted within a year before the filing of the motion for opening restructuring proceedings.

Voidable transactions

Under the Polish Civil Law Code (*Kodeks Cywilny*) of April 23, 1964 (Journal of Laws no. 16, item 93, as amended), granting a guarantee may be declared ineffective if it constituted a transaction effected by a debtor to the detriment of its creditors (i.e., where the debtor became insolvent or became insolvent to a greater extent as a result of the transaction) while a third party has gained a benefit, and provided that (i) the debtor consciously acted to the creditors' detriment and (ii) the third party knew or, had it acted with due diligence, could have known that the debtor was acting to the detriment of its other creditors or gave no consideration for the benefit obtained in such transaction.

In addition, if the Polish guarantor's entering into a given agreement made it wholly or partially impossible to satisfy a third party's claim, such third party may request that the court declare such an agreement ineffective towards that party, provided the Polish guarantor and the other party to the agreement knew of the third party's claim or if the agreement was for no consideration.

The creditor with respect to whom the company's legal transaction was declared ineffective may, with priority over the creditors of the third party, enforce the rights over assets which as a result of such legal transaction, were removed from the company's estate or did not become a part of the estate.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied. Generally, however, the Polish guarantor would be considered insolvent if it could not pay its debts as they became due. If a court decided that the guarantee provided by the Polish guarantor was a fraudulent conveyance and voided such guarantee or Security Interest or held it unenforceable for any other reason, a holder of the Bonds would cease to have any claim in respect of the Polish guarantor and would be a creditor solely of the Issuer and remaining guarantors.

Application of foreign law

If any obligation is to be performed in a jurisdiction outside the Republic of Poland, it might not be enforceable in the Republic of Poland, inter alia, to the extent that such performance would be illegal or contrary to public policy under the laws of the other jurisdiction and a Polish court may take into account the law of the place of performance when evaluating the manner of performance and the steps to be taken in the event of defective performance.

Spain

Certain Insolvency Considerations

Certain of the guarantors are incorporated under the laws of the kingdom of Spain (such guarantors, the ''Spanish guarantors''). Consequently, in the event of an insolvency of any of the Spanish guarantors, insolvency proceedings may be initiated in Spain and governed by Spanish law. The Spanish Act 22/2003 of July 9, 2003 on Insolvency Proceedings, as amended from time to time (the ''Spanish Insolvency Act''), regulates court-supervised, out-of-court workouts and court insolvency proceedings.

Concept and Petition for Insolvency

In Spain, insolvency proceedings are only triggered in the event of a debtor's current insolvency (*insolvencia actual*) or imminent insolvency (*insolvencia inminente*). Under the Spanish Insolvency Act, a debtor is deemed insolvent when it becomes unable to meet regularly its obligations as they become due and payable (current insolvency) or when it expects that it will shortly be unable to do so (imminent insolvency).

A petition for current insolvency may be initiated (i) by the debtor; or (ii) by any creditor (provided that it has not acquired the claim within the six months prior to the filing of the petition for insolvency, for intervivos acts, on a singular basis and once the claim was mature); or (iii) by certain other interested third parties (including the shareholder that is unlimitedly liable for the debtors of the company). However, only the debtor may file a petition for insolvency on the basis of its imminent insolvency. Creditors wishing to file a petition for insolvency have the burden of proving that the debtors is in actual insolvency as further explained below.

Voluntary Insolvency

Insolvency is considered voluntary (*concurso voluntario*) if filed by the debtor.

The debtor is obliged to file a petition for insolvency within two months after it becomes aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its state of insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency occur.

Notwithstanding the foregoing, the general duty to file for insolvency within the referred two months does not apply, if the debtor, notifies the applicable court that it has initiated negotiations with its creditors to obtain support to reach, among others, a pre-packaged composition agreement (*propuesta de convenio anticipado*) or an out-of-court workout (a refinancing agreement) set out in Article 71.*bis*.1 or in the Fourth Additional Disposition of the Spanish Insolvency Act (the so-called 5 *bis* communication). Effectively, by means of the 5 *bis* communication, on the top of those two months, the debtor gains an additional three-month period to achieve an agreement with its creditors or to obtain accessions to an anticipated composition agreement and one further month to file for the declaration of insolvency, if the above mentioned period of three months has elapsed without an agreement being reached and the situation of insolvency persists (thus, in total, a four-months extension). During such period of time, creditors' petitions for mandatory insolvency will not be accepted and court or out-of-court enforcement actions, other than those arising from public law claims, over those assets or rights deemed necessary for the continuity of the debtor's business activities, are prohibited or suspended, as applicable. In addition, enforcement proceedings over any other type of assets that have been brought by creditors holding financial liabilities (as defined in the Fourth Additional Disposition of the Spanish Insolvency Act) shall be prohibited or suspended (as applicable) provided that it is evidenced that at least 51% of the creditors holding financial liabilities (by value) have supported the initiation of negotiations to enter into a refinancing agreement and have agreed to suspend or not initiate enforcement proceedings against the debtor while creditors holding financial liabilities are still negotiating. Nevertheless, secured creditors shall be entitled to bring enforcement proceedings against the corresponding secured assets although once proceedings have been initiated they shall be immediately suspended. Once submitted to the court a 5 *bis* communication, no further communications can be submitted within one year.

Mandatory Insolvency

Insolvency is considered mandatory (*concurso necesario*) if filed by a third-party creditor or other entitled party.

Under Article 2.4 of the Spanish Insolvency Act, a creditor can seek a debtor's declaration of insolvency if it can prove that it has failed to attach any assets, or sufficient assets, to pay the amounts owed. A creditor may also apply for a declaration of insolvency if, *inter alia*s (i) there is a generalised default on payments by the debtor, (ii) there is a seizure of assets affecting or comprising the generality of the debtor's assets, (iii) there is a misplacement, ''fire sale'' or sale or ruinous liquidation of the debtor's assets, or (iv) there is a generalised default on certain tax, social security and employment obligations during the applicable statutory period (three (3) months).

Conclusion of Insolvency: Proposal of Composition Agreement or Liquidation

The Spanish Insolvency Act provides that insolvency proceedings conclude following either the implementation of a composition agreement (*convenio*) between the creditors and the debtor (the ''CVA'') or the liquidation of the debtor.

Certain Effects of the Insolvency for the Debtor

As a general rule, subject to certain exceptions, the debtor in a voluntary insolvency retains its powers to manage and dispose of its business, but is subject to the intervention of the insolvency administrators (*administración concursal*). In the case of a mandatory insolvency, as a general rule and subject to certain exceptions, the debtor no longer has power over its assets, and management's powers (including the power to dispose of assets) are conferred solely upon the insolvency administrators. However, the court has the power to modify this general regime subject to the specific circumstances of the case. Additionally, upon the insolvency administrator request, the court has the power to swap the intervention regime for a suspension regime or vice versa.

Certain Effects of the Insolvency on Contracts

A declaration of insolvency does not affect agreements with reciprocal obligations pending performance by either the insolvent party or the counterparty (''executory contracts''), which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvency estate. The court can nonetheless terminate any such contracts at the request of the insolvency administrators (provided that management's powers have been solely conferred upon the insolvency administrators) or the debtor itself (if its powers to manage and dispose of its business are only subject to the intervention of the insolvency administrator), when such termination is in the interest of the estate (*resolución del contrato en interés del concurso*) or at the request of the non-insolvent party if there has been a breach of such contract although the judge has discretion to reject this request. In case that the breach by the insolvent debtor takes place after the declaration of the insolvency proceedings, the termination of such contracts may result in the insolvent debtor having to return and indemnify damages to its counterpart against the insolvency estate (*con cargo a la masa*). On the other hand, the judge may decide to cure any breach of the insolvent debtor at its request or the insolvency administrators' request (assumption) (*mantenimiento del contrato en interés del concurso*), in which case the non-insolvent party shall be entitled to seek specific performance against the insolvency estate (pre-deductible claim from the estate). Lastly, under Article 61 of the Spanish Insolvency Act, all clauses in contracts with mutual obligations that entitle any party to terminate an agreement based solely on the other party's declaration of insolvency are deemed as not included in the agreement (void) and, therefore, unenforceable, except if expressly permitted by specific laws (e.g. agency laws).

Additionally, the declaration of insolvency determines that interest accrual is suspended, except credit rights secured with an *in rem* right, in which case interest accrues up to the value of the security, and except for any wage credits in favor of employees, which will accrue the legal interest set forth annually in the corresponding Law of the State Budget (*Ley de Presupuestos del Estado*).

According to the Spanish Insolvency Act, the insolvency administrator, unilaterally or at the request of the insolvent debtor, may reinstate (*rehabilitación*) facility agreements which were accelerated by the credit as a result of a payment default (of principal or interest) in the three months preceding the declaration of insolvency, provided that: (i) the insolvency administrator must serve a notice of the reinstatement to the creditor before the expiry of the term available to communicate claims (generally, one month from the opening of the insolvency proceedings), and (ii) the administrator must pay any due amounts and thereafter shall pay any amounts arising from the credit against the insolvency state. The foregoing will not be applicable if the creditor has opposed to the reinstatement and has started enforcement proceedings before the declaration of the insolvency.

Set-off is generally prohibited unless the requirements for set-off were satisfied prior to the declaration of the insolvency (excluding set-off regarding financial collateral).

Ranking of Credits

Creditors are required to report their claims to the insolvency administrators within one month from the day following the last official publication of the court order declaring the insolvency, providing documentation to justify such claims. Based on the documentation provided by the creditors and documentation held by the debtor, the insolvency administrators draw up a list of acknowledged creditors/claims and classify them according to the categories established in the Spanish Insolvency Act. Not reporting the claims in a timely manner can entail serious consequences for the creditors (including the subordination of their claims).

Under the Spanish Insolvency Act, claims are classified in two groups:

- Estate Claims (*créditos contra la masa*): Article 84 of the Spanish Insolvency Act sets out the so-called ''estate claims'' which are pre-deductible claims from the estate (excluding those assets of the insolvent debtor subject to *in rem* security). Debt against the insolvency estate includes, among others, (i) certain amounts of the employee payroll, (ii) costs and expenses of the insolvency proceedings, (iii) certain amounts arising from services provided to the insolvent debtor under reciprocal contracts and outstanding obligations that remain in force after insolvency proceedings are declared and deriving from obligations to return and indemnify in cases of voluntary termination or breach by the insolvent debtor, (iv) those that derive from the exercise of a clawback action within the insolvency proceedings of acts performed by the insolvent debtor and correspond to a refund of consideration received by it (except in cases of bad faith), (v) certain amounts arising from obligations created by law or from the non-contractual liability of the insolvent debtor after the declaration of insolvency and until its conclusion, (vi) certain debts incurred by the debtor following the declaration of insolvency; (vii) in case of liquidation, the credit rights granted to the debtor under a composition agreement in accordance with Article 100.5 of the Spanish Insolvency Act, (viii) 50% of the new funds lent under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.*bis* or the 4th Additional Provision of the Spanish Insolvency Act.

- Insolvency Claims: Insolvency claims are classified as follows:

  a) Specially Privileged Claims: Creditors benefiting from special privileges, representing security over certain assets (in rem securities) up to the amount of the value of their security, provided that such security is listed in the creditors' list (in this regard, the value of a security shall be 90% of the reasonable value of the secured asset determined in accordance with the rules provided for in the Spanish Insolvency Act minus those claims that hold higher ranking security over such asset). The part of the claim exceeding the value of their security will be classified according to the nature of the claim. These claims benefiting from special privileges may entail separate proceedings, though subject to certain restrictions derived from a waiting period that may last up to one year from the declaration of the insolvency and certain additional limitations set forth in the Spanish Insolvency Act (see *Certain Effects of the Insolvency on enforcement* of collateral). However, within such waiting period or while any enforcement proceedings remain suspended under the Spanish Insolvency Act, the insolvency administrator has the option to pay the relevant claims against the insolvency estate under specific payment rules. Privileged creditors are not subject to the CVA unless they give their express support by voting in favor of the CVA or, in case they do not give such express support, if creditors holding security which represent at least 60% (or 75% depending on the conditions of the composition agreement) of the total value of secured claims of the same class vote in favor of such composition agreement. In the event of liquidation, they are the first to collect payment against the assets on which they are secured.

  b) Generally Privileged Claims: Creditors benefiting from a general privilege, including, among others, specific labor and social security claims, specific claims brought by public entities or authorities (up to half their amount), claims for non-contractual liability (tort) and claims held by the creditor taking the initiative to apply for the insolvency proceedings, for up to 50% of the amount of such debt. It should be understood that new funds under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.*bis* and the 4th Additional Provision of the Spanish Insolvency Act in the amount not admitted as a debt against the insolvency estate (*crédito contra la masa*) are also credits with general privilege. The holders of general privileges are not to be affected by the CVA except if they give their express support by voting in favor of the CVA or, in the case they do not give such express support, if creditors holding claims benefiting from general privileges which represent at least 60% (or 75% depending on the conditions of the composition agreement) of the total value of claims benefiting from general privileges of the same class vote in favor of such composition agreement. In the event of liquidation, they will collect payment, in accordance with the ranking established under the Spanish Insolvency Act.

c) Ordinary Claims: Ordinary creditors (non-subordinated and non-privileged claims) are paid pro rata once estate claims and privileged claims have been paid.

d) Subordinated Claims: Subordinated creditors (thus classified by virtue of an agreement or pursuant to law), include, among others: with some exceptions, credits communicated late (outside the specific one-month period mentioned above); credits which are contractually subordinated *vis-à-vis* all other credits of the debtor; credits relating to unpaid interest claims (including default interest) except for those credits secured with an *in rem* right up to the value of the security; fines; claims resulting from claw-back actions where the relevant creditor acted in bad faith, claims of creditors which are ''specially related parties'' to the insolvent debtor and claims arising out of executory contracts where the court rules that the relevant creditor has repeatedly obstructed compliance thereof.

In the case of individuals, the following shall be deemed to be ''specially related parties'' (i) debtor's relatives; (ii) legal entities controlled by the debtor or its relatives and the factual or legal administrators of such legal entities; (iii) any other legal entity forming part of the same group of the companies referred to in (ii) and the legal entities in respect of which the people described in this paragraph are their factual and legal administrators.

In the case of a legal entity, the following shall be deemed as ''specially related parties'': (i) shareholders with unlimited liability (in case such shareholders are natural persons it would include any specially related party to these shareholders, as described herein); (ii) limited liability shareholders holding at the time of accrual of the relevant claim or credit, directly or indirectly, 10% or more of the insolvent company's share capital (or 5% if the company' securities are listed); or (iii) directors (either *de jure* or *de facto*) liquidators and those holding general powers of attorney from the insolvent company (including those people that have held these position during the two years prior to the insolvency declaration); and (iv) companies pertaining to the same group as the debtor and their common shareholders provided such shareholders meet the minimum shareholding requirements set forth in (ii) above. Notwithstanding the above, creditors who have directly or indirectly capitalized their credit rights pursuant to a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.*bis* or the 4th Additional Provision of the Spanish Insolvency Act, an out of court payment plan (*acuerdo extrajudicial de pagos*) or a CVA shall not be considered as being in a special relationship with the debtor, in respect of credits against the debtor, as a result of the financing granted under such relevant refinancing arrangement. Furthermore, in the absence of evidence to the contrary, assignees or awardees of claims belonging to any of the persons mentioned in this paragraph are presumed to be persons specially related to the insolvent debtor as long as the acquisition has taken place within two years prior to the insolvency proceedings being declared open.

Subordinated creditors are second-level creditors. They do not vote on the CVA and in the event of liquidation collect payment according to the ranking established in the Spanish Insolvency Act (once ordinary creditors have been paid in full).

Hardening Periods

There is no automatic claw-back by operation of law. Therefore, there are no prior transactions that automatically become void as a result of the initiation of insolvency proceedings. Under the Spanish Insolvency Act, upon the declaration of insolvency, only transactions that could be deemed as having damaged (*perjudiciales*) the insolvent debtor's estate (i.e., causing a so-called ‘‘patrimonial damage’’) during the two years prior to the date on which the insolvency is declared, may be challenged. Transactions taking place earlier than two years prior to the declaration of insolvency may be rescinded subject to ordinary Spanish Civil Code based actions.

The Spanish Insolvency Act does not define the meaning of ‘‘patrimonial damage’’. Damage does not refer to the intention of the parties, but to the consequences of the transaction on the debtor’s interest or on the equality of treatment among creditors. There are several ‘‘irrebuttable presumptions’’ expressly set forth by the Spanish Insolvency Act (i.e., free disposals, gifts or acts for no consideration and prepayment or cancellation of the debtor’s unsecured claims or obligations prior to them being due and where the due dates of the relevant unsecured claims or payment obligations fall after the date of declaration of insolvency), in which case such transactions are rescinded if they are challenged and fall within the hardening period. In addition to the above, the Spanish Insolvency Act sets forth certain actions which are deemed to cause a ‘‘patrimonial damage’’ to the insolvent company, but which are ‘‘rebuttable presumptions’’ and therefore subject to being contested by the other party (i.e., disposals in favor of ‘‘specially related parties’’ (as described above), the provision of security in respect of previously existing obligations or in respect of new obligations replacing existing ones and the prepayment and cancellation of the company’s secured claims or obligations which fall due after the date of declaration of insolvency).

Under no circumstances can be rescinded (i) ordinary transactions carried out within the debtor’s ordinary course of the business provided that they are carried out at arm’s length; (ii) actions contemplated in the specific legislation regarding systems of payment, set-off or liquidation of values and derivative instruments, and (iii) guarantees constituted in favour of Public Law credits or credits in favour of the labour authorities.

Protection of Refinancing Agreements

Certain refinancing agreements may be protected from claw-back risk provided that they comply with certain requirements further explained in the section referred to as ‘‘Cramdown effects of certain refinancing agreements’’. However, in the case that such refinancing agreements are not subject to the procedure of judicial sanctioning therein described (homologación), in order to benefit from such protection they must be backed by at least $\frac{3}{5}$ of the total claims of the insolvent debtor (calculated on an individual and on a consolidated basis but excluding intragroup claims), which shall be certified by the auditor of the relevant debtor. The refinancing agreements must be founded on a viability plan reflecting that the insolvent debtor will be viable in the short and medium term and must comply with the rest of requirements explained below (see *Cramdown Effects of Certain Refinancing Agreements*).

Fraudulent Conveyance Laws

Under Spanish law, the insolvency administrator and any creditor may bring an action to rescind a contract or agreement against its debtor and the third party which is a party to such contract or agreement, provided the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way.

Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third party;
- such act was fraudulent;

- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed. Pursuant to Article 1,297 of the Spanish Civil Code: (i) agreements by virtue of which the debtor transfers assets for no consideration and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent.

If the rescission action were to be upheld, the third party would be liable to return the consideration received under the contract in order to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party under the contract cannot be returned to the debtor, the third party must indemnify the creditor for such damages.

Cramdown Effects of Certain Refinancing Agreements

In order to seek protection against claw-back, refinancing agreements (out-of-court workouts) can also be judicially sanctioned (*homologado*) by the commercial court that will be competent to conduct an eventual insolvency proceedings of the debtor, upon request by the debtor or by any creditor having entered into such refinancing agreements, provided that, among other requirements, (i) they entail a significant enlargement of debtor's credit or a change in the debt structure by either granting a longer term or replacing previous claims with new ones, all these in accordance with a viability plan enabling the continuity of the debtor business activity in the short and medium term; (ii) they have been subscribed by creditors holding financial liabilities representing, at least, 51% of the debtor's financial liabilities whether or not subject to financial supervision (that is to say the Spanish Insolvency Act excludes public creditors, labor creditors and those of commercial transactions in order to calculate whether the required thresholds are met) at the date of the refinancing agreement; (iii) the debtor's auditor issues a certificate acknowledging that the required thresholds have been reached (in the case of a group a companies, the majority refers both individually to each company and to the group as a whole -where the intercompany claims are not taken into account-); and (iv) the agreement is formalized in a public instrument. Judicially sanctioned refinancing agreements may not be subject to a claw-back action, but may be challenged in certain cases (i.e., in case of breach of formalities or in case they impose disproportionate sacrifices on dissenting creditors).

As to the rules to calculate whether the required thresholds have been reached, all creditors holding an interest in a syndicated loan will be deemed to have adhered to the refinancing agreement (for the purposes of petitioning protection against claw-back) if it is favorably voted upon by at least 75% of the liabilities represented by the loan, or a lower majority if so established in the syndicated loan agreement. The scope of this measure (particularly as to whether this majority of 75% might also serve for the cramdown of discharges and stays of payments over the rest of syndicated claims) is not clear among Spanish scholars or courts and therefore it is not possible yet to ascertain what its practical effects will be.

The following cramdown effects of homologated refinancing agreements may be imposed on (i) dissenting or non-participating unsecured financial creditors including secured financial creditors to the extent of that part of their secured claim not covered by their security interest, as such security interest is to be valued in accordance with the rules set out by the latest reform of the

Spanish Insolvency Act and (ii) dissenting secured creditors in respect of their secured claims, provided they achieve the thresholds mentioned below:

a) If the judicially sanctioned refinancing agreement is supported by creditors representing at least 60% of the debtor's financial liabilities, stays of payments may be granted for up to five years or the debt converted into so-called profit participation loans (*préstamos participativos*) of duration up to 5 years.

   Further, these effects may be extended to the amount of secured claims of non-participating or dissenting creditors, when the agreement has been entered into by financial creditors holding secured claims which represent at least 65% of the value of all secured claims of the debtor.

b) If the homologated refinancing agreement is supported by creditors representing at least 75% of the debtor's aggregate financial liabilities:

   (i) stays of payments for up to ten years;

   (ii) uncapped haircuts;

   (iii) capitalization of debt. Nevertheless, those creditors that have not supported such refinancing agreement (either because they did not sign the agreement or because they oppose it) may choose between (i) the debt for equity swap contemplated by the agreement; or (ii) a discharge of their claims equal to the nominal amount (including any share premium) of the shares/quota shares that would have corresponded to that creditor as a consequence of the relevant debt for equity swap;

   (iv) conversion of debt into profit participation loans of up to ten years, convertible obligations, subordinated loans, payment in kind facilities, or in any other financial instrument with a ranking, maturity and features different to the original debt; and

   (v) assignment of assets or rights as assignment in kind for total or partial payment of the debt (*datio pro soluto*).

   Further, these effects may be extended to the amount of secured claims of non-participating or dissenting creditors, when the agreement has been entered into by financial creditors holding secured claims which represent at least 80% of the value of all secured claims of the debtor.

The calculation of the thresholds referred to above is not always straightforward and some uncertainties are yet to be solved by the courts (for instance, in respect of the inclusion or exclusion of contingent debt). Grounds for opposition by dissenting creditors are limited to an error in the calculation of these thresholds or the imposition of a disproportionate sacrifice upon the dissenting creditor.

Applicable Jurisdiction

The applicable jurisdiction to conduct an insolvency proceeding is the one in which the insolvent party has its ''center of main interests''. This ''center of main interests'' is deemed to be where the insolvent party conducts the administration of its interests on a regular basis and which may be recognized as such by third parties. Insolvency proceedings conducted by the court of the ''center of main interests'' are considered ''the principal insolvency proceedings'' and have universal reach affecting all the assets of the insolvent party worldwide. If the ''center of main interests'' is not in Spain, but the insolvent party has a permanent establishment in Spain, Spanish courts will only have jurisdiction over the assets located in Spain (the ''territorial insolvency proceedings'').

In the event Spanish courts have jurisdiction, Article 87.3 of the current Spanish Insolvency Act may apply, in which case the claims of the beneficiaries of the guarantee provided by the Spanish guarantor may be classified as ''contingent'' claims and no amount may be recognized until and when a default occurs and the guarantee is validly enforced. Special rules can apply if the guarantee is not a first demand guarantee but an ordinary guarantee (*fianza*) and, therefore, the benefits of preference (*excusión*), order (*orden*) and division (*división*) apply.

Further amendments of the Spanish Insolvency Act

Further amendments of the Spanish Insolvency Act may be approved in the short term if the proposal for a consolidated text of the Spanish Insolvency Law, which has been recently made by the Spanish General Codifying Commission, comes into force. At the date hereof, the final text of these amendments and whether or not this proposal will succeed is still unclear.

General Limitations on the Validity and Enforceability of Undertakings and Guarantees

The obligations under the notes, the guarantees or might not necessarily be enforced in accordance with their respective terms in every circumstance, such enforcement being subject to, *inter alia*, the nature of the remedies available in the Spanish Courts, the acceptance by such court of jurisdiction, the discretion of the courts, the power of such courts to stay proceedings, the availability of defenses such as (without limitation) set-off (unless validly waived), circumvention of law (fraude de ley), abuse in the exercise of rights (abuso de derecho), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, abatement and counterclaim, the provisions of the Spanish Law on Civil Procedure regarding remedies and enforcement measures available under Spanish law, the provisions of the Spanish Insolvency Act and other principles of law of general application. In this regard:

- Spanish law does not expressly recognize the concept of an indemnity. Article 1,152 of the Spanish Civil Code establishes that any penalty (*cláusula penal*) agreed by the parties in an agreement will substitute damages (*indemnización de daños*) and the payment of interest (*abono de intereses*) in an event of breach, unless otherwise agreed. Spanish Courts may modify the penalty agreed on an equitable basis if the debtor has partially or irregularly performed its obligations, unless the penalty (liquidated damages) was aimed at such partial performance. There is doubt as to the enforceability in Spain of punitive damages.
- Where obligations are to be performed in a jurisdiction outside Spain, they may not be enforceable in Spain to the extent that performance would be illegal under the laws of the applicable jurisdiction.
- Spanish law precludes the validity and performance of contractual obligations to be left at the discretion of one of the contracting parties. Therefore, Spanish courts may refuse to uphold and enforce terms and conditions of an agreement giving discretionary authority to one of the contracting parties.
- Spanish law, as applied by the Spanish Supreme Court, precludes an agreement being terminated on the basis of a breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main undertakings foreseen under the relevant agreement (such as payment obligations under financing agreements), and allows Spanish courts not to enforce any such termination.
- Under Spanish law, acts carried out in accordance with the terms of a legal provision whenever said acts seek a result which is forbidden by or contrary to law, shall be deemed

to have been executed in circumvention of law (fraude de ley) and the provisions whose application was intended to be avoided shall apply.

- A Spanish court may not accept acceleration (vencimiento anticipado) of an agreement if the default were of minimal importance. To be recognized by the Spanish courts as giving rise to the remedy of acceleration, a default must be material. The decision to accelerate an agreement must be based on objective facts and cannot be left to the sole discretion of one party as this would not be permitted by article 1,256 of the Spanish Civil Code.
- Under Spanish law, claims may become time-barred (claims arisen from obligations in personam will be generally time-barred to 5 years) or may be or become subject to the defense of set-off or counterclaim.

The terms ''enforceable'', ''enforceability'', ''valid'', ''legal'', ''binding'' and ''effective'' (or any combination thereof) mean that all of the obligations assumed by the relevant party under the relevant documents are of a type enforced by Spanish courts; the terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms.

Spanish law prohibits financial assistance: (i) for stock companies (sociedades anónimas) in relation to the acquisition of their own shares or the shares of any direct or indirect parent company, and (ii) for limited liability companies (sociedades de responsabilidad limitada), in relation to the acquisition of their own shares and the shares of any member of their corporate group. Therefore, Spanish law governed guarantees or security interests granted by subsidiaries incorporated under the laws of Spain shall not extend to any payment obligation incurred by the Issuer for the purpose of acquiring the shares of such Spanish subsidiary or the shares of its direct or indirect parent company or, as applicable, any member of their group, to the extent that such security interest would constitute unlawful financial assistance within the meaning of Article 150 and 143 of Spanish Decree 1/2010 dated July 2 on Spanish Corporations (Ley de Sociedades de Capital). This limitation may also apply to the refinancing of acquisition debt, although this is widely debated between academics. Accordingly, any guarantee or security interest granted by any Spanish subsidiary shall not apply to the extent the proceeds are used to repay existing indebtedness of the Issuer if such existing indebtedness was used for the purposes described above. No whitewash procedures are available. Accordingly, the guarantee granted by any Spanish company will be limited by the amount of the funds that are not used for unlawful financial assistance purposes.

In general terms, under Spanish law, any guarantee must guarantee a primary obligation to which it is ancillary. The primary obligation must be clearly identified in the guarantee, and the nullity or termination of the primary obligation entails the nullity or termination of the ancillary guarantee. Consequently, if the primary obligation is deemed null and void, the ancillary guarantee will also be deemed null and void. In the event that the guarantor is able to prove that there are no existing and valid guaranteed obligations, Spanish courts may consider that the guarantor's obligations under the relevant guarantee are not enforceable. In addition, a guarantee may not be enforced in Spain without having validly accelerated the underlying agreements governing the guaranteed or secured obligations, and may be affected by any amendment, supplement, waiver, repayment, novation or extinction of the secured obligations.

Moreover, Spanish law may limit the ability of a Spanish guarantor to guarantee the notes. Recent Spanish case law indicates, and certain scholars understand, that risk associated with a guarantee provided by a Spanish company to guarantee held by other companies within its corporate group must be reasonable and justified under the corporate interest of such company. Whenever there is a conflict between the interest of the group and the interest of a subsidiary, a ''reasonable balance'' must be reached between them so to make possible the efficient and flexible management of the group without depriving the subsidiaries from their resources. Such balance can be found in the existence of advantages direct or indirect (even if not simultaneous to the granting of the guarantee) which may compensate the damage suffered or to be suffered by the company. Said compensation must have an economic value and be proportional to the damage suffered. In any case, there is a limit, which is the continuity or viability of the company.

Sweden

Certain Insolvency Considerations

Applicable Insolvency Law

As follows from the section ''—European Union'' above, a Swedish entity will in principle be subject to insolvency proceedings covered by the EU Insolvency Regulation if it has its center of main interest in Sweden. One of the guarantors is incorporated under the laws of Sweden and as such any insolvency proceedings applicable to such guarantor including any and all of its assets (in Sweden and abroad) will, as a starting point and by virtue of Article 4 of the EU Insolvency Regulation, be governed by Swedish insolvency law (*lex fori concursus*).

Insolvency Proceedings

Pursuant to the Swedish Bankruptcy Act (*konkurslagen* (1987:672)), if a company is unable to pay its debts when due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the court by (i) the company or (ii) by a creditor of the company.

In the event of bankruptcy of a Swedish company the court will appoint a receiver in bankruptcy (*konkursförvaltare*) who will work in the interest of all creditors of the company with the objective of selling the company's assets and distribute the proceeds among the creditors.

The purpose of bankruptcy proceedings is to wind up the company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the company as soon as possible and to distribute the proceeds in accordance with the mandatory priority rules as primarily set out in the Swedish Rights of Priority Act, as amended (Sw. *Förmånsrättslagen* (1970:979)) (the ''Rights of Priority Act''). In the interim, the receiver in bankruptcy will take over the management and control of the company and the company's directors and/or managing director will no longer be entitled to represent the company or dispose of the company's assets.

A declaration of bankruptcy does not automatically terminate existing contracts; instead, the receiver in bankruptcy may in its discretion choose to have the bankruptcy estate itself step into any such existing contracts. A clause in a contract which provides that the contract is terminated by reason of bankruptcy proceedings or similar is likely to be unenforceable (the bankruptcy estate shall always be given a right to fulfill the company's obligations according to a contract). If the bankruptcy estate steps into the contract and performance by the creditor is due, the creditor may demand that the bankruptcy estate performs its newly assumed obligations as well or, if a grace period has been granted, request that the bankruptcy estate, without unreasonable delay, provides acceptable security for its performance. If performance by the creditor is not due, the creditor may request security where this is necessary in order to protect it against loss. If the bankruptcy estate does not step into the contract within a reasonable time after the creditor's demand or if it does not comply with the creditor's request to provide security, the creditor may terminate the contract.

Enforcement Process

In case of enforcement outside of bankruptcy proceedings, an enforcement process is initiated by the creditor obtaining an enforcement order from the Swedish Enforcement Authority (Sw. *Kronofogden*) or the courts. Upon obtaining an enforcement order against a company, a creditor may apply to the Swedish Enforcement Authority for enforcement of its claim.

Priority of Certain Creditors

As a general principle, under Swedish insolvency law competing claims have equal right to payment in relation to the size of the amount claimed from the company's assets. However, some preferential and secured creditors, where such preference or security may arise as a consequence of law, have the benefit of payment before all other creditors (in the case of preferential creditors only) and all unsecured creditors out of the assets that secure the creditors' claims (in the case of secured creditors only). There are two types of preferential rights: specific and general preferential rights. Specific preferential rights apply to certain specific property and give the creditor a right to payment from such property. General preferential rights cover all property belonging to the insolvent company's estate in bankruptcy, which is not covered by specific preferential rights, and give the creditor a right to payment from such property. Claims that do not carry any of the above mentioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other (unless subordinated). A claim can be subordinated if, for instance, the creditor has entered into an agreement with the company stipulating such subordination. It should be noted that, in the case of bankruptcy, claims in relation to the bankruptcy estate (a legal entity separate from the company) due to costs relating to the bankruptcy (including fees payable to the receiver in bankruptcy), may have priority over claims in relation to the company.

Challengeable Transactions

In Swedish bankruptcy and, if certain conditions are met, company reorganization proceedings, transactions can (in certain circumstances and subject to a time limit) be reversed and the assets being the subject of such transaction can then be returned to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, situations where the company has conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest or provided a guarantee that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or paid a debt that is not due or that is considerable compared to the value of the company's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during three or six months preceding the commencement of the relevant Swedish insolvency proceedings. In certain situations, longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to a transaction is deemed to be a closely-related party to the company such as a subsidiary or parent company.

Limitations on Enforceability Due to the Swedish Reorganization Act

The Swedish Reorganization Act (Sw. *Lag* (1996:764) *om företagsrekonstruktion*) provides companies facing difficulties in meeting their payment obligations with an opportunity to resolve these difficulties without being declared bankrupt. A petition for company reorganization may be presented to the court by the company or a creditor of the company but a reorganization order may only be granted subject to the company's approval. Corporate reorganization proceedings shall, as a main rule, terminate within three months from commencement but may under certain conditions be extended for up to one year.

An administrator (Sw. *rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors as well as the company. However, the company remains in full possession of the business except that the consent of the administrator is required for important decisions such as paying a debt that has fallen due prior to the granting of a reorganization order, granting security for a debt that arose prior to the granting of the reorganization order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the company's business. However, the absence of such consent does not affect the validity of the transaction (but may jeopardize the reorganization).

Upon the opening of corporate reorganization proceedings, the administrator must notify the creditors of the reorganization proceedings and will draw up a reorganization plan specifying the proposed action to be taken to resolve the company's difficulties. A creditors' meeting will be held at which the creditors will be given the opportunity to express their opinions as to whether the reorganization should continue. Upon the request of any of the creditors, the court shall appoint a creditors' committee composed of a maximum of three persons. The administrator shall, if possible, consult with the creditors' committee prior to taking any important decisions.

The corporate reorganization proceedings do not have the effect of terminating contracts entered into by the company. However, the opening of corporate reorganization proceedings entails limitations on the contracting party's right to terminate a contract due to the company's delay in payment or performance. Such limitations are similar to that which is stated above in respect of a bankruptcy estate's right to step into existing contracts. The limitations are not applicable where a creditor has security over, *inter alia*, financial instruments or receivables originating from a loan granted by a credit institution. During the reorganization procedure, the company's business activities continue in the ordinary course of business. However, the procedure includes a suspension of payments to creditors and the company may not pay a debt that fell due prior to the granting of the reorganization order without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the company will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor.

The company may apply to the courts requesting public composition proceedings (Sw. *offentligt ackord*) which means that the amount of a creditor's claim may be reduced on a percentage basis. The proposal for a public composition must meet certain requirements such as that a sufficient proportion of the creditors which are allowed to vote, in respect of a sufficient proportion of the outstanding claims, vote in favor of such public composition. Creditors with set-off rights and creditors with preferential rights will not participate in the composition unless they wholly or partly waive their set-off rights or preferential rights. Should the assets in which a creditor has specific preferential rights not cover such creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is binding on all creditors that were entitled to participate, *i.e.* creditors who have not attended the creditors' meeting will also be bound. However, the obligations of a guarantor under a guarantee provided in respect of a creditor's claim which has been reduced by way of public composition will not be reduced correspondingly but will remain valid up to the original amount of such creditor's claim.

Liquidation Due to Capital Deficiency

Pursuant to the Swedish Companies Act (Sw. *aktiebolagslag (2005:551)*), as amended (the ''Swedish Companies Act''), whenever a company's board of directors has a reason to assume that, as a result of losses or reductions in the value of the company's assets or any other event, the company's equity is less than half the registered share capital, the company's board of directors shall prepare a special balance sheet (Sw. *kontrollbalansräkning*) and have the auditors examine it. The same obligation arises if the company in connection with enforcement pursuant to Chapter 4 of the Swedish Enforcement Code (Sw. *utsökningsbalken (1981:774)*) is found to lack seizable assets.

If the special balance sheet shows that the equity of the company is less than half of the registered share capital, the board of directors shall, as soon as possible, issue a notice to call a shareholders' meeting which shall consider whether the company shall go into liquidation (*initial shareholders' meeting*). The special balance sheet and an auditor's report with respect thereto shall be presented at the initial shareholders' meeting.

If the special balance sheet presented at the initial shareholders' meeting fails to show that, on the date of such meeting, the equity of the company amounts to the registered share capital and the initial shareholders' meeting has not resolved that the company shall go into liquidation, the shareholders' meeting shall, within eight months of the initial shareholders' meeting, reconsider the issue of whether the company shall go into liquidation (*second shareholders' meeting*). Prior to the second shareholders' meeting, the board of directors shall prepare a new special balance sheet and cause such to be reviewed by the company's auditors. The new special balance sheet and an auditor's report thereon shall be presented at the second shareholders' meeting.

A shareholders' resolution on liquidation of the company shall be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), which shall appoint a liquidator. Should the shareholders not resolve on such voluntary liquidation where required (which is where (i) a second shareholders' meeting is not held within the period of time stated above, or (ii) the new special balance sheet which was presented at the second shareholders' meeting was not reviewed by the company's auditor or fails to show that, on the date of such meeting, the equity of the company amounts to at least the registered share capital), the court may put the company into compulsory liquidation and appoint a liquidator. The liquidator takes over management and control of the company and shall sell the company's assets and settle the company's debts with the proceeds. The liquidator shall give notice to the company's unknown creditors and creditors that have not lodged their claims with the liquidator within six months following such notice will have forfeited their rights to their claims.

Foreign Currency

Whereas Swedish courts may award judgments in currencies other than Swedish krona, judgments will be enforced in Swedish krona, generally at the rate of exchange prevailing at the date of enforcement rather than at the date of judgment.

Trust

Currently, Swedish law does not contain any provisions for trusts to be formed and trustees to be appointed. While Swedish law does not know the concept of trust, it is generally believed that a trustee appointed under foreign law, provided that a trustee is capable of being appointed under the laws governing such appointment, will be recognized and acknowledged in Sweden in that such an appointed trustee may be able to claim and enforce or procure the enforcement of the rights of the beneficiaries under the trust, subject to the terms of the relevant documents.

Limitations on the Validity and Enforceability of the Guarantees

Certain provisions of the Swedish Companies Act (Sw. *Aktiebolagslag* (2005:551)) may limit the holders of the notes' right to payment from the Swedish guarantor.

A Swedish limited liability company may not provide a guarantee for the obligations of a parent or sister company, unless they belong to the same group of companies and the parent company of that group is domiciled within the EEA, or unless the guarantee is intended exclusively for the borrower's business operations and is provided for purely commercial reasons.

Furthermore, if a Swedish limited liability company provides any guarantee without receiving sufficient corporate benefit in return, such guarantee will, in whole or in part, be considered a distribution of assets, which will be lawful only (i) to the extent there is sufficient coverage for the restricted equity capital of the Swedish limited liability company after the distribution (i.e., at the time the guarantee is provided) (where the aggregate amount available for distribution during the period from the annual general meeting until the following year's annual general meeting shall be calculated on the basis of the balance sheet approved by the shareholders at the first annual general meeting, taking into account changes in the restricted equity capital after such annual general meeting) and (ii) if considered prudent by the Swedish limited liability company to undertake such distribution after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to the Swedish limited liability company's business or the Swedish limited liability company's need to strengthen its balance sheet, liquidity or financial position in general. Where the Swedish limited liability company is a parent company, the latter assessment is also made on a group level.

It should also be noted that laws relating to financial assistance in Sweden prohibit limited liability companies incorporated in Sweden from providing guarantees or security interests for obligations of any person where such obligations are being incurred for the purpose of acquiring shares in the company itself or in any other superior member of the same Swedish group of companies.

The guarantees granted by the Swedish guarantor are limited in accordance with the above restrictions relating to corporate benefit, distribution of assets and financial assistance and are subject to limitation language limiting the liability of such entities thereunder if required by the above restrictions.

Switzerland

Certain Insolvency Considerations

Switzerland

The following is only a general description of possible insolvency and bankruptcy scenarios with respect to any of the guarantors organized under Swiss law (such guarantors, the ''Swiss guarantors''). Most of Swiss bankruptcy and insolvency law is governed by the Swiss Federal Act on Debt Enforcement and Bankruptcy of April 11, 1889, as amended (for purposes of this subsection the ''Bankruptcy Act''). Generally, bankruptcy proceedings recognize the separation of legal entities, even if the bankrupt company is a wholly owned subsidiary within a group of companies. Therefore, only the assets of the bankrupt company are subject to the bankruptcy proceedings.

Debt Collection Proceedings

In many cases, procedures for collecting monetary debts are opened by debt collection proceedings. The creditor has to complete a simple form and file it with the competent Debt

Collection Office in Switzerland (*Betreibungsamt*). Thereupon, the Debt Collection Office will issue to the debtor a so called writ for payment (*Zahlungsbefehl*). Usually, the debtor raises opposition to the writ, in which case the debt collection proceedings are stopped until the creditor has an enforceable judgment in its favor. Debt collection is continued by a specific request for continuance which in case of the debtor being a corporation usually leads to bankruptcy proceedings.

Bankruptcy Proceedings

Most bankruptcy proceedings are preceded by a debt collection proceeding. Upon receipt of a request for continuance (as discussed in the preceding subsection), the debtor will be served the so- called threat of bankruptcy *(Konkursandrohung).* No less than twenty days after that, the creditor can file a petition for bankruptcy *(Konkursbegehren)* with the competent bankruptcy court (*Konkursgericht*), leading to a summary court proceeding in which bankruptcy is adjudicated or the case is dismissed.

With the adjudication of bankruptcy (*Konkurseröffnung*), the debtor is no longer entitled to and capable of disposing of the debtor's assets. Instead, all of the debtor's seizeable assets at the time of the adjudication of the bankruptcy form the bankrupt estate. For creditors, the bankruptcy results, among other things, in all the obligations of the debtor becoming due (except for obligations secured by mortgages) and interest ceases to accrue against the debtor. Creditors have to file their claims (i.e., principal, interest accrued until the date of bankruptcy, and costs of debt collection) with the bankrupt estate. Unmatured non-interest bearing claims are discounted at five per cent per annum. Contingent claims are admitted in their full amount, but the creditor is not entitled to receive any payments before the condition is fulfilled. Moreover, subject to some limitations, a creditor may set off his claims against a claim of the debtor against the creditor.

Until the so-called first meeting of creditors, the bankruptcy office (*Konkursamt*) acts as administrator of the bankrupt estate. The first meeting of creditors, which is called by the bankruptcy office, may, among other things, appoint an out-of-court administrator instead of the bankruptcy office. The administrator has wide powers with regard to the administration of the estate. Some material decisions require the approval of the creditors, however.

If there are no sufficient assets in the estate for an ordinary bankruptcy proceeding, the bankruptcy court may order a summary procedure in which the creditors do not participate. Any creditor may demand an ordinary proceeding, however, if he advances the costs of such a proceeding. If there are no assets at all, the bankruptcy office may close a proceeding without further ado for lack of assets.

Ranking of Claims

The ranking of creditors and the distribution of proceeds from the liquidation of the debtor's estate are governed by the following principles:

Secured claims are satisfied directly out of the proceeds of the collateral's realization. The costs for the administration (including realization) of the collateral will be deducted from these proceeds.

- Liabilities incurred by the trustee after the adjudication of bankruptcy, including the costs of administration and of the bankruptcy proceeding have priority over unsecured claims and will be satisfied at first.
- Unsecured claims are ranked in three different classes. The claims of a higher class have to be satisfied in full before claims of a lower class may be satisfied. Claims within the same class are satisfied pro rata if not covered in full.

The first class of claims comprises certain claims of employees, claims concerning accident insurance, pension claims and claims of pension funds against employers. The second class comprises social security premiums. All other claims fall into the third class. Generally, subordinated claims formally belong to the third class but are treated as if they ranked in a fourth, fifth, etc. class, depending on the extent of their subordination.

Bankruptcy Proceedings Initiated by the Debtor

A corporation may declare itself insolvent at any time by filing a petition with the bankruptcy court. The court will then adjudicate bankruptcy, with the effects as outlined in the subsection ''Bankruptcy proceedings'' above.

Moreover, a corporation has to file for bankruptcy under some conditions based on article 725(2) of the Swiss Code of Obligations. If at any time there is a substantiated concern that the company may be overindebted, the board of directors has to prepare a standalone interim balance sheet. If the equity of the company is negative both on a going concern basis and on a liquidation basis, the board of directors has two alternatives. If there is a realistic chance of success, the board of directors may explore the possibility of a financial reorganization during a few weeks. The reorganization may take the form of a subordination of claims by creditors to the extent that the assets do not cover such claims. If the reorganization attempt is futile or fails, the board of directors has to notify the competent bankruptcy court. The bankruptcy court then may (a) adjudicate the debtor bankrupt, (b) upon request by the board, initiate composition proceedings or (c), upon request by the board or a creditor and if there is a prospect of financial restructuring, postpone bankruptcy. In the latter case, the Bankruptcy Court may appoint a trustee.

Moratorium and Composition Proceedings

The Bankruptcy Act also provides for moratorium and composition proceedings. A debtor may petition for a (provisional) moratorium with the competent composition court. The provisional moratorium may be granted for four months, during which the debtor may restructure its debt and reach an agreement with his creditors.

The effects of a moratorium on the position of the creditors are, among other things, that debt collection, attachments and other remedies freezing assets will no longer be available to creditors, that interest for unsecured claim ceases to accrue, that all litigation except for urgencies is stayed and that, usually, the debtor may continue its business activities under the supervision of a trustee appointed by the composition court. The court may also install a creditors' committee which would resolve on the disposal of assets; otherwise, such disposals require court approval.

If the restructuring is successful, the debtor may ask the court to lift the moratorium. If the restructuring fails or is expected to fail, the moratorium is followed by composition proceedings, which are actually a compulsory settlement, reached under official supervision and with court confirmation. A composition requires the approval of a supermajority of the creditors and is also binding on any dissenting or non-participating creditors. As a side note, any creditor entitled to petition for the opening of bankruptcy proceedings may petition for composition proceedings as well.

Fraudulent Conveyances and Voidable Preference

Under the Bankruptcy Act, the trustee in bankruptcy or an assignee may challenge specific actions by the debtor as being fraudulent conveyances or voidable preference. The effect of a successful challenge is that the relevant assets are recovered by the bankrupt estate for the benefit of its creditors. As long as a transaction has not been challenged, it remains legally valid.

There are basically two categories of fraudulent conveyances/voidable preferences. The first category comprises transactions which were, in a broad sense, not at arm's length and to the detriment of the debtor, including the providing of security for unsecured obligations or the payment of debt not yet due. With regard to intra-group transactions, the counterparty of the transaction has to prove that the transaction was at arm's length. These actions may be challenged if they have been made within one year prior to the adjudication of bankruptcy. The second category comprises all transactions within five years prior to the adjudication of bankruptcy which have been made with the debtor's intention to disadvantage his creditors or to grant a benefit to certain creditors to the disadvantage of others, provided that the counterparty to the transaction knew or should have known of such intent. In related party transactions, the counterparty bears the burden of proof that it was not aware of such intent.

Limitations on the Validity and Enforceability of Guarantees

As a matter of Swiss corporate law, the validity and enforceability of any security, guarantee, joint and several liability, indemnity or other instrument or benefit (including through subordination and by means of a waiver of set-off, subrogation or other rights) granted by a Swiss company for, or with respect to, any obligation of any person other than such company's direct or indirect subsidiaries (collectively ''Up- or Cross-Stream Benefits'') is subject to and limited by:

(i) such company's corporate objects purpose as stated in its articles of association (*Statuten*);

(ii) the fiduciary duties of its board of directors, which require the directors, among other things, (1) to act in the interest of the company as a stand-alone legal entity even if that would not be in the interest of the group of companies to which the company belongs, (2) to preserve a sufficient amount of liquidity regardless of the company's disposable equity and (3) to safeguard the interests of all creditors of the company, especially (but not only) in the vicinity of insolvency;

(iii) the rules regarding capital maintenance, under which Up- or Cross-Stream Benefits may be limited to the freely disposable equity capital of the company granting such benefits at the relevant time. Such freely disposable equity capital is determined on the basis of a stand- alone audited balance sheet of the relevant company in accordance with Swiss law and

Swiss accounting principles and may be reduced by (1) an amount corresponding to the value of such Up- or Cross-Stream Benefits, and (2) the aggregate amount of the loans, if any, granted by such company to any affiliates or related parties other than its direct or indirect subsidiaries, and (3) other adjustments. Further corporate actions (including board resolutions and unanimous shareholders resolutions based on an audited balance sheet) may need to be taken to effect the validity and enforceability of an Up- or Cross-Stream Benefit and/or to authorize the relevant payments, realizations or distributions thereunder; and

(iv) defenses affecting the rights of creditors generally, including without limitation fraudulent conveyance and voidable preference (summarized below in subsection ''—Fraudulent conveyance and voidable preference'').

As a result of these restrictions, the liability of a guarantor incorporated under Swiss law under its guarantee or the economic value of such guarantee could be reduced to zero.

With regard to the guarantors incorporated under Swiss law, the indenture that will govern the notes will provide substantially as follows:

''The obligations of each guarantor which is incorporated under the laws of Switzerland (each a ''Swiss guarantor'') are subject to the following limitations: If and to the extent the use of the proceeds from the enforcement of the guarantee to discharge the obligations of the Issuer or any other direct or indirect parent or sister companies of a Swiss guarantor (the ''Swiss-Secured Obligations'') would constitute a repayment of capital (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) under Swiss corporate law, the proceeds from the enforcement of the guarantee to be used to discharge the Swiss-Secured Obligations shall be limited, to the extent required by applicable law at that time, to the maximum amount of the freely disposable shareholders' equity of each Swiss guarantor at the time of enforcement (the ''Maximum Amount''); provided that such limitation shall not free the respective Swiss guarantor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted by then applicable law. The Maximum Amount shall be determined in accordance with Swiss law and applicable Swiss accounting principles and, if and to the extent required by applicable Swiss law, shall be confirmed by the auditors of the respective Swiss guarantor on the basis of an interim audited balance sheet as of that time. Each Swiss guarantor and each shareholder thereof shall promptly take or cause to be taken, as applicable, all such measures necessary or useful to allow the respective Swiss guarantor to use enforcement proceeds as agreed hereunder with a minimum of limitations''.

United States

Certain Insolvency Considerations

The issuance of the notes and the guarantees may be subject to review under U.S. federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future date by the Issuer, by a guarantor or on behalf of the Issuer's or a guarantor's unpaid creditors. While the relevant laws may vary from jurisdiction to jurisdiction in the United States, the incurrence of the obligations in respect of the notes and the guarantees, will generally be a fraudulent conveyance if (i) the transactions relating to the issuance of the notes or guarantees were undertaken with the intent of hindering, delaying or defrauding creditors or (ii) the Issuer or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee and, in the case of (ii) only, any one of the following is also true:

- the Issuer or such guarantor was insolvent or rendered insolvent by reason of issuing the notes or the guarantees;
- the issuance of the notes or guarantees left the Issuer or such guarantor with an unreasonably small amount of capital to carry on the business in which the Issuer or such guarantor was engaged or about to engage; or
- the Issuer or such guarantor intended to, or believed that we or it would, incur debts beyond our or its ability to pay as they become due.

If a U.S. court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of the Issuer or such guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to the Issuer's other debt and that of the guarantors that could result in acceleration of such debt.

The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the law of the U.S. jurisdiction that is being applied, such that we cannot be certain as to: the standards a court would use to determine whether or not the Issuer or the guarantors were solvent at the relevant time, or, regardless of the standard that a court uses, that it would not determine that the Issuer or a guarantor was indeed insolvent on that date; that any payments to the holders of the notes (including under the guarantees) did not constitute preferences, fraudulent transfers or conveyances on other grounds; or that the issuance of the notes and the guarantees would not be subordinated to the Issuer's or any guarantor's other debt.

Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A U.S. court would likely find that the Issuer or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or such guarantee if the Issuer or such guarantor did not substantially benefit directly or indirectly from the issuance of the notes or the applicable guarantee. Thus, if the guarantees were legally challenged, any guarantee could be subject to the claim that, since the guarantee was incurred for the Issuer's benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than reasonably equivalent value or fair consideration. Therefore, a court could void the obligations under the guarantees, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of the notes.

To the extent a U.S. court avoids any of the guarantees as fraudulent transfers or holds any of the guarantees unenforceable for any other reason, the holders of notes would cease to have any direct claim against the applicable guarantor. If a U.S. court were to take this action, the applicable guarantor's assets would be applied first to satisfy the applicable guarantor's other liabilities, if any, and might not be applied to the payment of the guarantee. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the Issuer or the applicable guarantor.

Although each guarantee entered into in connection with the notes will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective as a legal matter to protect those guarantees from being avoided under fraudulent transfer law or otherwise, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless.

In addition, as noted above, any payment by the Issuer pursuant to the notes or by a guarantor under a guarantee made at a time the Issuer or such guarantor was found to be insolvent could be voided and required to be returned to the Issuer or such guarantor or to a fund for the benefit of the Issuer's or such guarantor's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give such insider or outsider party more than such creditors would have received in a distribution under the U.S. Bankruptcy Code in a hypothetical Chapter 7 case.

Finally, as a court of equity, a U.S. bankruptcy court may otherwise subordinate the claims in respect of the notes or the guarantees to other claims against the Issuer or the guarantors under the principle of equitable subordination, if the court determines that: (i) the holder of the notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of the notes; and (iii) equitable subordination is not inconsistent with the provisions of the U.S. Bankruptcy Code.

Any future guarantee may be avoidable in bankruptcy.

Guarantees issued after the issue date of the notes may be treated under bankruptcy law as if they were delivered to guarantee previously existing indebtedness. Any future issuance of a guarantee, including pursuant to guarantees delivered in connection therewith after the date the notes are issued, may be avoidable by the guarantor (as a debtor in possession), by its trustee in bankruptcy, or potentially by other creditors if certain events or circumstances exist or occur, including, among others, if (1) the guarantor is insolvent at the time of the issuance of the guarantee, (2) the issuance of the guarantee permits the holders of the notes to receive a greater recovery in a hypothetical Chapter 7 case than if the guarantee had not been given and (3) a bankruptcy proceeding in respect of the guarantor is commenced within 90 days following the issuance of the guarantee, or, in certain circumstances, a longer period. Accordingly, if the Issuer or any guarantor were to file for bankruptcy protection after the issue date of the notes and any guarantees not issued on the issue date of the notes had been issued less than 90 days before commencement of such bankruptcy proceeding, such guarantees are materially more likely to be avoided as a preference by the bankruptcy court than if delivered on the issue date of the notes (even if the other guarantees issued on the issue date of the notes would no longer be subject to such risk). To the extent that the grant of any such guarantee is avoided as a preference or otherwise, you would lose the benefit of that guarantee.

PLAN OF DISTRIBUTION

The Issuer and the initial purchasers named below (the ''initial purchasers'') have entered into a purchase agreement with respect to the notes. Subject to certain conditions, each initial purchaser has severally agreed to purchase the respective principal amount of notes indicated opposite its name as set forth in the following table.

Initial Purchasers	Principal Amount of Notes
Goldman Sachs International	€
Credit Suisse Securities (Europe) Limited	
Merrill Lynch International	
Barclays Bank PLC	
Citigroup Global Markets Limited	
RBC Europe Limited	
HSBC Securities (USA) Inc.	
SunTrust Robinson Humphrey, Inc.	
Jefferies LLC	
Total	€545,000,000

The initial purchasers have agreed to purchase all of the notes being sold pursuant to the purchase agreement if any of the notes are purchased. If an initial purchaser defaults, the purchase commitment of the non-defaulting initial purchasers may be increased in certain circumstances or the purchase agreement may be terminated.

The initial purchasers have advised us that they propose initially to offer the notes at the price listed on the cover page of this offering circular. After the initial offering of the notes, the initial purchasers may from time to time vary the offering price and selling terms. The initial purchasers may offer and sell through certain of their affiliates.

The Issuer has agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, if, as and when issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officers' certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. In connection with sales outside the United States, the initial purchasers have agreed that they will not offer, sell or deliver the notes to, or for the account or benefit of, U.S. persons (i) as part of the initial purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the notes are originally issued. Each initial purchaser will send to each dealer to whom it sells such notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons, except in reliance on Rule 144A. With respect to jurisdictions located outside of the United States, the offers will be conducted through affiliates of the initial purchasers that are registered and/or licensed to conduct the offers in such jurisdictions. Terms used in this paragraph have the meanings given to them under the Securities Act. Resales of the notes are restricted as described under ''Transfer Restrictions''.

The Issuer has agreed that for a period of 75 days after the date of the purchase agreement, neither the Issuer nor any of the guarantors will, other than as contemplated by the purchase agreement, without the prior written consent of Goldman Sachs International, directly or indirectly, offer, sell, contract to sell, or otherwise transfer or dispose of (or enter into any transaction or devise that is designed to, or could be reasonably expected to, result in the disposition in the future of) any debt securities issued or guaranteed by the Issuer or any of the guarantors other than those contemplated by the Transactions.

In addition, with respect to notes initially sold pursuant to Regulation S under the Securities Act, until 40 days after the commencement of this offering, an offer or sale of such notes within the U.S. by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

There is no established trading market for the notes. Although an application has been made by or on behalf of the Issuer to the Authority for the listing of and permission to deal in the notes on the Official List of the Exchange, there is 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. The notes will be a new issue of securities for which there is no established trading market. The initial purchasers have advised us that they presently intend to make a market in the notes as permitted by applicable laws; however, they are not obligated to do so and may discontinue such market making at any time without providing any notice. Accordingly, no assurance can be given as to the liquidity of any trading market for the notes.

In connection with the offering, the initial purchasers may purchase and sell notes and/or our other debt securities in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater number of notes (or such other securities) than they are required to purchase in the offering or which they hold in inventory. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The initial purchasers also may impose a penalty bid. This occurs when a particular initial purchaser repays to the other initial purchasers a portion of the commission received by it because an initial purchaser or its affiliates have repurchased notes sold by or for the account of such initial purchaser in stabilizing or short covering transactions.

These activities by the initial purchasers, as well as other purchases by the initial purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes and/or our other debt securities. As a result, the price of the notes (or such other securities) may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the initial purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise.

The initial purchasers and certain of their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the initial purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, for which they received or will receive customary fees and expenses. Affiliates of Barclays Bank PLC and RBC Europe Limited are serving as financial advisors to Bain Capital in connection with the

Transactions. Each of the initial purchasers and/or their affiliates is acting as an arranger, agent and/or lender under the Senior Secured Credit Facilities. In connection with the Transactions, we entered into a commitment letter with each of the initial purchasers and/or certain of their respective affiliates providing, in part, for a $600.0 million senior unsecured bridge facility (the ''Bridge Facility'') and in connection therewith, such initial purchasers or affiliates will receive customary fees. The commitments under the Bridge Facility will be reduced dollar-for-dollar, down to $0, by the gross proceeds from this offering, and the related commitment will be terminated. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such 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 credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby.

The initial purchasers will receive customary commissions and discounts under the purchase agreement upon the consummation of the offering of the notes pursuant to this offering circular.

In the ordinary course of their various business activities, the initial purchasers and certain of their respective affiliates, officers, directors and employees may purchase, sell, make or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The initial purchasers and certain of their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The initial purchasers may hold a portion of the notes after the consummation of the offering.

Notice to Prospective Investors in the European Economic Area

This offering circular has been prepared on the basis that any offer of notes in any Member State (each, a ''Relevant Member State'') of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the notes which are the subject of the offering contemplated in this offering circular may only do so in circumstances in which no obligation arises for the Issuer or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor the initial purchasers have not have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer.

In relation to each to Member State of the EEA, each Initial Purchaser has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer to the public of notes which are the subject of the offering contemplated by this offering circular in that Member State other than:

i. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

ii. to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of Goldman Sachs International, as the representative of the initial purchasers; or

iii. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Issuer, the guarantors or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer to the public of notes'' in relation to any of the 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 the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression ''Prospectus Directive'' means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Notice to Prospective Investors in the Netherlands

This offering circular is directed only at qualified investors (*gekwalificeerde beleggers*) as defined in the Prospectus Directive, as amended and as implemented in the Netherlands. The notes have not, may not and will not be offered to the public in the Netherlands, other than exclusively to qualified investors (*gekwalificeerde beleggers*). This offering circular must not be acted on or relied on by persons who are not qualified investors (*gekwalificeerde beleggers*). Any investment or investment activity to which this offering circular relates is available only to qualified investors (*gekwalificeerde beleggers*) and will be engaged in only with qualified investors (*gekwalificeerde beleggers*). Recipients of this offering circular are not permitted to transmit it to any other person. For the purposes of this provision, the expression ''offer of notes to the public'' in relation to any notes in the Netherlands means (i) 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, or (ii) the placement of the notes through financial intermediaries as referred to in section 2(1)(d) of the Prospectus Directive.

Notice to Prospective Investors in Austria

The notes may only be offered in the Republic of Austria in compliance with the provisions of the Austrian Capital Market Act and other laws applicable in the Republic of Austria governing the offer and sale of the notes in the Republic of Austria. The notes are not registered or otherwise authorized for public offer in Austria under the Austrian Capital Market Act or any other securities laws in Austria and the offering circular has not been and/or will not be published pursuant to the Austrian Capital Market Act. The notes may only be marketed to investors in Austria on the basis of, and in accordance with, an exemption from the obligation to publish a prospectus pursuant to section 3 of the Austrian Capital Market Act. Accordingly, the notes may not be, and are not being, offered or advertised publicly and the notes will only be available to, and this offering circular and any other offering material in relation to the notes is directed only at, persons to whom such offer or disclosure may be lawfully made. Any resale of the notes in Austria may only be made in accordance with the Austrian Capital Market Act and other applicable laws and in any case only on the basis of, and in accordance with, an exemption from the obligation to publish a prospectus pursuant to section 3 of the Austrian Capital Market Act.

Notice to Prospective Investors in Belgium

This offering circular relates to a private placement of the notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the notes. The offering has not been and will not be notified to, and this offering circular has not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten*/*Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of notes. Accordingly, the offering, as well as any other materials relating to the offering, may not be advertised, the notes may not be offered or sold, and this offering circular or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any other person located and/or resident in Belgium other than in circumstances which do not constitute an offer to the public in Belgium pursuant to the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market or (ii) to any persons qualifying as a consumer within the meaning of Book VI of the Belgian Economic Law Code. This offering circular has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium.

Notice to Prospective Investors in Canada

The notes may be sold in Canada 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 circular (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 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriting conflicts of interest in connection with this offering.

Notice to Prospective Investors in the United Kingdom

The issue and distribution of this offering circular is restricted by law. This offering circular is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by, a person authorized under the Financial Services and Markets Act 2000. This offering circular is for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the ''Order'')), (ii) are persons falling within Article 49(2)(a) to (d) (''high net worth companies, unincorporated associations, etc.'') of the Order, (iii) are outside the United Kingdom or (iv) 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 or caused to be communicated (all such persons together being referred to as ''relevant persons''). This offering circular 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 offering circular relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this offering circular should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Issuer. The notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

Each initial purchaser represents, warrants and agrees as follows:

i. they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act of 2000 (the ''FSMA'')) received by them in connection with the issue or sale of the notes in circumstances in which Section 21 of the FSMA does not apply to the Issuer or the guarantors; and

ii. they have complied with, and will comply with, all applicable provisions of the FSMA with respect to anything done by them in relation to the notes in, from or otherwise involving the United Kingdom.

Notice to prospective investors in Spain

This offering circular has not been registered as a prospectus with the *Spanish Comisión Nacional del Mercado de Valores* and therefore the notes may not be offered in Spain by any means, except in circumstances which do not qualify as a public offer of securities in Spain in accordance with Article 35 of the Security Market Act 4/2015, of October 23 (R*eal Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended and restated or pursuant to an exemption from registration in accordance with Article 41 of the Royal Decree 1310/2005 (*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*).

Notice to Prospective Investors in Switzerland

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this offering circular nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Neither this offering circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the notes have been or will be filed with or approved by any Swiss regulatory authority. The notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the notes will not benefit from protection or supervision by such authority.

Notice to Prospective Purchasers in Hong Kong

This offering circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The securities to be sold under this offering circular may not be offered or sold in Hong Kong by means of any document other than (a) to ''professional investors'' as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder; or (b) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong); or (c) in other circumstances which do not result in the document being a ''prospectus'' as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to ''professional investors'' as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Purchasers in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the ''FIEA'') and disclosure under the FIEA has not been and will not be made with respect to the notes. Accordingly, the notes may not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, ''Japanese Person'' shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Purchasers in Mexico

The notes have not been and will not be registered with the National Registry of Securities (*Registro Nacional de Valores*) maintained by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*). The offering of the notes does not constitute a public offering in Mexico and, therefore, the notes may not be offered publicly in Mexico, except that the notes may be sold to Mexican institutional and qualified investors pursuant to a private placement exemption. The information contained in this offering circular is exclusively our responsibility and has not been reviewed or authorized by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*). The acquisition of the notes by investors, including Mexican investors, will be made under their own responsibility.

Notice to Prospective Purchasers in Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes have not and may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the ''SFA''), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor; then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA, or to a relevant person under Section 275(2) of the SFA, or any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is given for the transfer; (iii) by operation of law; or (iv) as specified in Section 276(7) of the SFA.

Notice to Prospective Purchasers in Dubai International Financial Centre

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this offering circular nor taken steps to verify the information set out in it, and has no responsibility for it. The notes which are the subject of the offering contemplated by this offering circular may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this document you should consult an authorized financial adviser.

Notice to Prospective Purchasers in Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the notes has been, or will be, lodged with Australian Securities & Investments Commission of Australia (''ASIC''). Each initial purchaser has represented and agreed that it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any notes in Australia, including an offer or invitation which is received by a person in Australia; and

(b) has not distributed or published, and will not distribute or publish, this offering circular or any other offering material or advertisement relating to any notes in Australia,

unless (i) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the person offering the notes or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act, (ii) the offer, invitation or distribution does not constitute an offer to a ''retail client'' as defined for the purposes of Section 761G of the Australian Corporations Act, (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the notes in the jurisdiction in which such offer, sale and resale occurs, and (iv) such action does not require any document to be lodged with ASIC.

Notice to Prospective Purchasers in France

This offering circular has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the French *Code Monétaire et Financier* and therefore has not been filed with the French Financial Markets Authority (*Autorité des Marchés Financiers)* for prior approval. The Issuer represents that it has not offered or sold and will not offer or sell, directly or indirectly, any of the notes which are the subject of the offering contemplated by this offering circular to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this offering circular, or any other offering material relating to the notes. The offers, sales or distributions in France will be made only to (a) 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 compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle retreint d'investisseurs*) acting for their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D411-4, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier.*

The notes thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier.*

Notice to Prospective Investors in Sweden

This offering circular is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*Sw. lagen (1991:980) om handel med finansiella instrument*) nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this offering circular or will examine, approve or register this offering circular. Accordingly, this offering circular 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.

LEGAL MATTERS

The validity of the notes offered hereby and certain other legal matters will be passed upon for us by Kirkland & Ellis LLP, Chicago, Illinois. Kirkland & Ellis LLP has from time to time represented, and may continue to represent, Bain Capital and some of its affiliates in connection with various legal matters. Some of the partners of Kirkland & Ellis LLP are partners in a partnership that is an investor in one or more of the investment funds affiliated with Bain Capital and a co-investor with Bain Capital in the ultimate parent company of the Issuer. Certain legal matters in connection with this offering will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP, New York, New York.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements of the Diversey business and subsidiaries as of December 31, 2016 and 2015, and for the fiscal years then ended, included in this offering circular have been audited by Ernst & Young LLP, independent certified public accountants, as stated in their report appearing herein.

ENFORCEABILITY OF JUDGMENTS

The Issuer is incorporated under the laws of the Netherlands, and certain of the guarantors are organized under the laws of various jurisdictions outside the United States, including Australia, Austria, Brazil, Belgium, Canada, Denmark, France, Germany, Hong Kong, Mexico, the Netherlands, Poland, Spain, Sweden, Switzerland and the United Kingdom (such guarantors, the ''non-U.S. guarantors''). Certain of the Issuer's and the non-U.S. guarantors' directors and officers reside outside the United States, and all or a significant portion of such directors' and officers' assets, and a significant portion of the Issuer's and the non-U.S. guarantors' assets, are located outside the United States. As a result, to effect service of process within the United States upon the Issuer or the non-U.S. guarantors with respect to matters arising under the U.S. federal securities laws or to enforce against the Issuer or the non-U.S. guarantors judgments obtained in U.S. courts, including judgments predicated upon civil liability under U.S. federal securities laws, we have agreed, in accordance with the terms of the indenture under which the notes will be issued, to accept service of process in any suit, action or proceeding with respect to such indenture or the notes brought in any federal or state court located in the Borough of Manhattan, in the City of New York, by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings. However, it may be difficult for holders of the notes to realize in the United States upon judgments of courts of the United States predicated upon civil liability under U.S. federal or state securities laws or other laws of the United States.

If a judgment is obtained in a U.S. court against the Issuer or a non-U.S. guarantor or any of their directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant defendant has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the Netherlands, Australia, Austria, Canada, England and Wales, Mexico, Poland, Spain, Sweden and Switzerland, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

The Netherlands

The United States and the Netherlands 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 court in the United States, whether or not predicated solely upon U.S. securities laws, would not be enforceable in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the claim must be re-litigated before a competent Dutch court. Based on case law, the courts of the Netherlands may be expected to give conclusive effect to a final and enforceable judgment of such court of competent jurisdiction in the U.S. without re-examination or re-litigation of the substantive matters adjudicated thereby, provided that (i) the relevant United States court accepted jurisdiction in the matter on the basis of an internationally recognized ground to accept jurisdiction, (ii) the proceedings before such court complied with principles of proper procedure (*behoorlijke rechtspleging*), (iii) such judgment does not conflict with the public policy of the Netherlands, and (iv) such judgment is not incompatible with a judgment given between the same parties by a Netherlands court or with a prior judgment given between the same parties by a foreign court in a dispute concerning the same subject matter and based on the same cause of action, provided such prior judgment is recognizable in the Netherlands. Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, investors may be able to enforce in the Netherlands judgments in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that such judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in the Netherlands and predicated solely upon U.S. securities laws.

Australia

The United States and Australia do not have a treaty which provides for the reciprocal recognition and enforcement of judgments in civil matters. Further, United States courts are not listed in the Foreign Judgments Regulations 1992 made under the Foreign Judgments Act 1991 of Australia Therefore, there is no statutory recognition or statutory enforcement in Australia of any judgment obtained in a court in the United States. Instead, a judgment made by a U.S. court can only be enforced in Australia under the common law regime.

Under that regime, any final, conclusive and unsatisfied judgment *in personam* (that is, that imposes a personal obligation on the defendant) of a U.S. court which has jurisdiction as determined under the rules of private international law of Australia, and is for a definite sum of money (not being a sum in respect of taxes or other charges of a like nature or in respect of a fine or other penalty), and is between the same parties, may be enforceable by the judgment creditor against the judgment debtor by action in the Australian courts (without re-examination of the merits of the issues determined by the proceedings in the U.S. court) unless certain circumstances apply, including:

- the judgement debtor (or its duly appointed agent) did not receive notice of the proceedings in sufficient time to contest the proceedings;
- the U.S. judgment was obtained by fraud or has been reversed or set aside or its enforcement would be contrary to public policy in Australia;
- the courts of Australia had no jurisdiction in the circumstances of the case resulting in the U.S. judgment; or
- the matter determined by the judgment was the subject of an earlier final and conclusive judgment by another court having jurisdiction.

The Australian dollar is convertible into U.S. dollars at freely floating rates, subject to the sanctions described below. The Autonomous Sanctions Regulations 2011 promulgated under the Autonomous Sanctions Act 2011 of Australia, the Charter of the United Nations Act 1945 of Australia, and other laws and regulations in Australia restrict or prohibit payments, transactions and dealings with assets having a prescribed connection with certain countries or named individuals or entities subject to international sanctions or associated with terrorism or money laundering.

The Australian Department of Foreign Affairs and Trade maintains a list of all persons and entities having a prescribed connection with terrorism and a list of all persons and entities that are subject to autonomous sanctions (which include economic sanctions) which are available to the public at the department's website at http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html.

Austria

The United States and Austria do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, other than arbitration awards in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, will not be recognized and enforceable, either in whole or in part, in Austria. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in Austria, such party may submit to the Austrian 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 a guarantor will be regarded by an Austrian court only as evidence of the outcome of the dispute to which such judgment relates, and an

Austrian court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere are unenforceable in Austria.

Canada

There is some doubt as to the enforceability in Canada in original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated upon U.S. federal securities laws. The courts of Canada may not: (a) enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or ''blue sky'' laws of any state within the U.S.; or (b) enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the U.S. or ''blue sky'' laws of any state within the U.S.

Denmark

We have been advised by our Danish legal counsel that there is no treaty on the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters between the United States and Denmark. Courts in Denmark will not automatically recognize and enforce a final judgment rendered by a U.S. court. Under Danish law, a Danish title for execution (i.e., a Danish court judgment) is required for such recognition and enforcement; in seeking a Danish court judgment or order to such effect, a judgment of a U.S. court may constitute circumstantial evidence of the questions of fact in the case concerned and evidence of the governing law as applied to the matter in dispute. The application by a Danish court of foreign law in a matter brought before it is subject to (a) the foreign law not being contrary to such mandatory rules of Danish law that due to their public nature or general interest would be considered applicable irrespective of the agreed choice of law and (b) the application of the foreign law not resulting in an outcome contrary to the public policy (*ordre public*) of the Danish legal system.

England and Wales

The United States and England and Wales currently do not have a treaty between them providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England and Wales. In order to enforce any such U.S. judgment in England and Wales, fresh proceedings must first be initiated before a court of competent jurisdiction in England and Wales. In such an action, an English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is said below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Summary judgment is a procedure by which the English court can dispose of all or part of a claim without proceeding to a full trial. Recognition and enforcement of a U.S. judgment by an English court in such an action may be conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles and rules of English private international law (in other words, it does not matter that the U.S. court had jurisdiction according to its own law, but instead whether it had jurisdiction according to the rules of English private international law);
- the U.S. judgment not having been given in breach of a jurisdiction or arbitration clause;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a debt for a definite sum of money;

- the U.S. judgment not contravening English public policy, the European Convention on Human Rights or the Human Rights Act 1998 (or any subordinate legislation made thereunder, to the extent applicable);
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine, or otherwise involving the enforcement of a non-English penal or revenue law;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud or in breach of English principles of natural justice;
- there not having been a prior inconsistent, determinative or conflicting judgment of an English or other non-U.S. court in respect of the same matter involving the same parties and/or prior inconsistent judgment given in a Hague Convention Member State of the European Union or a Member State of the European Economic Area which the English Court must recognize and enforce under the Hague Convention Choice of Court Agreements of June 30, 2005 and/or Council Regulation (EC) 1215/2012 and/or the Lugano Conventions of 1988 and 2007;
- the U.S. judgment not having been wholly satisfied or not being enforceable by execution in the U.S.;
- the party seeking enforcement providing security for costs, if ordered to do so by the English court; and
- the English enforcement proceedings being commenced within six years from the date of the U.S. judgment.

Subject to the foregoing, investors may be able to enforce judgments in England and Wales in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in England and Wales. In addition, it is questionable whether an English court would accept jurisdiction and impose civil liability if proceedings were commenced in England and Wales, instead of the United States, in an original action predicated solely upon U.S. federal securities laws. Further, it may not be possible to obtain a judgment in England and Wales or to enforce the judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any setoff or counterclaim against the judgment creditor. Finally, note that, in any enforcement proceedings, the judgment debtor may raise any counterclaim that could have been brought if the action had been originally brought in England and Wales unless the subject of the counterclaim was in issue and denied in the U.S. proceedings.

France

Any final and conclusive judgment obtained in the U.S. will be recognized and enforced in France, after due service of process, if: (a) the U.S. court had indirect jurisdiction based on the connection of the dispute to such U.S. court, (b) such judgment is in conformity with the French public international order with respect to its merits and procedure (*ordre public international de fond et de procédure*), and (c) such judgment is not tainted with fraud. This condition of regularity of international foreign judgments is traditionally required by case law. Recently, the French Supreme Court (*Cour de Cassation*) has judged that, if punitive damages are not, per se, contradictory to the French public international order on the merits and procedure (*ordre public international de fond et* *de procédure*), such punitive damages are challengeable when their amounts are disproportionate with regard to the judgment and breach of the contractual commitments of the debtor and related damages so suffered.

Germany

We have been advised by our German counsel that there is doubt as to the enforceability in Germany of civil liabilities based on U.S. federal or state securities laws, 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 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 by any U.S. federal or state court for payment, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Germany. A final 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 would not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of a U.S. judgment by a German court would be conditional upon a number of factors, including the following:

- the judgment being final under U.S. federal or state law;
- the U.S. court having had jurisdiction over the original proceeding under German law;
- the document introducing the proceedings was duly served and made known to the defendant in a timely manner that allowed for adequate defense and the defendant having had the chance to defend herself or himself against an unduly or untimely served complaint;
- the judgment of the U.S. court being consistent with the judgment of a German court or a recognized judgment of a foreign court handed down before the judgment of the U.S. court;
- the matter (Vefahren) resulting in the judgment of the U.S. court being consistent with the matter (Verfahren) pending before a German court, provided that such German matter was pending before a German court prior to the U.S. court entered its judgment;
- the enforcement of the judgment by the U.S. court being compatible with the substantial foundations of German law (ordre public), in particular with the civil liberties (Grundrechte) guaranteed by virtue of the German Constitution (Grundgesetz); and
- generally, the guarantee of reciprocity.

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, a person who has obtained a judgment from U.S. federal or state courts may be able to enforce judgments in Germany in civil and commercial matters. However, we cannot assure you that those judgments will be enforceable. Even if a U.S. judgment is recognized in Germany, it does not necessarily mean that it will be enforced in all circumstances. In particular, the obligations need to be of a specific kind and type for which an enforcement procedure exists under German law. Also, if circumstances have arisen after the date on which such foreign judgment became res judicata, a defense against execution may arise. It is doubtful whether a German court would impose civil liability if proceedings were commenced in Germany based solely upon U.S. federal or state securities laws.

German courts usually deny the recognition and enforcement of punitive damages (which do not serve a compensatory purpose) as they are regarded to be in conflict with fundamental principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium, general principles of good faith (Treu und Glauben), clawback (Anfechtung) 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.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. 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.

Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation or moratorium as well as other similar laws affecting creditors' rights generally.

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 U.S. state court 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 U.S. state court.

Mexico

Under Mexican law, a judgment rendered by a foreign court pursuant to a legal action instituted before such court in connection with the provisions of the notes or the guarantees granted by the Mexican guarantors would be enforceable in a competent court of Mexico if complying with Article 1347A of the Commerce Code (*Código de Comercio*) and other applicable provisions of the Mexican Federal Code of Civil Proceedings (*Código Federal de Procedimientos Civiles*), which provides, *inter alia*, that any judgment rendered outside Mexico may be enforced by Mexican courts, *provided* that:

(a) such judgment is obtained in compliance with the legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the relevant document;

(b) such judgment is strictly for the payment of a certain sum of money, based on an *in personam* (as opposed to an *in rem*) action;

(c) the judge or court rendering the judgment was competent to hear and judge on the subject matter of the case in accordance with accepted principles of international law that are compatible with Mexican law;

(d) service of process is made personally on the defendant;

(e) such judgment does not contravene Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law;

(f) the applicable procedure under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of a letter rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) is complied with;

(g) the action in respect of which such judgment is rendered is not the subject matter of a lawsuit among the same parties pending before a Mexican court;

(h) such judgment is final, non-appealable and conclusive (*cosa juzgada*) in the jurisdiction where obtained; and

(i) the courts of such jurisdiction recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction.

Poland

The following discussion with respect to the enforceability of certain U.S. court judgments in Poland is based upon advice provided to us by Polish legal advisors.

In Poland, the enforceability of judgments of foreign courts subject to enforcement (which generally represent judgments for the payment of money or specific performance) may be applied for: (i) under the provisions of respective EU laws if the judgment was issued in a Member State, (ii) under international agreements, if a relevant bilateral/multilateral treaty provides for such enforcement, or (iii) on the basis of the rules of the Polish Code of Civil Procedure if (i) or (ii) above does not apply. There is currently no treaty between the United States and Poland providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) rendered in civil and commercial matters. Therefore, in such case the rules of the Polish Code of Civil Procedure apply. Under that procedure, any final and conclusive judgment against a guarantor with its registered office in Poland obtained in a court of the United States and arising out of or in relation to the obligations of the guarantor under the guarantee, would be recognized ex lege in Poland, unless:

- the judgment is not final and binding in the U.S.,
- the judgment was issued on an issue which is within the exclusive jurisdiction of Polish courts (such as matters relating to real property located in Poland),
- the defendant who has not entered the dispute as to the essence of the disputed issue has not been served the complaint in the manner enabling the defendant to defend himself,
- a party was deprived of the ability to defend itself in the course of the proceeding,
- proceedings related to the same claim between the same parties had been commenced in Poland before it was initiated in the U.S. court,
- the judgment is contrary to a previously issued final and binding judgment of a Polish court or of a foreign court judgment fulfilling the prerequisites for its recognition in Poland and was issued in proceedings related to the same claim between the same parties, or
- the recognition of the judgment would be contrary to the fundamental principles of legal order of Poland.

Enforceability of any final and conclusive judgment against a guarantor with its registered office in Poland obtained in a court of the United States and arising out of or in relation to the obligations of the guarantor under the guarantee further requires that a Polish court issues a decision confirming that given judgment of the U.S. court is enforceable (which decision will be issued provided that given judgment is enforceable in the U.S. and all the conditions referred to under sections (i) through to (vii) above are met). Any person who has a so-called legal interest may apply to a Polish court with a motion proceeding for such decision.

Once the motion to declare enforceability is considered and approved, the court issues a decision to grant an enforceability clause. Enforcement pursuant to such decision may be initiated as soon as the decision granting the enforceability clause becomes final and binding.

Finally, it should be noted that the enforcement actions conducted by the court executive officer may be challenged and, therefore, the enforcement of obligations sometimes may not be successful or may be lengthy, even if the U.S. judgment is recognized and enforceable in Poland.

Spain

Any judgment obtained in the United States would be recognized in Spain following the provisions of Spanish Law 29/2015, of July 30, 2015 on International Legal Cooperation on Civil Matters (*Ley 29/2015, de 30 de julio, de cooperación jurídica internacional en materia* civil) (the ''ILC Act'') observing in the first place EU law and any applicable treaty, secondly any special Spanish law applicable to the matter and, finally, Articles 41 to 55 of ILC Act, in connection with Article 523.2 of the Law of Civil Procedure dated January 7, 2000 (*Ley de Enjuiciamiento Civil de 7 de enero de 2000*) (the ''Spanish Law on Civil Procedure''). Foreign judgments will be recognized and enforced in the absence of any applicable treaty (currently there is no such treaty between the United States and Spain) provided that a request is filed meeting some formal requirements established in Article 54.4 of the ILC Act (basically, that the judgment must be final, translated into Spanish and apostilled), and finally none of the circumstances set forth in article 46 of the ILC Act concur in them:

- that the judgment is contrary to Spanish public policy (''*orden público*'');
- that the judgment has been rendered by clearly breaching the rights of defense of any of the parties and, in particular, if the judgment has been rendered by default of the defendant (''*en rebeldía*'') it would be deemed to breach his rights of defense if the defendant was not regularly and timely notified to enable him to defend himself properly;
- that the subject matter in respect of which the judgment has been rendered falls within the exclusive jurisdiction of the Spanish courts or, in any other matters, if the foreign court jurisdiction does not have a reasonable connection with the dispute;
- that the foreign judgment is incompatible with another Spanish judgment;
- that the foreign judgment is incompatible with another country's judgment which meets the requirements to be enforceable in Spain; or
- that there is an on-going proceeding between the same parties and dealing with the same subject which was opened before a Spanish court prior to the opening of the proceedings before the foreign court.

According to Article 3.2 of the ILC Act the Spanish government may deny cooperation with another state's authorities if there has been a repeated refusal of cooperation or a legal prohibition of providing cooperation by such other state's authorities provided that the Spanish government passes a Royal Decree for these purposes.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by Spanish law (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in Spain or from Spanish persons in connection with a judicial or administrative U.S. action. Spanish courts may express any such order in a currency other than euro in respect of the amount due and payable by the Issuer or a guarantor, but in case of enforcement in Spain, the court costs and interest will be paid in euros. Any judgment obtained against the Issuer or any of the guarantors in any country bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council would be recognized and enforced in accordance with the terms set forth thereby.

Pursuant to Article 54 of the current Spanish Law on Civil Procedure the parties to an agreement are entitled to clearly agree to the submittal to one judge (*juzgado*) or court (*tribunal*) (provided that under the Spanish Law on Civil Procedure and the Spanish Judicial Law (*Ley 6/1985, de 1 de Julio, Orgánica del Poder Judicial*) the relevant judge or court is competent to solve the corresponding dispute); therefore such article does not cover the validity of non-exclusive jurisdiction clauses, at least for conflicts between different Spanish courts.

Sweden

We have been advised by Swedish counsel that enforceability of a judgment rendered by a foreign court in civil and commercial matters is generally considered conditional upon that enforceability of such judgment being expressly provided for under Swedish law or upon a treaty providing for the reciprocal recognition and enforcement of judgments. The United States and Sweden do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and Sweden are both parties to the New York Convention on Arbitral Awards). This means that a judgment rendered by any federal or state court in the United States based on civil liability would not be directly enforceable in Sweden.

In order to enforce any such judgment in Sweden, proceedings must therefore be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in Sweden, or an administrative tribunal or executive or other public authority of Sweden. In such an action, a judgment rendered by any federal or state court in the United States may be regarded as evidence in respect of, for example, factual circumstances or the content of U.S. law.

Pursuant to the provisions of the Regulation (EU) No.1215/2012 of the European Parliament and of the Council of 12 December 2012, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the ''Brussels Regulation''), a judgment entered against a company incorporated in Sweden (a ''Swedish Party'') in the courts of a Member State (as defined therein, i.e. all member states of the European Union) and which is enforceable in such a Member State, will be directly enforceable in Sweden upon the satisfaction of the formal requirements of the Brussels Regulation without any declaration of enforceability being required. It should be noted, however, that a party may apply for refusal of recognition or refusal of enforcement, as applicable, in accordance with the Brussels Regulation. Such an application shall be submitted to the relevant district court (Sw. *tingsrätt*). Pursuant to the Brussels Regulation, if a judgment contains a measure or an order which is not known under the laws of the Member State in which the recognition of the judgment is invoked or in which the enforcement of the judgment, the court settlement or the authentic instrument is sought, that measure or order shall, to the extent possible, be adapted to a measure or order known under the laws of that Member State which has equivalent effects attached to it and which pursues similar aims and interests.

Pursuant to the provisions of the 2007 Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the ''Lugano Convention''), a judgment entered against a Swedish Party in the courts of a Contracting Party (as defined in the Lugano Convention) and which is enforceable in such a Contracting Party, will, provided that a motion for enforcement has been filed and granted with the relevant district court, be enforceable in Sweden if it meets the formal requirements under the Lugano Convention.

A judgment entered against a Swedish Party in the courts of a state which is not, under the terms of the Brussels Regulation or the Lugano Convention, a Member State (as defined in the Brussels Regulation) or a Contracting Party (as defined in the Lugano Convention) would not be recognized or enforceable in Sweden as a matter of law without retrial on its merits. Therefore, a final judgment for payment of money rendered by the courts of such state would not be directly enforceable, either in whole or in part, in Sweden. In order to enforce any such judgment in Sweden, proceedings must therefore be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in Sweden, or an administrative tribunal or executive or other public authority of Sweden. In such an action, a judgment rendered by the courts of such state may be regarded as evidence of, for example, factual circumstances or the content of the relevant foreign law, but the competent Swedish authority may also choose to rehear the dispute *ab initio*.

Switzerland

There is doubt as to the enforceability of U.S. judgments in Switzerland, or the applicability of U.S. federal or state securities laws in an action brought before a Swiss court. The United States and Switzerland 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 by any U.S. federal or state court for payment, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Switzerland. A final judgment by a U.S. federal or state court, however, may be recognized in Switzerland in an action before a court of competent jurisdiction in accordance with the proceeding set forth by the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*) and the Swiss Federal Act on Civil Procedure (*Schweizerische Zivilprozessordnung*). In such an action, a Swiss court generally would not reinvestigate the merits of the original matter decided by a U.S. court. The recognition and enforcement of a U.S. judgment by a Swiss court would be conditional upon a number of conditions including those set out in articles 25 et seq. of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*), which include:

- the U.S. court having had jurisdiction over the original proceedings from a Swiss perspective;
- the judgment being final under U.S. federal or state law, no ordinary legal remedy being available against such judgment;
- the defendant having had the chance to defend herself or himself against any unduly or untimely served complaint except for a defendant having unconditionally consented to the original proceeding before the respective court;
- the original proceeding not having been conducted under a violation of material principles of Swiss civil proceedings law, in particular the right to be heard;
- the matter (*Verfahren*) resulting in the judgment of the U.S. court not being consistent with the matter (*Verfahren*) pending before a Swiss court, provided such Swiss matter was pending before a Swiss court prior to the U.S. court entered its proceedings; and
- the enforcement of the judgment by the U.S. court not being manifestly incompatible with Swiss public policy (*schweizerischer Ordre public*).

Subject to the foregoing, purchasers of the notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Switzerland. We cannot, however, assure you that any attempts to enforce judgments in Switzerland will be successful; in particular, it is uncertain whether a Swiss court would recognize U.S. jurisdiction if the defendant did not enter an appearance before a U.S. court during the substantive proceedings in the sense of art. 6 of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*).

Furthermore, it is probable that a Swiss court, if substantive proceedings were commenced in Switzerland, would not apply U.S. federal or state securities laws.

In addition, the recognition and enforcement of punitive damages awards might be denied by Swiss courts as incompatible with Swiss public policy (*schweizerischer Ordre public*). Alternatively, a Swiss court may reduce the amount of damages ordered by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. 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 depositions of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. In Switzerland, no such pre-trial discovery process exists. Instead, a Swiss court would decide upon the claims for which evidence is required from the parties and the related burden of proof.

WHERE YOU CAN FIND MORE INFORMATION

Upon completion of the Transactions, we will not be subject to the periodic reporting and other informational requirements of the Exchange Act. Under the terms of the indenture that will govern the notes, we will agree that for so long as any of the notes remain outstanding, we will furnish to the trustee and holders of the notes the information specified therein. See ''Description of Notes—Certain Covenants—Reports''.

We have not, and the initial purchasers have not, authorized anyone to provide you with information other than that provided in this offering circular. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this offering circular is accurate as of any date other than the date of this offering circular.

This offering circular contains summaries of certain agreements that we have entered into or will enter into in connection with the Transactions, such as the indenture that will govern the notes offered hereby, the credit agreement that will govern the Senior Secured Credit Facilities and agreements described under ''Certain Relationships and Related Party Transactions''. The descriptions contained in this offering circular of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written request to us. Any such request should be directed to us at 2425 Cascade Pointe, Charlotte, North Carolina 28208, Attention: Corporate Secretary.

LISTING AND GENERAL INFORMATION

Listing

Application has been made by or on behalf of the Issuer to the Authority for the listing of and permission to deal in the notes on the Official List of the Exchange.

Clearing Information

The notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The common codes and ISINs for the notes are as follows:

Note	Common Code	ISIN
Rule 144A Senior Notes		
Regulation S Senior Notes		

Interests of Natural and Legal Persons Involved in the Issuance of the Notes

Other than as discussed in the section entitled ''Plan of Distribution'', so far as we are aware, no person involved in this offering has an interest material to such offer.

Incorporation of the Issuer

The Issuer is a private company with limited liability incorporated on March 15, 2017, under the laws of the Netherlands. The Issuer's registered office is in Amsterdam, the Netherlands. it is registered with the Trade Register of the Chamber of Commerce and its registration number is 68305133.

Capitalization of the Issuer

The Issuer's authorized share capital is EUR 0.02 divided into 2 shares with a nominal value of EUR 0.01 per share, each of which shares have been issued and are fully paid. As of the date of this offering circular, all of the issued share capital of the Issuer is indirectly held by Parent. The above amounts of ordinary share capital are stated as at the date of this offering circular.

Managing Directors

Name	Nationality	Business Address	Occupation	Date of Appointment
Stephen Thomas Faulkner	USA	200 Clarendon St, Boston, MA 02116	Managing Director of Bain Capital Private Equity, LP	March 17, 2017
Jan Hendrik Seimssen . .	The Netherlands	Tower A, Level 12 Strawinskylaan 1209 1077 XX Amsterdam Netherlands	Senior Vice President of Maples FS	March 15, 2017
Ewa Jurczak	Poland	Tower A, Level 12 Strawinskylaan 1209 1077 XX Amsterdam Netherlands	Assistant Vice President of Maples FS	March 17, 2017

The Issuer is not aware of any potential conflicts of interest between the duties of the persons listed as directors of the Issuer above and their private interests or other duties.

Auditors

The consolidated financial statements of Diversey business and subsidiaries as of December 31, 2016 and 2015 and for the fiscal years then ended included in this offering circular have been audited by Ernst & Young LLP, independent certified public accountants, as stated in their report appearing herein.

Corporate Authority

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of our obligations in respect of the notes.

Persons Responsible

We accept responsibility for the information contained in this offering circular. To our best knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this offering circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Third-Party Information

The information contained in this offering circular which has been sourced from third parties has been correctly reproduced, and, as far as we are aware and able to ascertain from information published by any such third party, no facts have been omitted that could render the reproduced information inaccurate or misleading. See ''Share, Ranking and Similar Information''.

Periodic Reporting Under the Exchange Act

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

Legal Proceedings

We are subject to claims and lawsuits arising in the ordinary course of our business. Except as disclosed in this offering circular, the Issuer is not involved in any legal or arbitration proceedings (including any proceedings that are threatened of which the Issuer is aware) that may have or have had in the recent past (since incorporation) a significant effect on the financial position of the Issuer.

Listing Agent

Carey Olsen Corporate Finance Limited will act as listing sponsor in connection with the listing of the notes on the Official List of the Exchange. Carey Olsen Corporate Finance Limited's registered office is located at 47 Esplanade, St Helier, Jersey, JE1 0BD.

Paying Agent, Registrar and Transfer Agent

Citibank, N.A., London Branch will act as the paying agent, registrar and transfer agent for the notes and the address of its registered office is Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.

Documents Available for Inspection

Copies of the following documents will be available for inspection, at the registered office of the Issuer during normal business hours for a period of 14 days following the grant of listing of the notes on the Official List of the Exchange:

- this offering circular;
- the constitutional documents of the Issuer; and
- the indenture that will govern the notes (which includes the form of the notes and the guarantees).

INDEX TO FINANCIAL STATEMENTS

Diversey Business

Combined Financial Statements

Diversey Business

Combined Financial Statements and Footnotes

For the quarterly period ended March 31, 2017

Review of Independent Registered Public Accounting Firm

The Board of Directors
Sealed Air Corporation

We have reviewed the condensed combined balance sheet of the Diversey Business and subsidiaries as of March 31, 2017, and the related condensed combined statements of operations, comprehensive income and cash flows for the three-month periods ended March 31, 2017 and 2016. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed combined financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America, the combined balance sheet of Diversey Business and subsidiaries as of December 31, 2016, and the related combined statements of operations, comprehensive loss, invested equity and cash flows for the year then ended (not presented herein) and we expressed an unqualified audit opinion on those combined financial statements in our report dated May 31, 2017. In our opinion, the accompanying condensed combined balance sheet of the Diversey Business and subsidiaries as of December 31, 2016, is fairly stated, in all material respects, in relation to the combined balance sheet from which it has been derived.

Ernst & Young LLP

Charlotte, North Carolina
June 29, 2017

DIVERSEY BUSINESS

Condensed Combined Balance Sheets

(In millions)	March 31, 2017 (unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 131.6	$ 131.4
Trade receivables, net of allowance for doubtful accounts of $12.5 in 2017 and $11.9 in 2016	436.5	437.4
Income tax receivables	13.0	18.9
Other receivables	201.7	173.2
Inventories, net of inventory reserves of $12.1 in 2017 and $11.5 in 2016	227.9	204.7
Assets held for sale	2.6	2.6
Prepaid expenses and other current assets	94.4	87.0
Total current assets	1,107.7	1,055.2
Property and equipment, net	172.6	171.3
Goodwill	1,242.5	1,226.1
Intangible assets, net	477.0	486.1
Deferred taxes	35.9	37.0
Other non-current assets	179.8	170.9
Total assets	$3,215.5	$3,146.6
LIABILITIES AND INVESTED EQUITY		
Current liabilities:		
Short-term borrowings	$ 20.6	$ 9.6
Current portion of long-term debt	30.5	31.1
Accounts payable	516.8	488.7
Accrued restructuring costs	18.5	25.2
Other current liabilities	263.5	321.8
Total current liabilities	849.9	876.4
Long-term debt, less current portion	175.5	175.7
Deferred taxes	85.3	90.1
Other non-current liabilities	376.2	395.9
Total liabilities	1,486.9	1,538.1
Commitments and contingencies — Note 14		
Invested equity:		
Net parent investment	869.2	774.7
Accumulated other comprehensive income, net of taxes	859.4	833.8
Total invested equity	1,728.6	1,608.5
Total liabilities and invested equity	$3,215.5	$3,146.6

See accompanying Notes to Condensed Combined Financial Statements.

DIVERSEY BUSINESS

Condensed Combined Statements of Operations

(In millions)	Three Months Ended March 31, (unaudited) 2017	2016
Net sales	$582.0	$584.9
Cost of sales	333.0	332.2
Gross profit	249.0	252.7
Selling, general and administrative expenses	229.0	239.6
Amortization expense of intangible assets acquired	14.2	14.1
Restructuring and other charges	(2.1)	0.5
Operating profit (loss)	7.9	(1.5)
Interest expense	(4.3)	(3.8)
Foreign currency exchange loss related to Venezuelan subsidiaries	(0.2)	(0.7)
Other income (expense), net	1.4	(1.2)
Earnings (loss) before income tax provision	4.8	(7.2)
Income tax provision	7.7	5.4
Net loss	$ (2.9)	$ (12.6)

See accompanying Notes to Condensed Combined Financial Statements.

DIVERSEY BUSINESS

Condensed Combined Statements of Comprehensive Income

(In millions)	Three Months Ended March 31, (unaudited) 2017	2016
Net loss	$ (2.9)	$(12.6)
Other comprehensive income, net of taxes:		
Recognition of deferred pension items, net of taxes of $(1.0) for the three months ended March 31, 2017 and $(2.9) for the three months ended March 31, 2016	7.0	10.2
Unrealized (losses) gains on derivative instruments for net investment hedge, net of taxes of $0.7 for three months ended March 31, 2017 and $(1.2) for the three months ended March 31, 2016	(0.2)	1.9
Unrealized gains on derivative instruments for cash flow hedge, net of taxes of $0.4 for the three months ended March 31, 2017 and $0.1 for the three months ended March 31, 2016	0.2	0.2
Foreign currency translation adjustments, net of taxes of $0.5 for the three months ended March 31, 2017 and $(3.0) for the three months ended March 31, 2016	18.6	7.1
Other comprehensive income, net of taxes	25.6	19.4
Comprehensive income, net of taxes	$22.7	$ 6.8

See accompanying Notes to Condensed Combined Financial Statements.

DIVERSEY BUSINESS

Condensed Combined Statements of Cash Flows

(In millions)	Three Months Ended March 31, (unaudited) 2017	2016
Net loss	$ (2.9)	$ (12.6)
Adjustments to reconcile net earnings to net cash used in operating activities		
Depreciation and amortization	20.6	22.6
Share-based incentive compensation	6.1	3.1
Profit sharing expense	1.2	0.9
Provisions for bad debt	1.3	1.4
Deferred taxes, net	(3.2)	
Changes in operating assets and liabilities:		
Trade receivables, net	5.5	(1.7)
Inventories	(20.5)	(24.5)
Accounts payable	9.6	43.4
Other assets and liabilities	(111.6)	(41.2)
Net cash used in operating activities	(93.9)	(8.6)
Cash flows from investing activities:		
Capital expenditures	(3.4)	(7.8)
Other investing activities	1.2	0.4
Net cash used in investing activities	(2.2)	(7.4)
Cash flows from financing activities:		
Net proceeds from borrowings	4.9	5.0
Change in net parent investment	91.2	(7.4)
Other financing activities	(2.0)	(0.1)
Net cash provided by (used in) financing activities	94.1	(2.5)
Effect of foreign currency exchange rate changes on cash and cash equivalents	2.2	(0.4)
Balance, beginning of period	131.4	167.9
Net change during the period	0.2	(18.9)
Balance, end of period	$ 131.6	$149.0
Supplemental Cash Flow Information:		
Interest payments, net of amounts capitalized	$ 3.7	$ 3.7
Income tax payments	$ 14.3	$ 5.7
Restructuring payments including associated costs	$ 6.9	$ 9.5

See accompanying Notes to Condensed Combined Financial Statements.

Note 1 Background and Basis of Presentation

On March 25, 2017, Sealed Air Corporation (''Sealed Air'' or ''Parent'') entered into a definitive agreement (the ''Sale Transaction'') to sell its Diversey Care division and the food hygiene and cleaning business within its Food Care division (together ''we'', ''Diversey Business'', ''Diversey'', or ''the Company''). Diversey is a global provider of commercial cleaning, sanitation and hygiene products, services and solutions for food safety and service, food and beverage plant operations, floor care, housekeeping and room care, laundry and hand care. In addition, Diversey offers value-added services, including food safety and application training and consulting, and auditing of hygiene and water management. The Company's offerings include Diversey®-branded total integrated system solutions for facility hygiene, food safety and security, and infection control to customers worldwide. Diversey®-branded products are focused on serving five key institutional and industrial sectors globally, which include: food service operators, hospitality establishments and building service contractors, food retail outlets, and healthcare facilities.

The product range of Diversey-branded solutions includes fully integrated lines of products and dispensing systems for hard surface cleaning, disinfecting and sanitizing, hand washing, deodorizing, mechanical and manual ware washing, hard surface and carpeted floor cleaning systems, cleaning tools and utensils, and fabric care for professional laundry applications comprising detergents, stain removers, bleaches and a broad range of dispensing equipment for process control and management information systems. Floor care machines are commercialized under the well-established Taski® brand, including Intellibot® floor cleaning robots.

Basis of Presentation

These condensed combined financial statements represent the global operations of Diversey, and have been prepared on a carve-out basis. The condensed combined financial statements are derived from Sealed Air's consolidated financial statements and accounting records, and reflect the Company's financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America (''GAAP'').

These condensed combined financial statements include certain expenses which have been allocated to the Company from Sealed Air. The allocation of these expenses is based on direct usage when identifiable, or relative percentage of net sales or headcount when direct usage is not identifiable. The Company considers the expense allocation methodology and results to be reasonable for all periods presented. However, these allocations may not be indicative of the actual expenses the Company would have incurred as a separate, carve-out company, or of the costs the Company will incur in the future. The total amount of these allocations from Sealed Air was approximately $19.0 million and $28.8 million for the three months ended March 31, 2017 and 2016, respectively. See Note 16, ''Related Party Transactions'', of the Notes to the Condensed Combined Financial Statements for additional information.

Sealed Air maintains a number of share-based compensation programs at a corporate level. Certain of the Company's employees participate in those programs, and as such, the Company is charged a portion of the expenses associated with these programs. However, the Condensed Combined Balance Sheet does not reflect any Sealed Air equity related to these share-based compensation programs. See Note 15, ''Share-Based Compensation'', of the Notes to the Condensed Combined Financial Statements for further description of these share-based compensation programs.

Note 1 Background and Basis of Presentation (Continued)

Diversey is the sponsor of several defined benefit retirement plans. In addition, Sealed Air sponsors a number of defined benefit retirement plans in which both Diversey and Sealed Air employees participate (''Comingled Plans''). For those plans, the Company is charged an allocation of the expenses representing an estimate of employees expected to remain with Diversey following the completion of the Sale Transaction. The Condensed Combined Balance Sheets also reflect an allocation of the net obligation and accumulated other comprehensive income (''AOCI'') related to the Comingled Plans, in addition to net obligations and AOCI for which Diversey is the sponsor. See Note 12, ''Defined Benefit Pension Plans and Other Post-Employment Benefit Plans'', of the Notes to the Condensed Combined Financial Statements for further description of these defined benefit retirement plans.

Impact of Inflation and Currency Fluctuation

Venezuela

Economic and political events in Venezuela have continued to expose us to heightened levels of foreign currency exchange risk. Accordingly, Venezuela has been designated a highly inflationary economy under U.S. GAAP, and the U.S. dollar replaced the bolivar fuerte as the functional currency for our subsidiaries in Venezuela. All bolivar-denominated monetary assets and liabilities are remeasured into U.S. dollars using the current exchange rate available to us, and any changes in the exchange rate are reflected in foreign currency exchange loss related to our Venezuelan subsidiaries on the Condensed Combined Statements of Operations.

2016 Activity

Effective March 10, 2016, there were only two legal mechanisms in Venezuela to access U.S. dollars. This included the DIPRO (10.0 bolivars per U.S. dollar), which replaced the CENCOEX rate and is the preferential rate for essential goods and services and; the DICOM rate, which replaced the SIMADI rate, which is allowed to float freely.

At March 31, 2016, we evaluated which legal mechanisms were available to our Venezuelan subsidiaries to access U.S. dollars. We concluded that we would use the DICOM rate to remeasure our bolivar denominated monetary assets and liabilities since it was our only legally available option and our intent on a go-forward basis to utilize this market to settle any future transactions based on the then current facts and circumstances. The DICOM rate as of March 31, 2016 was 272.9123. During the first quarter of 2016, we were only able to access the SIMADI market (during the period the market was available) and only received minimal amounts of U.S. dollars. We did not receive any U.S. dollars via the CENCOEX (at an official rate of 6.3) or the DIPRO (at an official rate of 10.0). For any U.S. dollar denominated monetary asset or liability, such amounts do not get remeasured at month-end since it is already an asset or liability denominated in U.S. dollars. As a result of this evaluation, the Company reported a remeasurement loss of $0.7 million for the three months ended March 31, 2016.

2017 Activity

At March 31, 2017, we concluded that we would continue to use the DICOM rate to remeasure our remaining bolivar denominated monetary assets and liabilities since it was our only legally available option and our intent on a go-forward basis to utilize this market if needed, to settle any

Note 1 Background and Basis of Presentation (Continued)

future transactions based on current facts and circumstances. During the first quarter of 2017, we did not receive any U.S dollars via any of the legal mechanisms noted above. The DICOM rate as of March 31, 2017 was 710.3638. As a result of this evaluation, the Company reported a remeasurement loss of $0.2 million for the three months ended March 31, 2017.

We will continue to evaluate each reporting period the appropriate exchange rate to remeasure our financial statements based on the facts and circumstances as applicable.

Note 2 Recently Issued Accounting Standards

Recently Adopted Accounting Standards

In March 2016, the Financial Accounting Standards Board (''FASB'') issued Accounting Standards Updates (''ASU'') 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting (''ASU 2016-09''). ASU 2016-09 simplifies the accounting for share-based payment award transactions including: income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. Under previous guidance, excess tax benefits and certain tax deficiencies from share-based compensation arrangements were recorded in additional paid-in-capital within equity when the awards vested or were settled. ASU 2016-09 requires that all excess tax benefits and all tax deficiencies be recognized as income tax expense or benefit in the income statement and adoption was on a prospective basis. The Company elected to early adopt ASU 2016-09 in the third quarter of 2016 which required us to reflect any adjustments as of January 1, 2016, the beginning of the annual period that included the interim period of adoption.

Recently Issued Accounting Standards

In March 2017, the FASB issued ASU 2017-07, Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Benefit Postretirement Benefit Cost (''ASU 2017-07''). ASU 2017-017 changes how employers that sponsor defined benefit pension or other postretirement benefit plans present the net periodic benefit cost in the income statement. This new guidance requires entities to report the service cost component in the same line item or items as other compensation costs. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component outside of income from operations. The amendments in ASU 2017-07 are effective for annual periods beginning after December 15, 2017, including interim periods within those annual periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements have not been issued or made available for issuance. We are currently in the process of evaluating this new standard update.

In January 2017, the FASB issued ASU 2017-04, Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment (''ASU 2017-04''). ASU 2017-04 eliminates Step 2 as part of the goodwill impairment test. The amount of the impairment charge to be recognized would now be the amount by which the carrying value exceeds the reporting unit's fair value. The loss to be recognized cannot exceed the amount of goodwill allocated to that reporting unit. The amendments in ASU 2017-04 are effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim and

Note 2 Recently Issued Accounting Standards (Continued)

annual goodwill impairment tests performed on testing dates after January 1, 2017. We are currently in the process of evaluating this new standard update.

In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business (''ASU 2017-01''). ASU 2017-01 provides a screen to determine when a set is not a business. This screen states that when substantially all of the fair value of the group assets acquired (or disposed of) is concentrated in a single identifiable asset or group of similar identifiable assets, the set is not a business. The amendments in ASU 2017-01 are effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early application is permitted for transactions for which the acquisition date occurs before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued. We are currently in the process of evaluating this new standard update.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (''ASU 2016-18''). ASU 2016-18 requires that entities include restricted cash and restricted cash equivalents with cash and cash equivalents in the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. The amendments in ASU 2016-18 are effective for fiscal years beginning after December 15, 2017, including interim reporting periods within those fiscal years. Early adoption, including adoption in interim periods, is permitted for all entities. Retrospective transition method is to be applied to each period presented. We are currently in the process of evaluating this new standard update.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory (''ASU 2016-16''). ASU 2016-16 requires entities to recognize income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in ASU 2016-16 are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements have not been issued or made available for issuance. We are currently in the process of evaluating this new standard update.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230) — Classification of Certain Cash Receipts and Cash Payments (''ASU 2016-15''). ASU 2016-15 provides guidance on eight specific cash flow issues in regard to how cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in ASU 2016-15 are effective for fiscal years beginning after December 15, 2017, including interim periods within those years, with early adoption permitted. We are currently in the process of evaluating this new standard update.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments — Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments (''ASU 2016-13''). ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, and reasonable and supportable forecasts. Entities will now use forward-looking information to better form their credit loss estimates. The ASU also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. ASU 2016-13

Note 2 Recently Issued Accounting Standards (Continued)

is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal periods. Entities may adopt earlier as of the fiscal year beginning after December 15, 2018, including interim periods within those fiscal years. We are currently in the process of evaluating this new standard update.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), (''ASU 2016-02''). This ASU requires an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. Similar modifications have been made to lessor accounting in-line with revenue recognition guidance. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The updated guidance requires a modified retrospective adoption. We are currently in the process of evaluating this new standard update.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (''ASU 2016-01''). This ASU requires equity investments except those under the equity method of accounting to be measured at fair value with the changes in fair value recognized in net income. The amendment simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. In addition, it also requires enhanced disclosures about investments. The amendments in ASU 2016-01 are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early application for certain provisions is allowed but early adoption of the amendments is not permitted. An entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. We are currently in the process of evaluating this new standard update.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), (''ASU 2014-09'') and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016 and May 2016 within ASU 2015-04, ASU 2016-08, ASU 2016-10 and ASU 2016-12, respectively (ASU 2014-09, ASU 2015-04, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2017-05 collectively, Topic 606). Previous revenue recognition guidance in U.S. GAAP comprised broad revenue recognition concepts together with numerous revenue requirements for particular industries or transactions, which sometimes resulted in different accounting for economically similar transactions. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, ASU 2014-09 expands and enhances disclosure requirements which require disclosing sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This includes both qualitative and quantitative information. The amendments in ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early application is not permitted. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, (''ASU 2015-14''). The amendments in ASU 2015-14 delay the effective date of

Note 2 Recently Issued Accounting Standards (Continued)

ASU 2014-09 by one year to annual reporting periods beginning after December 15, 2018 and allow early adoption as of the original public entity effective date. The amendments in ASU 2016-08, ASU 2016-10 and ASU 2016-12 are effective in conjunction with ASU 2015-14.

The guidance permits two methods of adoption: full retrospective in which the standard is applied to all of the periods presented or modified retrospective where an entity will have to recognize the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings. We currently anticipate adopting the modified retrospective method.

Note 3 Acquisitions

During the third quarter of 2016 the Company acquired Tampereen Teollsuussähkö Oy (''TTS-Ciptec'') as part of Diversey Europe. The fair value of the consideration transferred was \$8.3 million which included \$2.3 million related to the fair value of contingent consideration. The purchase price allocation had not been completed as of March 31, 2017, as such, \$8.5 million of the purchase price has been preliminarily allocated to goodwill.

Note 4 Segments

The Company's reporting structure consists of five reportable segments and a Corporate category and is as follows:

- North America;
- Europe;
- Middle East and Africa (''MEA'');
- Latin America;
- Asia Pacific; and
- Corporate

The Company's North America, Europe, MEA, Latin America and Asia Pacific segments are considered reportable segments under FASB ASC Topic 280. Our reportable segments are aligned with geographic regions. Corporate includes certain costs that are not allocated to the reportable segments, as applicable, primarily consisting of unallocated corporate overhead costs, including administrative functions and cost recovery variances not allocated to the reportable segments from global functional expenses.

We allocate and disclose depreciation and amortization expense to our segments, although property and equipment, net is not allocated to the segment assets, nor is depreciation and amortization included in the segment performance metric Adjusted EBITDA. We also disclose restructuring and other charges and impairment of goodwill and other intangible assets by segment, although these items are not included in the segment performance metric Adjusted EBITDA since restructuring and other charges and impairment of goodwill and other intangible assets are categorized as Special Items as outlined in the table reconciling U.S. GAAP net income to Non-U.S. GAAP Total Company Adjusted EBITDA set forth below. The accounting policies of the reportable segments and Other are the same as those applied to the Condensed Combined Financial Statements.

Note 4 Segments (Continued)

The following tables show Net Sales and Adjusted EBITDA by our segment reporting structure:

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net Sales:		
North America	$133.8	132.6
As a % of Total Company net sales	*23.0%*	*22.7%*
Europe	243.8	255.4
As a % of Total Company net sales	*41.9%*	*43.7%*
MEA	55.9	57.1
As a % of Total Company net sales	*9.6%*	*9.8%*
Latin America	59.7	53.5
As a % of Total Company net sales	*10.3%*	*9.1%*
Asia Pacific	88.8	86.3
As a % of Total Company net sales	*15.2%*	*14.7%*
Total Company Net Sales	**$582.0**	**$584.9**

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Adjusted EBITDA:		
North America	$(10.7)	$(16.8)
Adjusted EBITDA Margin	*−8.0%*	*−12.7%*
Europe	27.7	27.7
Adjusted EBITDA Margin	*11.4%*	*10.8%*
MEA	10.9	9.0
Adjusted EBITDA Margin	*19.5%*	*15.8%*
Latin America	9.4	5.4
Adjusted EBITDA Margin	*15.7%*	*10.1%*
Asia Pacific	13.8	13.7
Adjusted EBITDA Margin	*15.5%*	*15.9%*
Corporate	(15.7)	(14.6)
Non-U.S. GAAP Total Company Adjusted EBITDA	**$ 35.4**	**$ 24.4**
Adjusted EBITDA Margin	*6.1%*	*4.2%*

Note 4 Segments (Continued)

The following table shows a reconciliation of U.S. GAAP net loss to Non-U.S. GAAP Total Company Adjusted EBITDA:

	Three Months Ended March 31,	
(In millions)	2017	2016
Net loss	**$ (2.9)**	**$(12.6)**
Interest expense	(4.3)	(3.8)
Interest income	1.3	1.9
Income tax provision	7.7	5.4
Depreciation and amortization[1]	(26.7)	(25.7)
Special items:		
Restructuring and other benefits (charges)[2]	2.1	(0.5)
Other restructuring associated costs included in cost of sales and selling, general and administrative expenses	(1.4)	(2.7)
SARs	4.7	(0.1)
Foreign currency exchange loss related to Venezuelan subsidiaries	(0.2)	(0.7)
Charges incurred related to the sale of the Company	(6.1)	—
Pre-tax impact of Special items	(0.9)	(4.0)
Non-U.S. GAAP Total Company Adjusted EBITDA	**$ 35.4**	**$ 24.4**

(1) Depreciation and amortization by segment is as follows:

	Three Months Ended March 31,	
(In millions)	2017	2016
North America	$11.2	$10.1
Europe	9.7	8.6
MEA	0.8	1.0
Latin America	1.3	1.2
Asia Pacific	1.7	1.2
Corporate	2.0	3.6
Total Company depreciation and amortization[1]	**$26.7**	**$25.7**

(1) Includes share-based incentive compensation of $6.1 million for the three months ended March 31, 2017 and $3.1 million for the three months ended March 31, 2016.

Note 4 Segments (Continued)

(2) Restructuring and other charges by segment were as follows:

(In millions)	Three Months Ended March 31, 2017	2016
North America	$(0.5)	$0.1
Europe	(0.9)	0.2
MEA	(0.2)	0.1
Latin America	(0.2)	—
Asia Pacific	(0.3)	0.1
Total Company restructuring and other (benefits) charges	**$(2.1)**	**$0.5**

Note 5 Inventories

The following table details our inventories, net:

(In millions)	March 31, 2017	December 31, 2016
Inventories:		
Raw materials	$ 35.2	$ 33.8
Work in process	4.3	3.5
Finished goods	188.4	167.4
Total	$227.9	$204.7

Note 6 Property and Equipment, net

The following table details our property and equipment, net:

(In millions)	March 31, 2017	December 31, 2016
Land and improvements	$ 47.6	$ 45.5
Buildings	66.4	64.0
Machinery and equipment	99.1	106.5
Other property and equipment	47.4	57.5
Construction-in-progress	17.1	17.4
Property and equipment, gross	277.6	290.9
Accumulated depreciation and amortization	(105.0)	(119.6)
Property and equipment, net	$ 172.6	$ 171.3

Note 6 Property and Equipment, net (Continued)

The following table details our depreciation and amortization expense for property and equipment.

(In millions)	Three Months Ended March 31, 2017	2016
Depreciation and amortization expense for property and equipment	$6.4	$8.5

Note 7 Goodwill and Identifiable Intangible Assets

Goodwill

The following table shows our goodwill balances by our segment reporting structure. We review goodwill for impairment on a reporting unit basis annually during the fourth quarter of each year and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. As of March 31, 2017, we did not identify any changes in circumstances that would indicate the carrying value of goodwill may not be recoverable.

(In millions)	North America	Europe	MEA	Latin America	Asia Pacific	Total
Gross Carrying Value at December 31, 2016	$ 821.5	$590.3	$ 308.3	$ 134.6	$241.2	$2,095.9
Accumulated impairment	(500.2)	(22.7)	(225.6)	(121.3)	—	(869.8)
Carrying Value at December 31, 2016	321.3	567.6	82.7	13.3	241.2	1,226.1
Acquisition	—	0.2	—	—	—	0.2
Currency translation	0.3	9.6	(0.2)	—	6.5	16.2
Gross Carrying Value at March 31, 2017	821.8	600.1	308.1	134.6	247.7	2,112.3
Accumulated impairment	(500.2)	(22.7)	(225.6)	(121.3)	—	(869.8)
Carrying Value at March 31, 2017	$ 321.6	$577.4	$ 82.5	$ 13.3	$247.7	$1,242.5

Note 7 Goodwill and Identifiable Intangible Assets (Continued)

Identifiable Intangible Assets

The following tables summarize our identifiable intangible assets with definite and indefinite useful lives.

	March 31, 2017				December 31, 2016			
(In millions)	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment	Net	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment	Net
Customer relationships[1]	$ 435.0	$(146.9)	—	$288.1	$ 429.8	$(135.7)	$ —	$294.1
Capitalized software	123.7	(109.8)	—	13.9	119.8	(105.6)	—	14.2
Technology	85.8	(57.8)	—	28.0	85.8	(55.0)	—	30.8
Contracts	32.2	(27.3)	—	4.9	31.6	(24.7)	—	6.9
Total intangible assets with definite lives	**676.7**	**(341.8)**	**—**	**334.9**	**667.0**	**(321.0)**	**—**	**346.0**
Trademarks and trade names with indefinite lives	729.8	—	(587.7)	142.1	720.1	—	(580.0)	140.1
Total identifiable intangible assets	**$1,406.5**	**$(341.8)**	**$(587.7)**	**$477.0**	**$1,387.1**	**$(321.0)**	**$(580.0)**	**$486.1**

(1) As of December 31, 2016 this amount includes $4.2 million related to the accelerated amortization of intangible assets related to ceasing operations in Venezuela. Refer to Note 1, ''Background and Basis of Presentation'' of the Notes to Condensed Combined Financial Statements for further details.

The following table shows the remaining estimated future amortization expense at March 31, 2017.

Year	Amount (in millions)
Remainder of 2017	$ 46.0
2018	65.3
2019	43.0
2020	40.7
Thereafter	139.9
Total	$334.9

Note 8 Restructuring and Relocation Activities

Sealed Air has a combined restructuring program which the Company previously participated. As a result, expenses and liabilities related to this program were allocated to the Company.

Note 8 Restructuring and Relocation Activities (Continued)

The following table details our restructuring activities as reflected in the Condensed Combined Statement of Operations for the three months ended March 31, 2017 and 2016:

(In millions)	Three Months Ended March 31, 2017	2016
Other associated costs	$ 1.4	$2.7
Restructuring (benefits) charges	(2.1)	0.5
Total	$(0.7)	$3.2
Capital expenditures	$ 0.2	$0.2

The restructuring accrual, spending and other activity for the three months ended March 31, 2017 and the accrual balance remaining at March 31, 2017 related to the Program was as follows (in millions):

(In millions)	
Restructuring accrual at December 31, 2016	$25.0
Accrual and accrual adjustments	(2.1)
Cash payments during 2017	(5.5)
Effect of changes in foreign currency exchange rates	0.9
Restructuring accrual at March 31, 2017	$18.3

We expect to pay the full $18.3 million of the accrual balance remaining at March 31, 2017 within the next twelve months. This amount is included in accrued restructuring costs on the Condensed Combined Balance Sheet at March 31, 2017.

Note 9 Debt and Credit Facilities

Our total debt outstanding consisted of the amounts set forth on the following table:

(In millions)	March 31, 2017	December 31, 2016
Short-term borrowings[(1)]	$ 20.6	$ 9.6
Current portion of long-term debt[(2)]	30.5	31.1
Total current debt	51.1	40.7
Term Loan A due July 2019[(2)]	173.5	173.9
Other	2.0	1.8
Total long-term debt, less current portion[(4)]	175.5	175.7
Total debt[(3)]	$226.6	$216.4

(1) Short-term borrowings of $20.6 million at March 31, 2017 and $9.6 million as of December 31, 2016 are comprised primarily of short-term borrowing from various lines of credit.

Note 9 Debt and Credit Facilities (Continued)

(2) Term Loan A facility due July 2019 has required prepayments which are due through the first quarter of 2018 and the outstanding balance of the Term Loan A facility due in July 2017 are included in the current portion of long-term debt.

(3) As of March 31, 2017, our weighted average interest rate on our short-term borrowings outstanding was 5.6% and on our long-term debt outstanding was 6.9%. As of December 31, 2016, our weighted average interest rate on our short-term borrowings outstanding was 9.2% and on our long-term debt outstanding was 6.9%.

(4) Amounts are net of unamortized discounts and issuance costs of $0.3 million as March 31, 2017 and $0.4 million as of December 31, 2016.

Lines of Credit

The following table summarizes our available lines of credit and committed and uncommitted lines of credit, including the Revolving Credit Facility discussed above.

(In millions)	March 31, 2017	December 31, 2016
Used lines of credit[(1)(2)]	$ 20.6	$ 9.6
Unused lines of credit	99.1	92.3
Total available lines of credit	$119.7	$101.9

(1) Includes total borrowings under the revolving credit facility and borrowings under lines of credit available to several subsidiaries.

(2) As of March 31, 2017 and December 31, 2016, there were $27.8 million and $27.5 million of cash held on deposit, respectively, as a compensating balance for certain short-term borrowings, which is recorded in other current assets on the Condensed Combined Balance Sheet.

Note 10 Derivatives and Hedging Activities

We report all derivative instruments on our Condensed Combined Balance Sheets at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes.

As a large global organization, we face exposure to market risks, such as fluctuations in foreign currency exchange rates and interest rates. To manage the volatility relating to these exposures, we enter into various derivative instruments from time to time under our risk management policies. We designate derivative instruments as hedges on a transaction basis to support hedge accounting. The changes in fair value of these hedging instruments offset in part or in whole corresponding changes in the fair value or cash flows of the underlying exposures being hedged. We assess the initial and ongoing effectiveness of our hedging relationships in accordance with our policy. We do not purchase, hold or sell derivative financial instruments for trading purposes. Our practice is to terminate derivative transactions if the underlying asset or liability matures or is sold or terminated, or if we determine the underlying forecasted transaction is no longer probable of occurring.

We record the fair value positions of all derivative financial instruments on a net basis by counterparty for which a master netting arrangement is utilized.

Note 10 Derivatives and Hedging Activities (Continued)

Foreign Currency Forward Contracts Designated as Cash Flow Hedges

The primary purpose of our cash flow hedging activities is to manage the potential changes in value associated with the amounts receivable or payable on equipment and raw material purchases that are denominated in foreign currencies in order to minimize the impact of the changes in foreign currencies. We record gains and losses on foreign currency forward contracts qualifying as cash flow hedges in other comprehensive income to the extent that these hedges are effective and until we recognize the underlying transactions in net earnings, at which time we recognize these gains and losses in cost of sales on our Condensed Combined Statements of Operations. Cash flows from non-designated derivative financial instruments are classified as cash flows from operating activities in the Condensed Combined Statements of Cash Flows. These contracts generally have original maturities of less than 12 months.

Net unrealized after-tax gains/losses related to these contracts that were included in other comprehensive income were $1.0 million loss for the three months ended March 31, 2017 and $0.5 million loss for the three months ended March 31, 2016. The unrealized amounts in other comprehensive income will fluctuate based on changes in the fair value of open contracts during each reporting period.

We estimate that $0 4 million of net unrealized derivative gains included in accumulated other comprehensive income (AOCI) will be reclassified into earnings within the next twelve months.

Foreign Currency Forward Contracts Not Designated as Hedges

Our subsidiaries have foreign currency exchange exposure from buying and selling in currencies other than their functional currencies. The primary purposes of our foreign currency hedging activities are to manage the potential changes in value associated with the amounts receivable or payable on transactions denominated in foreign currencies and to minimize the impact of the changes in foreign currencies related to foreign currency-denominated interest-bearing intercompany loans and receivables and payables. The changes in fair value of these derivative contracts are recognized in other income, net on our Condensed Combined Statements of Operations and are largely offset by the remeasurement of the underlying foreign currency-denominated items indicated above. Cash flows from derivative financial instruments are classified as cash flows from investing activities in the Condensed Combined Statements of Cash Flows. These contracts generally have original maturities of less than 12 months.

Interest Rate Swaps

From time to time, we may use interest rate swaps to manage our fixed and floating interest rates on our outstanding indebtedness. At March 31, 2017 and December 31, 2016, we had no outstanding interest rate swaps.

Interest Rate and Currency Swaps

In 2014, in connection with exercising the $100.0 million delayed draw under the senior secured credit facility, we entered into a series of interest rate and currency swaps in a notional amount of $100.0 million On September 30, 2016, the first $20.0 million swap contract matured and was settled. As a result of the settlement, the Company received $4.9 million On March 31, 2017, a

Note 10 Derivatives and Hedging Activities (Continued)

settlement payment was made for $1.8 million. These swaps convert the U.S. dollar-denominated variable rate obligation under the credit facility into a fixed Brazilian real-denominated obligation. The delayed draw and the interest rate and currency swaps are used to fund expansion and general corporate purposes of our Brazilian subsidiaries.

Net Investment Hedge

In March 2015, we entered into a series of cross-currency swaps with a combined notional amount of $425.0 million, hedging a portion of the net investment in a certain European subsidiary against fluctuations in foreign exchange rates. The fair value of this hedge as of March 31, 2017 was $(7.0) million ($(4.3) million after tax) on our Condensed Combined Balance Sheet.

For derivative instruments that are designated and qualify as hedges of net investments in foreign operations, settlements and changes in fair values of the derivative instruments are recognized in unrealized net gains or loss on derivative instruments for net investment hedge, a component of AOCI, net of taxes, to offset the changes in the values of the net investments being hedged. Any portion of the net investment hedge that is determined to be ineffective is recorded in other income, net on the Condensed Combined Statements of Operations.

Other Derivative Instruments

We may use other derivative instruments from time to time to manage exposure to foreign exchange rates and to access to international financing transactions. These instruments can potentially limit foreign exchange exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency.

Fair Value of Derivative Instruments

See Note 11, ''Fair Value Measurements and Other Financial Instruments'', for a discussion of the inputs and valuation techniques used to determine the fair value of our outstanding derivative instruments.

Note 10 Derivatives and Hedging Activities (Continued)

The following table details the fair value of our derivative instruments included on our Condensed Combined Balance Sheets.

	Cash Flow		Net Investment Hedge		Non-Designated		Total	
(In millions)	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Derivative assets								
Foreign currency forward contracts	$ 0.6	$ 1.5	$ —	$ —	$ 7.0	$ 4.8	$ 7.6	$ 6.3
Interest rate and currency swaps	20.0	23.9	—	—	—	—	20.0	23.9
Total derivative assets	$20.6	$25.4	$ —	$ —	$ 7.0	$ 4.8	$27.6	$30.2
Derivative liabilities								
Foreign currency forward contracts	$ —	$ —	$ —	$ —	$(0.7)	$(3.8)	$ (0.7)	$ (3.8)
Cross-currency swaps	—	—	(7.0)	(5.3)	—	—	(7.0)	(5.3)
Total derivative liabilities	$ —	$ —	$(7.0)	$(5.3)	$(0.7)	$(3.8)	$ (7.7)	$ (9.1)
Net derivatives[1]	**$20.6**	**$25.4**	**$(7.0)**	**$(5.3)**	**$ 6.3**	**$ 1.0**	**$19.9**	**$21.1**

(1) Amounts are recorded on the balance sheet after the impact of master netting agreements. As of March 31, 2017 and December 31, 2016 the impact of master netting agreements was immaterial to the Condensed Combined Balance Sheet.

The following table details the effect of our derivative instruments on our Condensed Combined Statements of Operations.

	Amount of Gain (Loss) Recognized in Earnings on Derivatives	
	Three Months Ended March 31,	
(In millions)	2017	2016
Derivatives designated as hedging instruments:		
Cash Flow Hedges:		
Foreign currency forward contracts[1]	$ 0.5	$ 0.4
Interest rate and currency swaps	(3.8)	(10.9)
Sub-total cash flow hedges	(3.3)	(10.5)
Derivatives not designated as hedging instruments:		
Foreign currency forward contracts	6.7	7.4
Total	$ 3.4	$ (3.1)

(1) Amounts recognized on the foreign currency forward contracts were included in cost of sales during the three months ended March 31, 2017 and 2016.

Note 11 Fair Value Measurements and Other Financial Instruments

Fair Value Measurements

In determining fair value of financial instruments, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and consider counterparty credit risk in our assessment of fair value. We determine fair value of our financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- *Level 1 Inputs:* Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- *Level 2 Inputs:* Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- *Level 3 Inputs:* Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The following table details the fair value hierarchy of our financial instruments:

	March 31, 2017			
(In millions)	Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$15.0	$15.0	$ —	$ —
Compensating balance deposits	$27.8	$27.8	$ —	$ —
Derivative financial and hedging instruments net asset (liability):				
Foreign currency forward contracts and options	$ 6.9	$ —	$ 6.9	$ —
Interest rate and currency swaps	$20.0	$ —	$20.0	$ —
Cross-currency swaps	$ (7.0)	$ —	$ (7.0)	$ —

	December 31, 2016			
(In millions)	Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 8.0	$ 8.0	$ —	$ —
Compensating balance deposits	$27.5	$27.5	$ —	$ —
Derivative financial and hedging instruments net asset (liability):				
Foreign currency forward contracts	$ 2.5	$ —	$ 2.5	$ —
Interest rate and currency swaps	$23.9	$ —	$23.9	$ —
Cross-currency swaps	$ (5.3)	$ —	$ (5.3)	$ —

Note 11 Fair Value Measurements and Other Financial Instruments (Continued)

Cash Equivalents

Our cash equivalents at March 31, 2017 and December 31, 2016 consisted of bank time deposits (Level 1). Since these are short-term highly liquid investments with original maturities of three months or less at the date of purchase, they present negligible risk of changes in fair value due to changes in interest rates.

Compensating Balance Deposits

We have compensating balance deposits related to certain short-term borrowings. These represent bank certificates of deposits that will mature within the next 3 months.

Derivative Financial Instruments

Our foreign currency forward contracts, foreign currency options, euro-denominated debt, interest rate and currency swaps and cross-currency swaps are recorded at fair value on our Condensed Combined Balance Sheets using a discounted cash flow analysis that incorporates observable market inputs. These market inputs include foreign currency spot and forward rates, and various interest rate curves, and are obtained from pricing data quoted by various banks, third party sources and foreign currency dealers involving identical or comparable instruments (Level 2).

Counterparties to these foreign currency forward contracts have at least an investment grade rating. Credit ratings on some of our counterparties may change during the term of our financial instruments. We closely monitor our counterparties' credit ratings and, if necessary, will make any appropriate changes to our financial instruments. The fair value generally reflects the estimated amounts that we would receive or pay to terminate the contracts at the reporting date.

Other Financial Instruments

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) trade receivables, net, (2) certain other current assets, (3) accounts payable and (4) other current liabilities. The carrying amounts reported on our Condensed Combined Balance Sheets for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities.

Other liabilities that are recorded at carrying value on our Condensed Combined Balance Sheets include our senior notes, except for our euro-denominated debt as discussed above. We utilize a market approach to calculate the fair value of our senior notes. Due to their limited investor base and the face value of some of our senior notes, they may not be actively traded on the date we calculate their fair value. Therefore, we may utilize prices and other relevant information generated by market transactions involving similar securities, reflecting U.S. Treasury yields to calculate the yield to maturity and the price on some of our senior notes. These inputs are provided by an independent third party and are considered to be Level 2 inputs.

We derive our fair value estimates of our various other debt instruments by evaluating the nature and terms of each instrument, considering prevailing economic and market conditions, and examining the cost of similar debt offered at the balance sheet date. We also incorporated our credit default swap rates and currency specific swap rates in the valuation of each debt instrument, as applicable.

Note 11 Fair Value Measurements and Other Financial Instruments (Continued)

These estimates are subjective and involve uncertainties and matters of significant judgment, and therefore we cannot determine them with precision. Changes in assumptions could significantly affect our estimates.

The table below shows the carrying amounts and estimated fair values of our total debt:

	March 31, 2017		December 31, 2016	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term Loan A Facility due July 2019[1]	202.9	202.9	204.1	204.1
Other foreign loans[1]	23.3	23.3	11.9	12.1
Other domestic loans	0.4	0.4	0.4	0.4
Total debt	226.6	226.6	216.4	216.6

(1) Includes borrowings denominated in currencies other than U.S. dollars.

In addition to the table above, the Company remeasures amounts related to contingent consideration liabilities related to acquisitions and certain equity compensation, that were carried at fair value on a recurring basis in the Condensed Combined Financial Statements or for which a fair value measurement was required. Refer to Note 3 ''Acquisitions'' of the Notes to Condensed Combined Financial Statements for information regarding contingent consideration and Note 15 ''Share-Based Compensation'' of the Notes to Condensed Combined Financial Statements for share-based compensation. Included among our non-financial assets and liabilities that are not required to be measured at fair value on a recurring basis are inventories, net property and equipment, goodwill, intangible assets and asset retirement obligations.

Credit and Market Risk

Financial instruments, including derivatives, expose us to counterparty credit risk for nonperformance and to market risk related to changes in interest or currency exchange rates. We manage our exposure to counterparty credit risk through specific minimum credit standards, establishing credit limits, diversification of counterparties, and procedures to monitor concentrations of credit risk.

We do not expect any of our counterparties in derivative transactions to fail to perform as it is our policy to have counterparties to these contracts that have at least an investment grade rating. Nevertheless, there is a risk that our exposure to losses arising out of derivative contracts could be material if the counterparties to these agreements fail to perform their obligations. We will replace counterparties if a credit downgrade is deemed to increase our risk to unacceptable levels.

We regularly monitor the impact of market risk on the fair value and cash flows of our derivative and other financial instruments considering reasonably possible changes in interest and currency exchange rates and restrict the use of derivative financial instruments to hedging activities. We do not use derivative financial instruments for trading or other speculative purposes and do not use leveraged derivative financial instruments.

Note 11 Fair Value Measurements and Other Financial Instruments (Continued)

We continually monitor the creditworthiness of our diverse base of customers to which we grant credit terms in the normal course of business and generally do not require collateral. We consider the concentrations of credit risk associated with our trade accounts receivable to be commercially reasonable and believe that such concentrations do not leave us vulnerable to significant risks of near-term severe adverse impacts. The terms and conditions of our credit sales are designed to mitigate concentrations of credit risk with any single customer. Our sales are not materially dependent on a single customer or a small group of customers.

Note 12 Defined Benefit Pension Plans and Other Post-Employment Benefit Plans

The following table shows the components of our net periodic benefit cost (income) for our defined benefit pension plans for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31, 2017			Three Months Ended March 31, 2016		
(In millions)	U.S.	International	Total	U.S.	International	Total
Components of net periodic benefit cost or (income):						
Service cost	$ —	$ 1.2	$ 1.2	$ —	$ 1.6	$ 1.6
Interest cost	1.1	3.3	4.4	1.2	4.2	5.4
Expected return on plan assets	(1.5)	(7.2)	(8.7)	(1.6)	(6.5)	(8.1)
Amortization of net actuarial loss	—	1.9	1.9	—	1.6	1.6
Net periodic benefit cost (income)	(0.4)	(0.8)	(1.2)	(0.4)	0.9	0.5

The following table shows the components of our net periodic benefit cost for our other employee benefit plans for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,	
(In millions)	2017	2016
Components of net periodic benefit cost or (income):		
Interest cost	$ 0.5	$ 0.5
Amortization of net prior service cost	(0.5)	(0.4)
Net periodic benefit cost	$ —	$ 0.1

Note 13 Income Taxes

The Company accounts for income taxes for interim periods in accordance with ASC 740 which requires income tax expense or benefit to be calculated using an estimated annual effective tax rate. If a reliable estimate of the annual effective tax rate cannot be made, the Company considers the effective tax rate for the year to date to be the best estimate. Accordingly, the income tax provisions for the three months ended March 31, 2017, were determined based on the actual year-to-date tax expense because a reliable estimate of the annual effective tax rate cannot be made. To provide greater comparability, the income tax provision for the three months ended March 31, 2016 was also determined based on the year to date tax expense.

Note 13 Income Taxes (Continued)

Effective Income Tax Rate and Income Tax Provision

Our effective income tax rate and tax expense for the three months ended March 31, 2017 was 160.9% and $7.7 million. The increase in our effective income tax rate as compared to the statutory rate is primarily attributable to an increase in valuation allowance on domestic losses and credits, partially offset by a change in the deferred tax liability related to the permanent reinvestments assertion.

Our income tax expense for the three months ended March 31, 2016 was $5.4 million on a pre-tax loss. The difference in tax expense compared to expense based on the statutory rate is primarily attributable to an increase in valuation allowance on domestic losses and credits.

Unrecognized Tax Benefits

During the three months ended March 31, 2017, we decreased our unrecognized tax benefits by $2.7 million We have not changed our policy with regard to the reporting of penalties and interest related to unrecognized tax benefits.

Note 14 Commitments and Contingencies

Environmental Matters

We are subject to loss contingencies resulting from environmental laws and regulations, and we accrue for anticipated costs associated with investigatory and remediation efforts when an assessment has indicated that a loss is probable and can be reasonably estimated. These accruals are not reduced by potential insurance recoveries, if any. We do not believe that it is reasonably possible that our liability in excess of the amounts that we have accrued for environmental matters will be material to our Condensed Combined Balance Sheet or Statement of Operations. Environmental liabilities are reassessed whenever circumstances become better defined or remediation efforts and their costs can be better estimated.

We evaluate these liabilities periodically based on available information, including the progress of remedial investigations at each site, the current status of discussions with regulatory authorities regarding the methods and extent of remediation and the apportionment of costs among potentially responsible parties. As some of these issues are decided (the outcomes of which are subject to uncertainties) or new sites are assessed and costs can be reasonably estimated, we adjust the recorded accruals, as necessary. We believe that these exposures are not material to our Condensed Combined Balance Sheet or Statement of Operations. We believe that we have adequately reserved for all probable and estimable environmental exposures.

Guarantees and Indemnification Obligations

We are a party to many contracts containing guarantees and indemnification obligations. These contracts primarily consist of:

- product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products will conform to specifications. We generally do not establish a liability for product warranty based on a percentage of sales or other formula. We accrue a warranty liability on a transaction-specific basis depending on

Note 14 Commitments and Contingencies (Continued)

the individual facts and circumstances related to each sale. Both the liability and annual expense related to product warranties are immaterial to our Condensed Combined Balance Sheet or Statement of Operations; and

- licenses of intellectual property by us to third parties in which we have agreed to indemnify the licensee against third party infringement claims.

Note 15 Share-Based Compensation

Sealed Air has a combined incentive plan in which the Company participates. The plan provides for the grant of Sealed Air stock options, Sealed Air stock appreciation rights, Sealed Air restricted stock, Sealed Air restricted stock units, Sealed Air unrestricted stock, Sealed Air performance share units known as PSU awards, other stock awards and cash awards to officers and key employees.

We record share-based incentive compensation expense in selling, general and administrative expenses and cost of sales on our Combined Statements of Operations for both equity-classified awards and liability-classified awards. We record corresponding credit to current or non-current liability for liability-classified awards based on the fair value of the share-based incentive compensation awards at the date of grant. Total expense for the liability-classified awards continues to be remeasured to fair value at the end of each reporting period. We recognize an expense or credit reflecting the straight-line recognition, net of estimated forfeitures, of the expected cost of the program. The number of PSUs earned may equal, exceed or be less than the targeted number of shares depending on whether the performance criteria are met, surpassed or not met.

The following table summarizes the Company's pre-tax share-based incentive compensation expense for the three months ended March 31, 2017 and 2016 related to participation in Sealed Air's PSU awards, SLO awards and restricted stock awards.

	Three Months Ended March 31,	
(In millions)	2017	2016
Total share-based incentive compensation expense[1]	$6.1	$3.1

(1) The amounts do not include the expense related to Sealed Air's U.S. profit sharing contributions made in the form of common stock as these contributions are not considered share-based incentive compensation.

Note 16 Related Party Transactions

The Condensed Combined Financial Statements have been prepared on a carve-out basis and are derived from the consolidated financial statements and accounting records of Sealed Air.

Allocation of Corporate Expenses

The Condensed Combined Financial Statements include expense allocations for certain functions provided by Sealed Air as well as other Sealed Air employees not solely dedicated to the

Note 16 Related Party Transactions (Continued)

Company, including but not limited to, general corporate expenses related to finance, legal, information technology, human resources, communications, compliance, shared services, employee benefits and share-based compensation. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on the basis on net sales, headcount, or other measures. During the three months ended March 31, 2017 and 2016, the Company was allocated $19.0 million and $28.8 million, respectively, for general corporate expenses incurred by Sealed Air, which is primarily included within selling, general and administrative expenses and other income (expense) in the Condensed Combined Statements of Operations.

Related Party Receivables and Payables

As of March 31, 2017 and December 31, 2016, the Company had estimated receivable balances due from Sealed Air totaling $132.0 million and $111.8 million, respectively, which are included in other receivables and other non-current assets on the Condensed Combined Balance Sheets. As of March 31, 2017 and December 31, 2016, the Company had estimated payable balances due to Sealed Air totaling $156.9 million and $142.2 million, respectively, which are included in accounts payable and other non-current liabilities on the Condensed Combined Balance Sheets. The Company expects the remaining receivable/payable balance will not be settled in cash and are recorded in net parent investment.

Note 17 Accumulated Other Comprehensive Income

The following table provides details of comprehensive income for the three months ended March 31, 2017 and 2016:

(In millions)	Unrecognized Pension Items	Cumulative Translation Adjustment	Unrecognized Gains (Losses) on Derivative Instruments for net investment hedge	Unrecognized Gains (Losses) on Derivative Instruments for cash flow hedge	Accumulated Other Comprehensive Income, Net of Taxes
Balance at December 31, 2015	$(206.2)	$1,110.5	$(3.8)	$ 1.9	$902.4
Other comprehensive income (loss) before reclassifications	9.3	7.1	1.9	(6.6)	11.7
Less: amounts reclassified from accumulated other comprehensive income	0.9	—	—	6.8	7.7
Net current period other comprehensive income	10.2	7.1	1.9	0.2	19.4
Balance at March 31, 2016	$(196.0)	$1,117.6	$(1.9)	$ 2.1	$921.8
Balance at December 31, 2016	$(209.4)	$1,049.4	$(6.3)	$ 0.1	$833.8
Other comprehensive income (loss) before reclassifications	5.9	18.6	(0.2)	(1.9)	22.4
Less: amounts reclassified from accumulated other comprehensive income	1.1	—	—	2.1	3.2
Net current period other comprehensive income (loss)	7.0	18.6	(0.2)	0.2	25.6
Balance at March 31, 2017	$(202.4)	$1,068.0	$(6.5)	$ 0.3	$859.4

Note 17 Accumulated Other Comprehensive Income (Continued)

The following table provides detail of amounts reclassified from accumulated other comprehensive income:

(In millions)	Three Months Ended March 31, 2017[1]	Three Months Ended March 31, 2016[1]	Location of Amount Reclassified from AOCI
Defined benefit pension plans and other post-employment benefits:			
Prior service costs	$ 0.5	$ 0.4[2]	
Actuarial losses	(1.9)	(1.6)[2]	
Total pre-tax amount	(1.4)	(1.2)	
Tax benefit	0.3	0.3	
Net of tax	(1.1)	(0.9)	
Net gains (losses) on cash flow hedging derivatives:			
Foreign currency forward contracts	0.5	0.4[3]	Other income, net
Interest rate and currency swaps	(3.8)	(10.9)	
Total pre-tax amount	(3.3)	(10.5)	
Tax benefit	1.2	3.7	
Net of tax	(2.1)	(6.8)	
Total reclassifications for the period	$(3.2)	$ (7.7)	

(1) Amounts in parenthesis indicate changes to earnings (loss).

(2) These accumulated other comprehensive components are included in the computation of net periodic benefit costs within cost of sales and selling, general, and administrative expenses on the Condensed Combined Statement of Operations.

(3) These accumulated other comprehensive components are included in our derivative and hedging activities. See Note 10, ''Derivatives and Hedging Activities'' of the Notes to Condensed Combined Financial Statements for further details.

Note 18 Other Income (Expense), net

The following table provides details of other income (expense), net:

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Interest and dividend income	$ 1.3	$ 1.9
Net foreign exchange transaction losses	(0.5)	(2.6)
Bank fee expense	(0.1)	(0.1)
Net loss on disposals of business and property and equipment	(0.1)	(0.1)
Other, net	0.8	(0.3)
Other income (expense), net	$ 1.4	$(1.2)

Note 19 Subsequent Events

On April 1, 2017, the Company acquired the UVC disinfection portfolio of Daylight Medical, a manufacturer of innovative medical devices as part of its North America segment. The preliminary fair value of the consideration transferred was approximately $23.3 million which included $3.5 million of cash paid at closing as well as a preliminary fair value of $19.8 million related to $14.4 million of noncontingent considerations which will be paid in the future and $5.4 million of preliminary fair value for liability-classified contingent consideration.

Subsequent events have been evaluated through June 29, 2017. Other than those discussed above, we have not identified any material subsequent event items related to the Company.

Diversey Business

Combined Audited Financial Statements and Footnotes

For periods ending December 31, 2016 and 2015

DIVERSEY BUSINESS

Report of Independent Registered Public Accounting Firm

The Board of Directors
Sealed Air Corporation

We have audited the accompanying combined balance sheets of the Diversey Business and subsidiaries as of December 31, 2016 and 2015, and the related combined statements of operations, comprehensive income (loss), invested equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Diversey Business and subsidiaries at December 31, 2016 and 2015, and the combined results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Charlotte, North Carolina
May 31, 2017

DIVERSEY BUSINESS

Combined Balance Sheets

(In millions, except per share data)	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 131.4	$ 167.9
Trade receivables, net of allowance for doubtful accounts of $11.9 in 2016 and $14.4 in 2015	437.4	447.9
Income tax receivables	18.9	18.0
Other receivables	173.2	168.5
Inventories, net of inventory reserves of $11.5 in 2016 and $9.0 in 2015	204.7	210.4
Assets held for sale	2.6	2.7
Prepaid expenses and other current assets	87.0	91.7
Total current assets	1,055.2	1,107.1
Property and equipment, net	171.3	192.9
Goodwill	1,226.1	1,265.5
Intangible assets, net	486.1	546.8
Deferred taxes	37.0	17.7
Other non-current assets	170.9	200.7
Total assets	$3,146.6	$3,330.7
LIABILITIES AND INVESTED EQUITY		
Current liabilities:		
Short-term borrowings	$ 9.6	$ 11.7
Current portion of long-term debt	31.1	23.1
Accounts payable	488.7	441.3
Accrued restructuring costs	25.2	30.9
Other current liabilities	321.8	345.9
Total current liabilities	876.4	852.9
Long-term debt, less current portion	175.7	190.1
Deferred taxes	90.1	93.7
Other non-current liabilities	395.9	480.3
Total liabilities	1,538.1	1,617.0
Commitments and contingencies		
Invested equity:		
Net parent investment	$ 774.7	$ 811.3
Accumulated other comprehensive income (loss), net of taxes:		
Unrecognized pension items	(209.4)	(206.2)
Cumulative translation adjustment	1,049.4	1,110.5
Unrealized net gain on derivative instruments for net investment hedge	(6.3)	(3.8)
Unrealized net gain on derivative instruments for cash flow hedge	0.1	1.9
Total accumulated other comprehensive income (loss), net of taxes	826.1	902.4
Total invested equity	1,608.5	1,713.7
Total liabilities and invested equity	$3,146.6	$3,330.7

See accompanying notes to Combined Financial Statements.

DIVERSEY BUSINESS

Combined Statements of Operations

(In millions, except per share data)	Year Ended December 31, 2016	Year Ended December 31, 2015
Net sales	$2,568.8	$2,620.7
Cost of sales	1,448.2	1,492.4
Gross profit	1,120.6	1,128.3
Selling, general and administrative expenses	939.8	968.3
Amortization expense of intangible assets acquired	57.3	54.6
Restructuring and other charges	10.8	29.3
Operating profit	112.7	76.1
Interest expense	(13.8)	(16.3)
Foreign currency exchange loss related to Venezuelan subsidiaries	(1.7)	(5.9)
Other income (expense), net	3.6	(1.8)
Earnings before income tax benefit	100.8	52.1
Income tax benefit	(7.4)	(33.1)
Net income	$ 108.2	$ 85.2

See accompanying notes to Combined Financial Statements.

DIVERSEY BUSINESS

Combined Statements of Comprehensive (Loss)

(In millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Net income	$108.2	$ 85.2
Other comprehensive income (loss), net of taxes:		
Recognition of deferred pension items, net of taxes of $3.8 for 2016, $5.6 for and 2015	(3.2)	(22.3)
Unrealized losses on derivative instruments for net investment hedge, net of taxes of $1.0 for 2016 and $2.3 for 2015	(2.5)	(3.8)
Unrealized losses on derivative instruments for cash flow hedge, net of taxes of $0.2 for 2016 and $(0.1) for 2015	(1.8)	(0.1)
Foreign currency translation adjustments, net of taxes of $0.3 for 2016 and $5.4 for 2015	(61.1)	(172.4)
Other comprehensive income (loss), net of taxes	(68.6)	(198.6)
Comprehensive income (loss), net of taxes	$ 39.6	$(113.4)

See accompanying notes to Combined Financial Statements.

DIVERSEY BUSINESS

Combined Statements of Invested Equity

(In millions)	Net Parent Investment	Accumulated Other Comprehensive Income (Loss), Net of Taxes	Total Invested Equity
Balance at January 1, 2015	$ 734.0	$1,101.0	$1,835.0
Recognition of deferred pension items, net of taxes	—	(22.3)	(22.3)
Foreign currency translation adjustments	—	(172.4)	(172.4)
Unrealized gain on derivative instruments, net of taxes	—	(3.9)	(3.9)
Net income	85.2	—	85.2
Share-based incentive compensation	22.9	—	22.9
Net transfers to parent	(30.8)	—	(30.8)
Balance at December 31, 2015	$ 811.3	$ 902.4	$1,713.7
Recognition of deferred pension items, net of taxes	—	(3.2)	(3.2)
Foreign currency translation adjustments	—	(61.1)	(68.8)
Unrealized gain on derivative instruments, net of taxes	—	(4.3)	(4.3)
Net income	108.2	—	108.2
Share-based incentive compensation	14.4	—	14.4
Net transfers to parent	(159.2)	—	(151.5)
Balance at December 31, 2016	$ 774.7	$ 833.8	$1,608.5

See accompanying notes to Combined Financial Statements.

DIVERSEY BUSINESS

Combined Statements of Cash Flows

(In millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Net income	$ 108.2	$ 85.2
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	98.6	87.4
Share-based incentive compensation	14.4	22.9
Profit sharing expense	3.3	5.3
Provision for bad debts	5.0	3.1
Deferred taxes, net	(17.6)	(21.6)
Changes in operating assets and liabilities:		
Trade receivables, net	(14.1)	(4.9)
Inventories	(7.1)	(1.8)
Accounts payable	79.5	36.7
Other assets and liabilities	(96.0)	(161.2)
Net cash provided by operating activities	174.2	51.1
Cash flows used in investing activities:		
Capital expenditures	(17.7)	(37.1)
Businesses acquired in purchase transactions, net of cash and cash equivalents acquired	(5.8)	(12.1)
Proceeds from sales of property, equipment and other assets	4.5	31.5
Settlement of foreign currency forward contracts	(1.4)	—
Net cash used in investing activities	(20.4)	(17.7)
Cash flows used in financing activities:		
Net payments from borrowings	(4.0)	(1.5)
Change in cash used as collateral on borrowing arrangements	1.9	(6.9)
Change in Parent's investment	(185.6)	(3.8)
Other financing activities	6.2	—
Net cash used in financing activities	(181.5)	(12.2)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(8.8)	(12.8)
Net change in cash and cash equivalents	(36.5)	8.4
Balance, beginning of period	167.9	159.5
Net change during the period	(36.5)	8.4
Balance, end of period	$ 131.4	$ 167.9
Supplemental Cash Flow Information:		
Interest payments, net of amounts capitalized	$ 14.6	$ 16.8
Income tax payments	$ 41.7	$ 31.3
Stock appreciation rights payments (less amounts included in restructuring payments)	$ 1.9	$ 20.7
Restructuring payments including associated costs	$ 25.0	$ 43.7

See accompanying notes to Combined Financial Statements.

DIVERSEY BUSINESS
Notes to Combined Financial Statements

Note 1 Background and Basis of Presentation

On March 25, 2017, Sealed Air Corporation (''Sealed Air'' or ''Parent'') entered into a definitive agreement (the ''Sale Transaction'') to sell its Diversey Care division and the food hygiene and cleaning business within its Food Care division (together ''we'', ''Diversey Business'', ''Diversey'', or ''the Company''). Diversey is a global provider of commercial cleaning, sanitation and hygiene products, services and solutions for food safety and service, food and beverage plant operations, floor care, housekeeping and room care, laundry and hand care. In addition, Diversey offers value-added services, including food safety and application training and consulting, and auditing of hygiene and water management. The Company's offerings include Diversey®-branded total integrated system solutions for facility hygiene, food safety and security, and infection control to customers worldwide. Diversey®-branded products are focused on serving five key institutional and industrial sectors globally, which include: food service operators, hospitality establishments and building service contractors, food retail outlets, and healthcare facilities.

The product range of Diversey-branded solutions includes fully integrated lines of products and dispensing systems for hard surface cleaning, disinfecting and sanitizing, hand washing, deodorizing, mechanical and manual ware washing, hard surface and carpeted floor cleaning systems, cleaning tools and utensils, and fabric care for professional laundry applications comprising detergents, stain removers, bleaches and a broad range of dispensing equipment for process control and management information systems. Floor care machines are commercialized under the well-established Taski ® brand, including Intellibot® floor cleaning robots.

Basis of Presentation

These combined financial statements represent the global operations of Diversey, and have been prepared on a carve-out basis. The combined financial statements are derived from Sealed Air's consolidated financial statements and accounting records, and reflect the Company's financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America (''GAAP'').

These combined financial statements include certain expenses which have been allocated to the Company from Sealed Air. The allocation of these expenses is based on direct usage when identifiable, or relative percentage of net sales or headcount when direct usage is not identifiable. The Company considers the expense allocation methodology and results to be reasonable for all periods presented. However, these allocations may not be indicative of the actual expenses the Company would have incurred as a separate, carve-out company, or of the costs the Company will incur in the future. Following the sale, we expect Sealed Air to continue to provide many of these services on a transitional and temporary basis for a fee. The total amount of these allocations from Sealed Air was approximately $110.0 million and $118.9 million for the years ended December 31, 2016 and 2015, respectively. See Note 18, ''Related Party Transactions'', of the Notes to the Combined Financial Statements for additional information.

Sealed Air maintains a number of stock-based compensation programs at a corporate level. Certain of the Company's employees participate in those programs, and as such, the Company is charged a portion of the expenses associated with these programs. However, the Combined Balance Sheet does not reflect any Sealed Air equity related to these share-based compensation programs. See Note 17, ''Share-Based Compensation'', of the Notes to the Combined Financial Statements for further description of these share-based compensation programs.

Note 1 Background and Basis of Presentation (Continued)

Diversey is the sponsor of several defined benefit retirement plans. In addition, Sealed Air sponsors a number of defined benefit retirement plans in which both Diversey and Sealed Air employees participate (''Comingled Plans''). For those plans, the Company is charged an allocation of the expenses representing an estimate of employees expected to remain with Diversey following the completion of the Sale Transaction. The Combined Balance Sheets also reflect an allocation of the net obligation and accumulated other comprehensive income (''AOCI'') related to the Comingled Plans, in addition to net obligations and AOCI for which Diversey is the sponsor. See Note 13, ''Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans'', and Note 14, ''Other Post-Employment Benefits and Other Employee Benefit Plans'', of the Notes to the Combined Financial Statements for further description of these defined benefit retirement plans.

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards

Summary of Significant Accounting Policies

Use of Estimates

The preparation of our Combined Financial Statements and related disclosures in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include, among other items, assessing the collectability of receivables, the use and recoverability of inventory, the estimation of fair value of financial instruments, assumptions used in the calculation of income taxes, useful lives and recoverability of tangible assets and goodwill and other intangible assets, assumptions used in our defined benefit pension plans and other post employment benefit plans, estimates related to self-insurance such as the aggregate liability for uninsured claims using historical experience, insurance and actuarial estimates and estimated trends in claim values, fair value measurement of assets, costs for incentive compensation and accruals for commitments and contingencies. We review these estimates and assumptions periodically using historical experience and other factors and reflect the effects of any revisions in the Combined Financial Statements in the period we determine any revisions to be necessary. Actual results could differ from these estimates.

Financial Instruments

We may use financial instruments, such as cross-currency swaps, interest rate swaps, caps and collars, U.S. Treasury lock agreements and foreign currency exchange forward contracts and options relating to our borrowing and trade activities. We may use these financial instruments from time to time to manage our exposure to fluctuations in interest rates and foreign currency exchange rates. We do not purchase, hold or sell derivative financial instruments for trading purposes. We face credit risk if the counterparties to these transactions are unable to perform their obligations. Our policy is to have counterparties to these contracts that are rated at least BBB− by Standard & Poor's and Baa3 by Moody's.

We report derivative instruments at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes. Before entering into any derivative transaction, we identify our specific financial risk, the appropriate hedging instrument to use to

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

reduce this risk, and the correlation between the financial risk and the hedging instrument. We use forecasts and historical data as the basis for determining the anticipated values of the transactions to be hedged. We do not enter into derivative transactions that do not have a high correlation with the underlying financial risk we are trying to reduce. We regularly review our hedge positions and the correlation between the transaction risks and the hedging instruments.

We account for derivative instruments as hedges of the related underlying risks if we designate these derivative instruments as hedges and the derivative instruments are effective as hedges of recognized assets or liabilities, forecasted transactions, unrecognized firm commitments or forecasted intercompany transactions.

We record gains and losses on derivatives qualifying as cash flow hedges in other comprehensive loss, to the extent that hedges are effective and until the underlying transactions are recognized on the Combined Statements of Operations, at which time we recognize the gains and losses on the Combined Statements of Operations.

Generally, our practice is to terminate derivative transactions if the underlying asset or liability matures or is sold or terminated, or if we determine the underlying forecasted transaction is no longer probable of occurring. Any deferred gains or losses associated with derivative instruments are recognized on the Combined Statements of Operations over the period in which the income or expense on the underlying hedged transaction is recognized.

See Note 11, ''Derivatives and Hedging Activities'', of the Notes to Combined Financial Statements for further details.

Fair Value Measurements of Financial Instruments

In determining fair value of financial instruments, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and consider counterparty credit risk in our assessment of fair value. We determine fair value of our financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- *Level 1 Inputs:* Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- *Level 2 Inputs:* Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- *Level 3 Inputs:* Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Our fair value measurements for our financial instruments are subjective and involve uncertainties and matters of significant judgment. Changes in assumptions could significantly affect

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

our estimates. See Note 12, ''Fair Value Measurements and Other Financial Instruments'', of the Notes to Combined Financial Statements for further details on our fair value measurements.

Foreign Currency Translation

In non-U.S. locations that are not considered highly inflationary, we translate the balance sheets at the end of period exchange rates with translation adjustments accumulated in invested equity on our Combined Balance Sheets. We translate the statements of operations at the average exchange rates during the applicable period.

We translate assets and liabilities of our operations in countries with highly inflationary economies at the end of period exchange rates, except that nonmonetary asset and liability amounts are translated at historical exchange rates. In countries with highly inflationary economies, we translate items reflected in the statements of operations at average rates of exchange prevailing during the period, except that nonmonetary amounts are translated at historical exchange rates.

Impact of Inflation and Currency Fluctuation

Venezuela

Economic and political events in Venezuela have continued to expose us to heightened levels of foreign currency exchange risk. Accordingly, Venezuela has been designated a highly inflationary economy under U.S. GAAP, and the U.S. dollar replaced the bolivar fuerte as the functional currency for our subsidiaries in Venezuela. All bolivar-denominated monetary assets and liabilities are re-measured into U.S. dollars using the current exchange rate available to us, and any changes in the exchange rate are reflected in foreign currency exchange gains and losses related to our Venezuelan subsidiaries on the Combined Statements of Operations.

2015 Activity

In February 2015, the Venezuelan government announced a new foreign exchange platform called the Marginal Currency System or SIMADI. The SIMADI basically replaced the SICAD 2 rate as noted above. When this market opened on February 12, 2015 the rate was 170.0390 and then at December 31, 2015 it was 198.6986. The SICAD 1 and the SICAD 2 were merged into the SICAD. The opening rate was 12.0 for the SICAD and at December 31, 2015 it was 13.5. In addition, the CENCOEX will continue and provide preferential treatment for certain import operations such as food and medicines.

Since these changes were announced by the Venezuelan government, the new SIMADI market had very little activity and companies have not been able to access this market to obtain U.S. dollars. In addition, the SICAD rate which is established via auctions had no auctions held since October 2014. However, in June 2015 an auction was held for the automotive parts and school supplies industries.

Therefore, in 2015 there were three legal mechanisms to exchange bolivars for U.S. dollars:

- CENCOEX at the official rate of 6.3;

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

- SICAD auction process at the awarded exchange rate (opening rate at 12.0 and at December 31, 2015 it was 13.5); and
- SIMADI at the negotiated rate (rate of 198.6986 at December 31, 2015).

At December 31, 2015, we evaluated which legal mechanisms were available to our Venezuelan subsidiaries to access U.S. dollars. Starting June 2015 and at December 31, 2015, we concluded that we would use the SIMADI rate to remeasure our bolivar denominated monetary assets and liabilities since it was our only legally available option and our intent on a go-forward basis to utilize this market to settle any future transactions based on then current facts and circumstances. During 2015, the Company did not receive U.S. dollars via the CENCOEX official rate of 6.3. We were only able to access the SIMADI market and only received minimal amounts of U.S. dollars. As a result of this evaluation, the Company reported a remeasurement loss of $5.9 million for the year ended December 31, 2015.

2016 Activity

On February 17, 2016, the Venezuelan government made further changes to the exchange rates including a further devaluation and on March 9, 2016 published in Exchange Agreement No. 35 further rules governing foreign exchange transactions which were effective March 10, 2016. This includes the following key changes:

- The preferential rate for essential goods and services was changed from 6.3 to 10.0 bolivars per U.S. dollar and is no longer called CENCOEX but is now the DIPRO;
- The SICAD rate was eliminated which reduced the number of legal mechanisms from three down to only two; and
- Eliminated the SIMADI rate which was replaced by the DICOM rate which will be allowed to float freely beginning at a rate of approximately 203.0 bolivars to U.S. dollar.

At December 31, 2016, we evaluated which legal mechanisms were available to our Venezuelan subsidiaries to access U.S. dollars. As noted above, the SIMADI rate was replaced with the DICOM rate. Consistent with our evaluation completed in the first, second and third quarters of 2016, we concluded that we will continue to use the DICOM rate to remeasure our bolivar-denominated monetary assets and liabilities since it is our only legally available option and our intent on a go-forward basis to utilize this market if needed, to settle any future transactions based on current facts and circumstances. The DICOM rate as of December 31, 2016 was 673.7617.

We will continue to evaluate each reporting period the appropriate exchange rate to remeasure our financial statements based on the facts and circumstances as applicable.

During 2016, we were only able to access the SIMADI market (during the period the market was available) and only received minimal amounts of U.S. dollars during the first three months of 2016. We did not receive any U.S. dollars via the CENCOEX (at an official rate of 6.3) or the DIPRO (at an official rate of 10.0). We expect that we will only have limited access to the DIPRO market to settle certain past transactions. However, if the option becomes available to us to use the DIPRO in the future, the Company will consider this further, as needed. For any U.S. dollar-denominated monetary asset or liability, such amounts do not get remeasured at month-end since it is already an

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

asset or liability denominated in U.S. dollars. As a result of this evaluation, the Company reported a remeasurement loss of $1.7 million for the year ended December 31, 2016.

Due to the ongoing challenging economic situation in Venezuela, the Company approved a program in the second quarter of 2016 to cease operations in the country. Foreign exchange control regulations have affected our Venezuelan subsidiaries' ability to obtain inventory and maintain normal production. This resulted in total costs of $4.5 million being incurred which included the following (i) a voluntary reduction in headcount including severance and termination benefits for employees of $0.1 million, (ii) depreciation and amortization expense related to fixed assets and intangibles of $4.2 million, (iii) inventory reserves of $0.6 million and (iv) offset by the reclassification of $0.4 million of cumulative translation adjustment resulting in a charge to net income as the Company's decision to cease operations is similar to a substantially complete liquidation.

Commitments and Contingencies — Litigation

On an ongoing basis, we assess the potential liabilities related to any lawsuits or claims brought against us. While it is typically very difficult to determine the timing and ultimate outcome of these actions, we use our best judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of these matters and whether a reasonable estimation of the probable loss, if any, can be made. In assessing probable losses, we make estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recovery, it is possible that disputed matters may be resolved for amounts materially different from any provisions or disclosures that we have previously made. We expense legal costs, including those legal costs expected to be incurred in connection with a loss contingency, as incurred.

Revenue Recognition

Our revenue earning activities primarily involve manufacturing and selling products, and we consider revenues to be earned when we have completed the process by which we are entitled to receive consideration. The following criteria are used for revenue recognition: persuasive evidence that an arrangement exists, shipment has occurred, selling price is fixed or determinable, and collection is reasonably assured.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net sales on the Combined Statements of Operations.

Charges for rebates and other allowances are recognized as a deduction from revenue on an accrual basis in the period in which the associated revenue is recorded. When we estimate our rebate accruals, we consider customer-specific contractual commitments including stated rebate rates and history of actual rebates paid. Our rebate accruals are reviewed at each reporting period and adjusted to reflect data available at that time. We adjust the accruals to reflect any differences between estimated and actual amounts. These adjustments impact the amount of net sales

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

recognized by us in the period of adjustment. Charges for rebates and other allowances were approximately 11% of gross sales in 2016 and 2015.

In certain instances, we may incur incremental direct costs of a revenue transaction, such as prebates, or other related expenses in the contract negotiation phase. Because these costs are likely incurred to transition to the new relationship or to entice a customer into a long-term relationship, these costs may be deferred if the related revenues have also been deferred as long as the contract requires reimbursement to the company if the customer terminates the contract before expiration or does not meet the sales, new business, or other performance requirements of the contract. Costs that are directly related to the acquisition of a contract and that would have not been incurred but for the acquisition of that contract should be deferred and charged to expense in proportion to the revenue recognized.

Shipping and Handling Costs

Costs incurred for the transfer and delivery of goods to customers are recorded as a component of cost of sales.

Research and Development

We expense research and development costs as incurred. Research and development costs were $49.2 million in 2016 and $51.2 million in 2015.

Share-Based Incentive Compensation

We record share-based compensation awards exchanged for employee services at fair value on the date of grant and record the expense for these awards in cost of sales and in selling, general and administrative expense, as applicable, on our Combined Statements of Operations over the requisite employee service period. Share-based incentive compensation expense includes an estimate for forfeitures and anticipated achievement levels and is generally recognized over the expected term of the award on a straight-line basis. The Company accelerates expense using a graded vesting schedule for employees who meet retirement eligibility requirements prior to the end of the award's service period. For performance-based awards, the Company reassesses at each reporting date whether achievement of the performance condition is probable and accrues compensation expense if and when achievement of the performance condition is probable. For market based awards, the fair value of the award is determined at the grant date and is recognized at 100% over the performance period regardless of actual market condition performance.

Environmental Expenditures

We expense or capitalize environmental expenditures that relate to ongoing business activities, as appropriate. We expense costs that relate to an existing condition caused by previous operations and which do not contribute to current or future net sales. We record liabilities when we determine that environmental assessments or remediation expenditures are probable and that we can reasonably estimate the associated cost or a range of costs.

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

Income Taxes

The Company's taxable income was historically included in the U.S. federal and certain state income tax returns of Sealed Air. In the accompanying Combined Financial Statements, the Company's provision for income taxes is computed following the separate return method. On a consolidated basis, Sealed Air has significant tax attributes such as foreign tax credit carryovers and net operating loss carryovers in various jurisdictions around the world. Because the Company is a part of the same Sealed Air legal entities that generated many of these tax attributes, Sealed Air has allocated certain of these attributes to the Company. The Company has recorded a tax benefit for these attributes in its separate return tax provision. These attributes may not be transferred to newly created legal entities in an asset sale transactions or other disposition transactions.

With the exception of certain dedicated foreign entities, the Company does not maintain taxes payable to and from Sealed Air and the Company is deemed to settle the annual current tax balances immediately with the legal entities liable for the taxes in the respective jurisdictions. These settlements are reflected as changes in net parent investment. The Combined Statements of Cash Flows reflect cash paid for income taxes including the Company's cash taxes paid to tax authorities as well as tax payments which are deemed settled with Sealed Air as the tax payer during these time periods.

Deferred tax assets and liabilities are recognized with respect to the expected future tax consequences of events that have been recorded in the Combined Financial Statements. If it is more likely than not that all or a portion of deferred tax assets will not be realized, a valuation allowance is provided against such deferred tax assets. The assessment of realization of deferred tax assets is performed based on the weight of the positive and negative evidence available to indicate whether the asset is recoverable, including tax planning strategies that are prudent and feasible.

Tax benefits from an uncertain tax position are recognized only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. Tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The Company evaluates such likelihood based on relevant facts and tax law.

See Note 15, ''Income Taxes'', of the Notes to Combined Financial Statements for further discussion.

Cash and Cash Equivalents

We consider highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. Our policy is to invest cash in excess of short-term operating and debt service requirements in cash equivalents. Cash equivalents are stated at cost, which approximates fair value because of the short-term maturity of the instruments. Our policy is to transact with counterparties that are rated at least A− by Standard & Poor's and A3 by Moody's. Some of our operations are located in countries that are rated below A− or A3. In this case, we try to minimize our risk by holding cash and cash equivalents at financial institutions with which we

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

have existing global relationships whenever possible, diversifying counterparty exposures and minimizing the amount held by each counterparty and within the country in total.

Trade Receivables, Net

In the normal course of business, we extend credit to customers that satisfy pre-defined credit criteria. Trade receivables, which are included on the Combined Balance Sheets, are net of allowances for doubtful accounts. We maintain trade receivable allowances for estimated losses resulting from the likelihood of failure of our customers to make required payments. An additional allowance may be required if the financial condition of our customers deteriorate.

Inventories

We state inventories at the lower of cost or market; costs are determined using the FIFO method. Costs related to inventories include raw materials, direct labor and manufacturing overhead which are included in cost of sales on the Combined Statements of Operations.

Property and Equipment, Net

We state property and equipment at cost, except for the fair value of acquired property and equipment and property and equipment that have been impaired, for which we reduce the carrying amount to the estimated fair value at the impairment date. We capitalize significant improvements and charge repairs and maintenance costs that do not extend the lives of the assets to expense as incurred. We remove the cost and accumulated depreciation of assets sold or otherwise disposed of from the accounts and recognize any resulting gain or loss upon the disposition of the assets.

We depreciate the cost of property and equipment over their estimated useful lives on a straight-line basis as follows: buildings — 20 to 40 years; machinery and equipment — 5 to 10 years; and other property and equipment — 2 to 10 years.

Free on Loan Equipment

We have sales arrangements in which customer equipment, an inventory item, is provided to customers for ‘‘free on loan’’ or at ‘‘no charge’’ on the condition that the customer purchases a minimum amount of related consumables for use with the equipment. Providing equipment to customers in this manner is part of a sales strategy that ensures the long-term and continued use by the end customer of the Company’s consumable products (e.g. chemical cleaning solutions). This practice is common in the markets the Company serves. Under these sales arrangements, the Company assigns all revenue to the delivery of consumables and the equipment is amortized over the equipment’s useful life or the life of the customer program, whichever is shorter.

Asset Retirement Obligations

The company records asset retirement obligations at fair value at the time the liability is incurred if a reasonable estimate of fair value can be made. Accretion expense is recognized as an operating expense using the credit-adjusted risk-free interest rate in effect when the liability was recognized. The associated asset retirement obligations are capitalized as part of the carrying

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

amount of the long-lived asset and depreciated over the estimated remaining useful life of the asset. The useful lives of property and equipment are discussed previously in the Property and Equipment, net section.

Goodwill and Identifiable Intangible Assets

Goodwill represents the excess of the aggregate of the following (1) consideration transferred, (2) the fair value of any noncontrolling interest in the acquiree and, (3) if the business combination is achieved in stages, the acquisition-date fair value of our previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Identifiable intangible assets consist primarily of patents, licenses, trademarks, trade names, customer lists and relationships, non-compete agreements and technology based intangibles and other contractual agreements. We amortize finite lived identifiable intangible assets over the shorter of their stated or statutory duration or their estimated useful lives, generally ranging from 3 to 15 years, on a straight-line basis to their estimated residual values and periodically review them for impairment. Total identifiable intangible assets comprise 15% and 16% in 2016 and 2015, respectively, of our consolidated total assets.

We use the acquisition method of accounting for all business combinations and do not amortize goodwill or intangible assets with indefinite useful lives. Goodwill and intangible assets with indefinite useful lives are tested for possible impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired.

Long-Lived Assets

Impairment and Disposal of Long-Lived Assets

For definite-lived intangible assets, such as customer relationships, contracts, intellectual property, and for other long-lived assets, such as property and equipment, whenever impairment indicators are present, we perform a review for impairment. We calculate the undiscounted value of the projected cash flows associated with the asset, or asset group, and compare this estimated amount to the carrying amount. If the carrying amount is found to be greater, we record an impairment loss for the excess of book value over the fair value. In addition, in all cases of an impairment review, we re-evaluate the remaining useful lives of the assets and modify them, as appropriate.

For indefinite-lived intangible assets, such as trademarks and trade names, each year and whenever impairment indicators are present, we determine the fair value of the asset and record an impairment loss for the excess of book value over the fair value, if any. In addition, in all cases of an impairment review we re-evaluate whether continuing to characterize the asset as indefinite-lived is appropriate. See Note 7, ''Goodwill and Identifiable Intangible Assets'' of the Notes to Combined Financial Statements for additional details.

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

Self-Insurance

The obligation for specified claims and losses related to property, casualty, workers' compensation and employee benefit claims have been allocated to the Company from Sealed Air based on headcount. We accrue for outstanding reported claims and claims that have been incurred but not reported based upon management's estimates of the aggregate liability for retained losses using historical experience, insurance company estimates and the estimated trends in claim values. Our estimates include management's and independent insurance companies' assumptions regarding economic conditions, the frequency and severity of claims and claim development patterns and settlement practices. These estimates and assumptions are monitored and evaluated on a periodic basis by management and are adjusted when warranted by changing circumstances. Although management believes it has the ability to adequately project and record estimated claim payments, actual results could differ significantly from the recorded liabilities.

Pensions

For a number of our international employees, we maintain defined benefit pension plans. We are required to make assumptions regarding the valuation of projected benefit obligations and the performance of plan assets for our defined benefit pension plans.

We review and approve the assumptions made by our third-party actuaries regarding the valuation of benefit obligations and performance of plan assets. The principal assumptions concern the discount rate used to measure future obligations, the expected future rate of return on plan assets, the expected rate of future compensation increases and various other actuarial assumptions. The measurement date used to determine benefit obligations and plan assets is December 31 for all material plans (November 30 for non-material plans). In general, significant changes to these assumptions could have a material impact on the costs and liabilities recorded in our Combined Financial Statements.

See Note 14, ''Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans'', of the Notes to Combined Financial Statements for information about the Company's benefit plans.

Recently Adopted Accounting Standards

In March 2016, the Financial Accounting Standards Board (''FASB'') issued Accounting Standards Updates (''ASU'') 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting (''ASU 2016-09''). ASU 2016-09 simplifies the accounting for share-based payment award transactions including: income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2016, including interim periods within those annual periods. Early adoption is permitted. The Company elected to early adopt ASU 2016-09 in the third quarter of 2016 which required us to reflect any adjustments as of January 1, 2016, the beginning of the annual period that includes the interim period of adoption. The adoption had an immaterial impact on the Company's Combined Financial Statements.

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

In November 2015, FASB issued ASU 2015-17, Income Taxes (Topic 740), Balance Sheet Classification of Deferred Taxes (''ASU 2015-17''). This ASU will simplify the presentation of deferred tax assets and liabilities by requiring companies to classify all deferred tax as noncurrent on the balance sheet instead of separating deferred taxes into current and noncurrent amounts. ASU 2015-17 is effective for financial statements issued for annual periods beginning after December 31, 2016 and interim periods within those annual periods. However, as early adoption is available, we adopted this standard as of December 31, 2015 with retrospective application.

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments (''ASU 2015-16''). This ASU requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustments amounts are determined. The ASU also requires that in the same period, the effect on earnings of changes in depreciation, amortization or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. The amendments in ASU 2015-16 are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years and will be applied prospectively for adjustments to provisional amounts that occur after that date. We have adopted this amendment as of January 1, 2016 on a prospective basis as required and any adjustments to the provisional amounts identified during the measurement period were immaterial.

In August 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient (''ASU 2015-12''). This ASU designates contract value as the only required measure for fully benefit-responsive investment contracts; simplifies the investment disclosure requirements under Accounting Standards Codification (''ASC'') topic 820 for fair value, and topics 960, 962 and 965 for employee benefit plans; and provides a similar measurement date practical expedient for employee benefit plans. The amendments in ASU 2015-12 were effective as of January 1, 2016. ASU 2015-12 did not have a material impact on our financial statements.

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory (''ASU 2015-11''), which applies to inventory valued at first-in, first-out (FIFO) or average cost. ASU 2015-11 requires inventory to be measured at the lower of cost or net realizable value, rather than at the lower of cost or market. ASU 2015-11 is effective on a prospective basis for annual periods, including interim reporting periods within those periods, beginning after December 15, 2016. We have adopted this amendment as of January 1, 2017 and do not expect this to have a material impact on our financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest — Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs (''ASU 2015-03''). This ASU simplifies the presentation of debt issuance costs. It requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB issued ASU 2015-15, Interest — Imputation of Interest (Subtopic 835-30), Presentation and Subsequent

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements — Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 Emerging Issues Task Forces (''EITF'') Meeting (SEC Update) (''ASU 2015-15''). This ASU clarifies that, as line of credit arrangements were not specifically discussed in ASU 2015-03, the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line of credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. ASU 2015-15 should be adopted concurrent with the adoption of ASU 2015-03. The amendments in ASU 2015-03 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. We have adopted these standards as of January 1, 2016 with retrospective application.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements — Going Concern (Subtopic-205-40) (''ASU 2014-15'').This ASU requires management to evaluate whether it is probable that known conditions or events, considered in the aggregate, would raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. If such conditions or events are identified, the standard requires management's mitigation plans to alleviate the doubt or a statement of the substantial doubt about the entity's ability to continue as a going concern to be disclosed in the financial statements. The amendments in ASU 2014-15 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. We adopted this amendment on December 31, 2016. The adoption of ASU 2014-15 did not have a material impact on the financial statements

Recently Issued Accounting Standards

In January 2017, the FASB issued ASU 2017-04, Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment (''ASU 2017-04''). ASU 2017-04 eliminates Step 2 as part of the goodwill impairment test. The amount of the impairment charge to be recognized would now be the amount by which the carrying value exceeds the reporting unit's fair value. The loss to be recognized cannot exceed the amount of goodwill allocated to that reporting unit. The amendments in ASU 2017-04 are effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim and annual goodwill impairment tests performed on testing dates after January 1, 2017. We are currently in the process of evaluating this new standard update.

In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business (''ASU 2017-01''). ASU 2017-01 provides a screen to determine when a set is not a business. This screen states that when substantially all of the fair value of the group assets acquired (or disposed of) is concentrated in a single identifiable asset or group of similar identifiable assets, the set is not a business. The amendments in ASU 2017-01 are effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early application is permitted for transactions for which the acquisition date occurs before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued. We are currently in the process of evaluating this new standard update.

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (''ASU 2016-18''). ASU 2016-18 requires that entities include restricted cash and restricted cash equivalents with cash and cash equivalents in the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. The amendments in ASU 2016-18 are effective for fiscal years beginning after December 15, 2017, including interim reporting periods within those fiscal years. Early adoption, including adoption in interim periods, is permitted for all entities. Retrospective transition method is to be applied to each period presented. We are currently in the process of evaluating this new standard update.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory (''ASU 2016-16''). ASU 2016-16 requires entities to recognize income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in ASU 2016-16 are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements have not been issued or made available for issuance. We are currently in the process of evaluating this new standard update.

In August 2015, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230) — Classification of Certain Cash Receipts and Cash Payments (''ASU 2016-15''). ASU 2016-15 provides guidance on eight specific cash flow issues in regard to how cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in ASU 2016-15 are effective for fiscal years beginning after December 15, 2017, including interim periods within those years, with early adoption permitted. We are currently in the process of evaluating this new standard update.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments — Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments (''ASU 2016-13''). ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, and reasonable and supportable forecasts. Entities will now use forward-looking information to better form their credit loss estimates. The ASU also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. ASU 2016-13 is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal periods. Entities may adopt earlier as of the fiscal year beginning after December 15, 2018, including interim periods within those fiscal years. We are currently in the process of evaluating this new standard update.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), (''ASU 2016-02''). This ASU requires an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as finance or operating lease. Similar modifications have been made to lessor accounting in-line with revenue recognition guidance. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2019, including interim

Note 2 Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards (Continued)

periods within those fiscal years. Early adoption is permitted. The updated guidance requires a modified retrospective adoption. We are currently in the process of evaluating this new standard update.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (''ASU 2016-01''). This ASU requires equity investments except those under the equity method of accounting to be measured at fair value with the changes in fair value recognized in net income. The amendment simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. In addition, it also requires enhanced disclosures about investments. The amendments in ASU 2016-01 are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early application for certain provisions is allowed but early adoption of the amendments is not permitted. An entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. We are currently in the process of evaluating this new standard update.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), (''ASU 2014-09'') and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016 and May 2016 within ASU 2015-04, ASU 2016-08, ASU 2016-10 and ASU 2016-12, respectively (ASU 2014-09, ASU 2015-04, ASU 2016-08, ASU 2016-10 and ASU 2016-12 collectively, Topic 606). Previous revenue recognition guidance in U.S. GAAP comprised broad revenue recognition concepts together with numerous revenue requirements for particular industries or transactions, which sometimes resulted in different accounting for economically similar transactions. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, ASU 2014-09 expands and enhances disclosure requirements which require disclosing sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This includes both qualitative and quantitative information. The amendments in ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early application is not permitted. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, (''ASU 2015-14''). The amendments in ASU 2015-14 delay the effective date of ASU 2014-09 by one year to annual reporting periods beginning after December 15, 2018 and allow early adoption as of the original public entity effective date. The amendments in ASU 2016-08, ASU 2016-10 and ASU 2016-12 are effective in conjunction with ASU 2015-14.

The guidance permits two methods of adoption: full retrospective in which the standard is applied to all of the periods presented or modified retrospective where an entity will have to recognize the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings. We currently anticipate adopting the modified retrospective method.

Note 3 Acquisitions

Acquisition of Intellibot Robotics, LLC

During the first quarter of 2015, we acquired the business of Intellibot Robotics LLC, a U.S.-based privately owned company that has pioneered the development of robotic commercial floor cleaning machines. The combination of Diversey Care's industry expertise and global reach and Intellibot's artificial intelligence technology will help accelerate the development of the robotic floor cleaning machines market — ultimately driving efficiencies and business value for the hygiene industry.

The fair value of the consideration transferred was $17.9 million which included cash paid of $8.5 million and $9.4 million related to the fair value of contingent consideration. We recorded the fair value of the assets acquired and liabilities assumed on the acquisition date, which included $11.0 million of intangible assets. Goodwill of $6.6 million was recorded and 100% will be deductible for tax purposes.

The contingent consideration, which is classified as a liability, includes an estimate of earnout fees to be paid out in cash to the seller over a 10 year period based on various percentages of net sales over the 10 year period. Since it is classified as a liability, we must remeasure to fair value each reporting period. The fair value of the liability as of December 31, 2016 and 2015 was $7.3 million and $9.8 million, respectively, primarily included in non-current liabilities on the Combined Balance Sheet. The change due to fair value of $2.2 million in 2016 and $0.5 million in 2015 was recognized in selling, general and administrative expenses. The valuation of the contingent consideration is based on a probability weighted projection of payments over the applicable remaining period using the deterministic method. These projections are based on our internal forecast of the business performance and since this is an unobservable input used in the fair value measurement it would be considered a Level 3 input (as defined in Note 12, ''Fair Value Measurements and Other Financial Instruments''). In addition, the probability weighted earnout payments were present valued using factors to consider the risk associated with achievement of the sales forecast and the credit risk associated with the payments.

Other

During the fourth quarter of 2015 the Company acquired Dry Lube Ltd. as part of Diversey Europe and Dry Lube Inc. as part of Diversey North America. As of December 31, 2016 the total purchase price was $7.8 million of which $6.7 million was allocated to goodwill. Additionally, during the third quarter of 2016 the Company acquired Tampereen Teollsuussähkö Oy (''TTS-Ciptec'') as part of Diversey Europe. The purchase price allocation had not been completed as of December 31, 2016; as such $8.5 million of the purchase price has been preliminarily allocated to goodwill.

Note 4 Segments

The Company's segment reporting structure consists of five reportable segments and a Corporate category and is as follows:

- North America;
- Europe;

Note 4 Segments (Continued)

- Middle East and Africa (''MEA'');
- Latin America;
- Asia Pacific; and
- Corporate

The Company's North America, Europe, MEA, Latin America and Asia Pacific segments are considered reportable segments under FASB ASC Topic 280. Our reportable segments are aligned with geographic regions. Corporate includes certain costs that are not allocated to the reportable segments, as applicable, primarily consisting of unallocated corporate overhead costs, including administrative functions and cost recovery variances not allocated to the reportable segments from global functional expenses.

We allocate and disclose depreciation and amortization expense to our segments, although property and equipment, net is not allocated to the segment assets, nor is depreciation and amortization included in the segment performance metric Adjusted EBITDA. We also disclose restructuring and other charges and impairment of goodwill and other intangible assets by segment, although these items are not included in the segment performance metric Adjusted EBITDA since restructuring and other charges and impairment of goodwill and other intangible assets are categorized as Special Items as outlined in the table reconciling U.S. GAAP net income to Non-U.S. GAAP Total Company Adjusted EBITDA set forth below. The accounting policies of the reportable segments and Other are the same as those applied to the Combined Financial Statements.

The following tables show net sales and Adjusted EBITDA by our segment reporting structure:

	Year Ended December 31,	
(In millions)	2016	2015
Net Sales(1)(2):		
North America	$ 619.7	$ 612.3
As a % of Total Company net sales	*24.1%*	*23.4%*
Europe	1,096.0	1,114.9
As a % of Total Company net sales	*42.7%*	*42.5%*
MEA(1)	247.5	264.7
As a % of Total Company net sales	*9.6%*	*10.1%*
Latin America	241.9	268.9
As a % of Total Company net sales	*9.4%*	*10.3%*
Asia Pacific	363.7	359.9
As a % of Total Company net sales	*14.2%*	*13.7%*
Total Company Net Sales	**$2,568.8**	**$2,620.7**

Note 4 Segments (Continued)

(In millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Adjusted EBITDA:		
North America	12.4	11.6
Adjusted EBITDA Margin	*2.0%*	*1.9%*
Europe	158.1	146.2
Adjusted EBITDA Margin	*14.4%*	*13.1%*
MEA	45.8	51.3
Adjusted EBITDA Margin	*4.2%*	*19.4%*
Latin America	29.2	23.0
Adjusted EBITDA Margin	*2.7%*	*8.6%*
Asia Pacific	60.6	50.0
Adjusted EBITDA Margin	*24.5%*	*13.9%*
Corporate	(67.7)	(63.5)
Non-U.S. GAAP Total Company Adjusted EBITDA	**$238.4**	**$218.6**
Adjusted EBITDA Margin	*9.3%*	*8.3%*

(1) Net sales to external customers attributed to geographic areas represent net sales to external customers based on destination. No non-U.S. country accounted for net sales in excess of 10% of consolidated net sales for the years ended December 31, 2016 or 2015.

(2) Net sales to external customers within the U.S. were $506.5 million for the year ended December 31, 2016 and $496.5 million for the year ended December 31, 2015

Note 4 Segments (Continued)

The following table shows a reconciliation of U.S. GAAP net income to Non-U.S. GAAP Total Company Adjusted EBITDA:

(In millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Net income	**$ 108.2**	**$ 85.2**
Interest expense	(13.8)	(16.3)
Interest income	5.7	6.4
Income tax benefit	(7.4)	(33.1)
Depreciation and amortization(3)	(113.0)	(110.3)
Depreciation and amortization adjustments(1)(2)	4.8	—
Special Items:		
Restructuring and other charges(1)(4)	(10.7)	(29.3)
Other restructuring associated costs included in cost of sales and selling, general and administrative expenses	(7.1)	(13.7)
SARs	0.1	(3.9)
Foreign currency exchange (loss) gains related to Venezuelan subsidiaries	(1.7)	(5.9)
Charges related to ceasing operations in Venezuela(1)	(4.5)	—
Gain (loss) related to the sale of other businesses, investments and property, plant and equipment	—	3.5
Other Special Items	2.6	3.0
Pre-tax impact of Special Items	(21.3)	(46.3)
Non-U.S. GAAP Total Company Adjusted EBITDA	**$ 238.4**	**$ 218.6**

(1) Due to the ongoing challenging economic situation in Venezuela, the Company approved a program in the second quarter of 2016 to cease operations in the country. Refer to Note 2 ''Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards'' of the Notes to Combined Financial Statements for further details.

(2) This includes accelerated depreciation of non-strategic assets related to restructuring programs which were $0.6 million, for the year ended December 31, 2016.

Note 4 Segments (Continued)

(3) Depreciation and amortization by segment is as follows:

(In millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
North America	$ 47.6	$ 49.7
Europe	34.6	40.3
MEA	3.9	4.1
Latin America	5.4	6.3
Asia Pacific	4.7	5.4
Corporate	16.8	4.5
Total Company depreciation and amortization[i]	**$113.0**	**110.3**

(i) Includes share-based incentive compensation of $14.4 million in 2016 and $22.9 million in 2015.

(4) Restructuring and other charges by segment were as follows:

(In millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
North America	$ 3.9	$ 2.6
Europe	5.9	23.1
MEA	2.3	2.2
Latin America	1.2	1.8
Asia Pacific	(2.6)	(0.4)
Total Company restructuring and other charges[i]	**$10.7**	**$29.3**

(i) For the year ended December 31, 2016 restructuring and other charges excludes $0.1 million related to severance and termination benefits for employees in our Venezuelan subsidiaries.

Assets by Reportable Segments

The following table shows assets allocated by our segment reporting structure.

(In millions)	December 31, 2016	December 31, 2015
Assets:[1]		
North America	$ 715.4	$ 688.0
Europe	1,413.6	1,511.2
MEA	267.3	321.7
Latin America	219.4	245.1
Asia Pacific	530.9	564.7
Total	3,146.6	3,330.7

(1) No non-U.S. country accounted for assets in excess of 10% of consolidated assets at December 31, 2016 and 2015.

Note 5 Inventories and Cost of Sales

The following table details our inventories:

(In millions)	December 31, 2016	December 31, 2015
Inventories, net:		
Raw materials	$ 33.8	$ 32.6
Work in process	3.5	0.4
Finished goods	167.4	177.4
Total	$204.7	$210.4

For the year ended December 31, 2016 cost of sales included a $6.8 million reimbursement of previously incurred environmental expenses.

Note 6 Property and Equipment, net

The following table details our property and equipment.

(In millions)	December 31, 2016	December 31, 2015
Land and improvements	$ 45.5	$ 49.7
Buildings	64.0	67.2
Machinery and equipment	106.5	97.7
Other property and equipment	57.5	50.7
Construction-in-progress	17.4	26.5
Property and equipment, gross	290.9	291.8
Accumulated depreciation and amortization	(119.6)	(98.9)
Property and equipment, net	$ 171.3	$192.9

The following table details our depreciation and amortization expense for property and equipment for the years ended December 31.

(In millions)	Year Ended December 31, 2016	2015
Depreciation and amortization expense for property and equipment	$41.3	$32.8

Note 7 Goodwill and Identifiable Intangible Assets

Goodwill

We review goodwill for impairment on a reporting unit basis annually during the fourth quarter of each year, using a measurement date of October 1st, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. The Company first assessed qualitative factors to determine whether it was more likely than not that the fair value of its

Note 7 Goodwill and Identifiable Intangible Assets (Continued)

single reporting unit was less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The Company's assessment is that the two-step goodwill impairment test is not necessary for the years ending December 31, 2016 and 2015 for any of the Company's regional reporting units. If the qualitative factors had indicated that it was more likely than not that the fair value of the reporting units was less than its carrying amount, the Company would have tested goodwill for impairment at the reporting unit level using a two-step approach.

The goodwill impairment test involves a two-step process. In step one, we compare the fair value of each of our reporting units to its carrying value, including the goodwill allocated to the reporting unit. If the fair value of the reporting unit exceeds its carrying value, there is no indication of impairment and no further testing is required. If the fair value of the reporting unit is less than the carrying value, we must perform step two of the impairment test to measure the amount of impairment loss, if any. In step two, the reporting unit's fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the reporting unit was being acquired in a business combination. If the implied fair value of the reporting unit's goodwill is less than the carrying value, the difference is recorded as an impairment loss.

Allocation of Goodwill to Reporting Units

The following table shows our goodwill balances by our segment reporting structure:

(In millions)	North America	Europe	MEA	Latin America	Asia Pacific	Total
Gross Carrying Value at						
January 1, 2015	$ 821.0	$639.1	$ 327.7	$ 134.7	$266.9	$2,189.4
Acquisition	6.7	6.7	—	—	—	13.4
Currency translation	(7.4)	(28.0)	(11.7)	(1.3)	(19.1)	(67.5)
Gross Carrying Value at						
December 31, 2015	820.3	617.8	316.0	133.4	247.8	2,135.3
Accumulated impairment	(500.2)	(22.7)	(225.6)	(121.3)	—	(869.8)
Carrying Value at						
December 31, 2015	320.1	595.1	90.4	12.1	247.8	$1,265.5
Acquisition	—	8.4	—	—	—	8.4
Currency translation	1.2	(35.9)	(7.7)	1.2	(6.6)	(47.8)
Gross Carrying Value at						
December 31, 2016	821.5	590.3	308.3	134.6	241.2	2,095.9
Accumulated impairment	(500.2)	(22.7)	(225.6)	(121.3)	—	(869.8)
Carrying Value at						
December 31, 2016	$ 321.3	$567.6	$ 82.7	$ 13.3	$241.2	$1,226.1

As noted above, it was determined under a qualitative assessment that it was not more likely than not that the fair value of any reporting unit was less than its carrying amount. Therefore, there was no impairment of goodwill. However, if the fair value decreases in future periods, the Company

Note 7 Goodwill and Identifiable Intangible Assets (Continued)

may fail step one of the goodwill impairment test and be required to perform step two. In performing step two, the fair value would have to be allocated to all of the assets and liabilities of the reporting unit. Therefore, any potential goodwill impairment charge would be dependent upon the estimated fair value of the reporting unit at that time and the outcome of step two of the impairment test. The fair values of the assets and liabilities of the reporting unit, including the intangible assets could vary depending on various factors.

The future occurrence of a potential indicator of impairment, such as a decrease in expected net income, adverse equity market conditions, a decline in current market multiples, a decline in our common stock price, a significant adverse change in legal factors or business climates, an adverse action or assessment by a regulator, unanticipated competition, strategic decisions made in response to economic or competitive conditions, or a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or disposed of, could require an interim assessment for some or all of the reporting units before the next required annual assessment. In the event of significant adverse changes of the nature described above, we might have to recognize a non-cash impairment of goodwill, which could have a material adverse effect on our consolidated financial condition and results of operations.

Identifiable Intangible Assets

The following tables summarize our identifiable intangible assets with definite and indefinite useful lives:

	December 31, 2016				December 31, 2015			
(In millions)	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment	Net	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment	Net
Customer relationships[1]	$ 429.8	$(135.7)	$ —	$294.1	$ 440.8	$(104.3)	$ —	$336.5
Capitalized software	119.8	(105.6)	—	14.2	113.8	(100.8)	—	13.0
Technology	85.8	(55.0)	—	30.8	85.8	(44.1)	—	41.7
Contracts	31.6	(24.7)	—	6.9	32.6	(22.3)	—	10.3
Total intangible assets with definite lives	**667.0**	**(321.0)**	**—**	**346.0**	**673.0**	**(271.5)**	**—**	**401.5**
Trademarks and tradenames with indefinite lives	720.1	—	(580.0)	140.1	742.4	—	(597.1)	145.3
Total identifiable intangible assets	**$1,387.1**	**$(321.0)**	**$(580.0)**	**$486.1**	**$1,415.4**	**$(271.5)**	**$(597.1)**	**$546.8**

(1) As of December 31, 2016 this amount includes $4.2 million related to the accelerated amortization of intangible assets related to ceasing operations in Venezuela. Refer to Note 2 ''Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards'' of the Notes to Combined Financial Statements for further details.

Note 7 Goodwill and Identifiable Intangible Assets (Continued)

The following table shows the remaining estimated future amortization expense at December 31, 2016.

Year	Amount (in millions)
2017	$ 62.9
2018	61.9
2019	40.3
2020	38.9
Thereafter	142.0
Total	$346.0

Amortization expense was $57.3 million in 2016 and $54.6 million in 2015.

The following table shows the remaining weighted average useful life of our definite lived intangible assets as of December 31, 2016.

	Remaining weighted average useful lives
Customer relationships	7.5
Trademarks and trade names	3.2
Technology	3.1
Contracts	7.8
Total intangible assets with definite lives	5.6

Note 8 Restructuring and Relocation Activities

Sealed Air has a combined restructuring program which the Company previously participated. As a result, expenses and liabilities related to this program were allocated to the Company.

The following table details our restructuring activities as reflected in the Statement of Operations for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
(In millions)	2016	2015
Other associated costs	$ 7.1	$13.7
Restructuring charges	10.8	29.3
Total	$17.9	$43.0
Capital Expenditures	$ 1.2	$ 3.2

Note 8 Restructuring and Relocation Activities (Continued)

The restructuring accrual, spending and other activity for the years ended December 31, 2016 and 2015 and the accrual balance remaining at December 31, 2016 were as follows:

(In millions)	
Restructuring accrual at January 1, 2015	$ 40.7
Accrual and accrual adjustments	29.3
Cash payments during 2015	(30.0)
Effect of changes in foreign currency exchange rates	(5.5)
Restructuring accrual at December 31, 2015	$ 34.5
Accrual and accrual adjustments	10.8
Cash payments during 2016	(17.9)
Effect of changes in foreign currency exchange rates	(2.4)
Restructuring accrual at December 31, 2016	$ 25.0

We expect to pay the full $25.0 million of the accrual balance remaining at December 31, 2016 within the next twelve months. This amount is included in accrued restructuring costs on the Combined Balance Sheet at December 31, 2016.

Note 9 Other Current and Non-Current Liabilities

The following tables detail our other current liabilities and other non-current liabilities at December 31, 2016 and 2015:

(In millions)	December 31, 2016	December 31, 2015
Other current liabilities:		
Accrued salaries, wages and related costs	$103.0	$123.1
Accrued operating expenses	106.4	106.8
Income taxes payable	22.2	19.5
Accrued customer volume rebates	88.1	93.8
Accrued employee benefit liability	2.1	2.7
Total	$321.8	$345.9

(In millions)	December 31, 2016	December 31, 2015
Other non-current liabilities:		
Accrued employee benefit liability	$244.0	$255.9
Other postretirement liability	53.2	62.2
Other various liabilities	98.7	162.2
Total	$395.9	$480.3

Note 10 Debt and Credit Facilities

Our total debt outstanding consisted of the amounts set forth on the following table:

(In millions)	December 31, 2016	December 31, 2015
Short-term borrowings[(1)]	$ 9.6	$ 11.7
Current portion of long-term debt[(2)]	31.1	23.1
Total current debt	40.7	34.8
Term Loan A due July 2019[(2)]	173.9	189.0
Other	1.8	1.1
Total long-term debt, less current portion[(4)]	175.7	190.1
Total debt[(3)]	$216.4	$224.9

(1) Short-term borrowings of $9.6 million at December 31, 2016 and $11.7 million at December 31, 2015 are comprised of borrowings outstanding under various lines of credit. As of December 31, 2016 and 2015, there were $27.5 million and $29.4 million of cash held on deposit, respectively, as a compensating balance for certain short-term borrowings.

(2) The Term Loan A facilities due in July 2019 prepayments are included in the current portion of long-term debt.

(3) As of December 31, 2016, our weighted average interest rate on our short-term borrowings outstanding was 9.2% and on our long-term debt outstanding was 6.9%. As of December 31, 2015, our weighted average interest rate on our short-term borrowings outstanding was 14.6% and on our long-term debt outstanding was 6.9%.

(4) Amounts are net of unamortized discounts and issuance costs of $0.4 million as December 31, 2016 and $0.5 million as of December 31, 2015.

Credit Facility

Amended and Restated Senior Secured Credit Facilities

On July 25, 2014, the Parent Company entered into a second restatement agreement (the ''Second Restatement Agreement'') whereby its senior secured credit facility was amended and restated (the ''Second Amended and Restated Credit Agreement'') with Bank of America, N.A., as agent, and the other financial institutions party thereto.

On August 29, 2014, we completed the $100 million delayed draw of the Term Loan A facility. In connection with this loan, we also entered into interest rate and currency swaps in a notional amount of $100 million, which convert our floating U.S. dollar-denominated obligation under the Term Loan A into a fixed rate Brazilian real-denominated obligation. The first $20 million interest rate and currency swap matured on September 30, 2016.

Note 10 Debt and Credit Facilities (Continued)

Lines of Credit

The following table summarizes our available lines of credit and committed and uncommitted lines of credit, including the revolving credit facility discussed above.

(In millions)	December 31, 2016	December 31, 2015
Used lines of credit[1][2]	$ 9.6	$ 11.7
Unused lines of credit	92.3	104.3
Total available lines of credit[3]	$101.9	$116.0

(1) Includes total borrowings under the revolving credit facility and borrowings under lines of credit available to several subsidiaries.

(2) As of December 31, 2016 and 2015, there were $27.5 million and $29.4 million of cash held on deposit, respectively, as a compensating balance for certain short-term borrowings.

Debt Maturities

The following table summarizes the scheduled annual maturities for the next five years and thereafter of our long-term debt, including the current portion of long-term debt and capital leases. This schedule represents the principle portion of our debt, and therefore excludes debt discounts, interest rate swaps and lender and finance fees.

Year	Amount (in millions)
2017	$ 31.1
2018	29.8
2019	145.3
2020	0.6
2021	—
Thereafter	0.3
Total	$207.1

Note 11 Derivatives and Hedging Activities

We report all derivative instruments on our Combined Balance Sheets at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes.

As a large global organization, we face exposure to market risks, such as fluctuations in foreign currency exchange rates and interest rates. To manage the volatility relating to these exposures, we enter into various derivative instruments from time to time under our risk management policies. We designate derivative instruments as hedges on a transaction basis to support hedge accounting. The changes in fair value of these hedging instruments offset in part or in whole corresponding changes in the fair value or cash flows of the underlying exposures being hedged. We assess the initial and ongoing effectiveness of our hedging relationships in accordance

Note 11 Derivatives and Hedging Activities (Continued)

with our policy. We do not purchase, hold or sell derivative financial instruments for trading purposes. Our practice is to terminate derivative transactions if the underlying asset or liability matures or is sold or terminated, or if we determine the underlying forecasted transaction is no longer probable of occurring.

We record the fair value positions of all derivative financial instruments on a net basis by counterparty for which a master netting arrangement is utilized.

Foreign Currency Forward Contracts Designated as Cash Flow Hedges

The primary purpose of our cash flow hedging activities is to manage the potential changes in value associated with the amounts receivable or payable on equipment and raw material purchases that are denominated in foreign currencies in order to minimize the impact of the changes in foreign currencies. We record gains and losses on foreign currency forward contracts qualifying as cash flow hedges in other comprehensive income to the extent that these hedges are effective and until we recognize the underlying transactions in net income, at which time we recognize these gains and losses in cost of sales on our Combined Statements of Operations. Cash flows from derivative financial instruments are classified as cash flows from operating activities on the Combined Statements of Cash Flows. These contracts generally have original maturities of less than 12 months.

Net unrealized after-tax gains (losses) related to these contracts that were included in other comprehensive income were $1.1 million and $0.6 million for the years ended December 31, 2016 and 2015, respectively. The unrealized amounts in other comprehensive income will fluctuate based on changes in the fair value of open contracts during each reporting period.

We estimate that $1.4 million of net unrealized derivative gains included in accumulated other comprehensive income (AOCI) will be reclassified into earnings within the next twelve months.

Foreign Currency Forward Contracts Not Designated as Hedges

Our subsidiaries have foreign currency exchange exposure from buying and selling in currencies other than their functional currencies. The primary purposes of our foreign currency hedging activities are to manage the potential changes in value associated with the amounts receivable or payable on transactions denominated in foreign currencies and to minimize the impact of the changes in foreign currencies related to foreign currency-denominated interest-bearing intercompany loans and receivables and payables. The changes in fair value of these derivative contracts are recognized in other income, net, on our Combined Statements of Operations and are largely offset by the remeasurement of the underlying foreign currency-denominated items indicated above. Cash flows from derivative financial instruments are classified as cash flows from investing activities on the Combined Statements of Cash Flows. These contracts generally have original maturities of less than 12 months.

Interest Rate Swaps

From time to time, we may use interest rate swaps to manage our mix of fixed and floating interest rates on our outstanding indebtedness.

At December 31, 2016, and December 31, 2015, we had no outstanding interest rate swaps.

Note 11 Derivatives and Hedging Activities (Continued)

Interest Rate and Currency Swaps

In 2014, in connection with exercising the $100 million delayed draw under the senior secured credit facility, we entered into a series of interest rate and currency swaps in a notional amount of $100 million. On September 30, 2016, the first $20.0 million swap contract matured and was settled. As a result of the settlement, the Company received $4.9 million. These swaps convert the U.S. dollar-denominated variable rate obligation under the credit facility into a fixed Brazilian real-denominated obligation. The delayed draw and the interest rate and currency swaps are used to fund expansion and general corporate purposes of our Brazilian subsidiaries.

Net Investment Hedge

During the second quarter of 2015, we entered into a series of foreign currency exchange forwards totaling €270 million. These foreign currency exchange forwards hedged a portion of the net investment in a certain European subsidiary against fluctuations in foreign exchange rates and expired in June 2015. The loss of $3.5 million ($2.2 million after tax) is recorded in AOCI on our Combined Balance Sheet.

In March 2015, we entered into a series of cross-currency swaps with a combined notional amount of $425 million, hedging a portion of the net investment in a certain European subsidiary against fluctuations in foreign exchange rates. The fair value of this hedge as of December 31, 2016 was $(5.3) million ($(3.3) million after tax) on our Combined Balance Sheet.

For derivative instruments that are designated and qualify as hedges of net investments in foreign operations, settlements and changes in fair values of the derivative instruments are recognized in unrealized net gains or loss on derivative instruments for net investment hedge, a component of AOCI, net of taxes, to offset the changes in the values of the net investments being hedged. Any portion of the net investment hedge that is determined to be ineffective is recorded in other income, net on the Combined Statements of Operations

Other Derivative Instruments

We may use other derivative instruments from time to time to manage exposure to foreign exchange rates and to access to international financing transactions. These instruments can potentially limit foreign exchange exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency.

Fair Value of Derivative Instruments

See Note 12, ‘‘Fair Value Measurements and Other Financial Instruments’’, of the Notes to Combined Financial Statements for a discussion of the inputs and valuation techniques used to determine the fair value of our outstanding derivative instruments.

Note 11 Derivatives and Hedging Activities (Continued)

The following table details the fair value of our derivative instruments included on our Combined Balance Sheets.

	Cash Flow Hedge		Net Investment Hedge		Non-Designated as Hedging Instruments		Total	
(In millions)	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Derivative Assets								
Foreign currency forward contracts	$ 1.5	$ 1.2	$ —	$ —	$ 4.8	$ 0.2	$ 6.3	$ 1.4
Interest rate and currency swaps	23.9	44.0	—	—	—	—	23.9	44.0
Total Derivative Assets	$25.4	$45.2	$ —	$ —	$ 4.8	$ 0.2	$30.2	$ 45.4
Derivative Liabilities								
Foreign currency forward contracts	$ —	$ (0.1)	$ —	$ —	$(3.8)	$(8.6)	$ (3.8)	$ (8.7)
Cross-currency swaps	—	—	(5.3)	(12.0)	—	—	(5.3)	(12.0)
Total Derivative Liabilities	$ —	$ (0.1)	$(5.3)	$(12.0)	$(3.8)	$(8.6)	$ (9.1)	$(20.7)
Net Derivatives[(1)]	**$25.4**	**$45.1**	**$(5.3)**	**$(12.0)**	**$ 1.0**	**$(8.4)**	**$21.1**	**$ 24.7**

(1) The following table reconciles gross positions without the impact of master netting agreements to the balance sheet classification:

	Other Current Assets		Other Current Liabilities		Other Non-current Assets		Other Non-current Liabilities	
(In millions)	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Gross position	$12.6	$ 9.4	$(3.8)	$(8.7)	$17.6	$36.0	$(5.3)	$(12.0)
Impact of master netting agreements	—	(0.1)	—	0.1	—	—	—	—
Net amounts recognized on the Consolidated Balance Sheet	$12.6	$ 9.3	$(3.8)	$(8.6)	$17.6	$36.0	$(5.3)	$(12.0)

Note 11 Derivatives and Hedging Activities (Continued)

The following table details the effect of our derivative instruments on our Combined Statements of Operations.

	Amount of Gain (Loss) Recognized in Earnings on Derivatives	
	Year Ended December 31,	
(In millions)	2016	2015
Derivatives designated as hedging instruments:		
Cash Flow Hedges:		
Foreign currency forward contracts[1]	$ 2.4	$ 1.2
Interest rate and currency swaps[2]	(25.9)	25.7
Sub-total cash flow hedges	(23.5)	26.9
Derivatives not designated as hedging instruments:		
Foreign currency forward contracts	8.0	(14.4)
Total	$(15.5)	$ 12.5

(1) Amounts recognized on the foreign currency forward contracts were included in cost of sales during the year ended December 31, 2016 and other income (expense), net during the year ended December 31, 2015.

(2) As of December 31, 2016, amounts recognized on the interest rate and currency swaps included a $20.8 million loss on the remeasurement of the hedged debt, which is included in other income (expense), net and interest expense of $5.1 million related to the hedge of the interest payments. As of December 31, 2015, amounts recognized on the interest rate and currency swaps included a $31.6 million gain which offset a loss on remeasurement of the hedged debt, which is included in other income (expense), net and interest expense of $5.9 million related to the hedge of interest payments.

Note 12 Fair Value Measurements and Other Financial Instruments

Fair Value Measurements

The fair value of our financial instruments, using the fair value hierarchy under U.S. GAAP detailed in ''Fair Value Measurements'', of Note 2, ''Summary of Significant Accounting Policies and

Note 12 Fair Value Measurements and Other Financial Instruments (Continued)

Recently Issued and Adopted Accounting Standards'', of the Notes to the Combined Financial Statements are included in the table below.

(In millions)	December 31, 2016 Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 8.0	$ 8.0	$ —	$ —
Compensating balance deposits	$27.5	$27.5	$ —	$ —
Derivative financial and hedging instruments net asset (liability):				
Foreign currency forward and option contracts	$ 2.5	$ —	$ 2.5	$ —
Interest rate and currency swaps	$23.9	$ —	$23.9	$ —
Cross-currency swaps	$ (5.3)	$ —	$ (5.3)	$ —

(In millions)	December 31, 2015 Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 30.0	$30.0	$ —	$ —
Compensating balance deposits	$ 29.4	$29.4	$ —	$ —
Derivative financial and hedging instruments net asset (liability):				
Foreign currency forward contracts	$ (7.3)	$ —	$ (7.3)	$ —
Interest rate and currency swaps	$ 44.0	$ —	$ 44.0	$ —
Cross-currency swaps	$(12.0)	$ —	$(12.0)	$ —

Cash Equivalents

Our cash equivalents consist of bank time deposits (Level 1). Since these are short-term highly liquid investments with original maturities of three months or less at the date of purchase, they present negligible risk of changes in fair value due to changes in interest rates.

Compensating Balance Deposits

We have compensating balance deposits related to certain short-term borrowings. These represent bank certificates of deposits that will mature within the next 3 months.

Derivative Financial Instruments

Our foreign currency forward contracts, foreign currency options, euro-denominated debt, interest rate and currency swaps and cross-currency swaps are recorded at fair value on our Combined Balance Sheets using a discounted cash flow analysis that incorporates observable market inputs. These market inputs include foreign currency spot and forward rates, and various interest rate curves, and are obtained from pricing data quoted by various banks, third party sources and foreign currency dealers involving identical or comparable instruments (Level 2).

Note 12 Fair Value Measurements and Other Financial Instruments (Continued)

Counterparties to these foreign currency forward contracts are rated at least BBB+ by Standard & Poor's and A3 by Moody's. Credit ratings on some of our counterparties may change during the term of our financial instruments. We closely monitor our counterparties' credit ratings and, if necessary, will make any appropriate changes to our financial instruments. The fair value generally reflects the estimated amounts that we would receive or pay to terminate the contracts at the reporting date.

Other Financial Instruments

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) trade receivables, net, (2) certain other current assets, (3) accounts payable and (4) other current liabilities. The carrying amounts reported on our Combined Balance Sheets for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities.

Other liabilities that are recorded at carrying value on our Combined Balance Sheets include our senior notes. We utilize a market approach to calculate the fair value of our senior notes. Due to their limited investor base and the face value of some of our senior notes, they may not be actively traded on the date we calculate their fair value. Therefore, we may utilize prices and other relevant information generated by market transactions involving similar securities, reflecting U.S. Treasury yields to calculate the yield to maturity and the price on some of our senior notes. These inputs are provided by an independent third party and are considered to be Level 2 inputs.

We derive our fair value estimates of our various other debt instruments by evaluating the nature and terms of each instrument, considering prevailing economic and market conditions, and examining the cost of similar debt offered at the balance sheet date. We also incorporated our credit default swap rates and currency specific swap rates in the valuation of each debt instrument, as applicable.

These estimates are subjective and involve uncertainties and matters of significant judgment, and therefore we cannot determine them with precision. Changes in assumptions could significantly affect our estimates.

The table below shows the carrying amounts and estimated fair values of our total debt:

	December 31, 2016		December 31, 2015	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term Loan A Facility due July 2019[1]	204.1	204.1	211.3	211.3
Other foreign loans[1]	11.9	12.1	13.5	13.8
Other domestic loans	0.4	0.4	0.1	0.1
Total debt	$216.4	$216.6	$224.9	$225.2

(1) Includes borrowings denominated in currencies other than U.S. dollars.

Note 12 Fair Value Measurements and Other Financial Instruments (Continued)

In addition to the table above, the Company remeasures amounts related to contingent consideration liabilities related to acquisitions and certain equity compensation, that were carried at fair value on a recurring basis in the Combined Financial Statements or for which a fair value measurement was required. Refer to Note 3 ''Acquisitions'' of the Notes to Combined Financial Statements for information regarding contingent consideration and Note 17 ''Share-based Compensation'' of the Notes to Combined Financial Statements for share based compensation in the Notes to Combined Financial Statements. Included among our non-financial assets and liabilities that are not required to be measured at fair value on a recurring basis are inventories, net property and equipment, goodwill, intangible assets and asset retirement obligations.

Credit and Market Risk

Financial instruments, including derivatives, expose us to counterparty credit risk for nonperformance and to market risk related to changes in interest or currency exchange rates. We manage our exposure to counterparty credit risk through specific minimum credit standards, establishing credit limits, diversification of counterparties, and procedures to monitor concentrations of credit risk.

We do not expect any of our counterparties in derivative transactions to fail to perform as it is our policy to have counterparties to these contracts that are rated at least BBB− or higher by Standard & Poor's and Baa3 or higher by Moody's. Nevertheless, there is a risk that our exposure to losses arising out of derivative contracts could be material if the counterparties to these agreements fail to perform their obligations. We will replace counterparties if a credit downgrade is deemed to increase our risk to unacceptable levels.

We regularly monitor the impact of market risk on the fair value and cash flows of our derivative and other fmancial instruments considering reasonably possible changes in interest and currency exchange rates and restrict the use of derivative financial instruments to hedging activities. We do not use derivative financial instruments for trading or other speculative purposes and do not use leveraged derivative financial instruments.

We continually monitor the creditworthiness of our diverse base of customers to which we grant credit terms in the normal course of business and generally do not require collateral. We consider the concentrations of credit risk associated with our trade accounts receivable to be commercially reasonable and believe that such concentrations do not leave us vulnerable to significant risks of near-term severe adverse impacts. The terms and conditions of our credit sales are designed to mitigate concentrations of credit risk with any single customer. Our sales are not materially dependent on a single customer or a small group of customers.

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans

Profit Sharing and Retirement Savings Plans

We have a qualified non-contributory profit sharing plan covering most of our U.S. employees. Contributions to this plan, which are made at the discretion of the Sealed Air Board of Directors, may be made in cash, shares of common stock, or in a combination of cash and shares of common stock. We also maintain qualified contributory retirement savings plans in which most of our U.S. employees are eligible to participate. The qualified contributory retirement savings plans

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

generally provide for contributions in cash based upon the amount contributed to the plans by the participants.

Our contributions to our provisions for the profit sharing plan and retirement savings plans are charged to operations and amounted to $5.8 million in 2016 and $7.5 million in 2015.

We have various international defined contribution benefit plans which cover certain employees. We have expanded use of these plans in select countries where they have been used to supplement or replace defined benefit plans.

Defined Benefit Pension Plans

We recognize the funded status of each defined pension benefit plan as the difference between the fair value of plan assets and the projected benefit obligation of the employee benefit plans in the Combined Balance Sheets, with a corresponding adjustment to accumulated other comprehensive loss, net of taxes. Each overfunded plan is recognized as an asset and each underfunded plan is recognized as a liability on our Combined Balance Sheets. Subsequent changes in the funded status are reflected on the Combined Balance Sheets in unrecognized pension items, a component of accumulated other comprehensive loss, which is included in total invested equity. The amount of unamortized pension items is recorded net of tax. The measurement date used to determine the projected benefit obligation and the fair value of plan assets is December 31 for material plans and November 30 for non-material plans.

We have amortized actuarial gains or losses over the average future working lifetime (or remaining lifetime of inactive participants if there are no active participants). We have used the corridor method, where the corridor is the greater of ten percent of the projected benefit obligation or fair value of assets at year end. If actuarial gains or losses do not exceed the corridor, then there is no amortization of gain or loss.

The following table shows the components of our net periodic benefit cost for the two years ended December 31, for our pension plans charged to operations:

	Year Ended December 31,	
(In millions)	2016	2015
Net periodic benefit cost:		
U.S. and international net periodic benefit income included in cost of sales	$(0.3)	$(0.7)
U.S. and international net periodic benefit cost included in selling, general and administrative expenses	2.8	2.9
Total benefit cost	$ 2.5	$ 2.2

The amount recorded in inventory for the years ended December 31, 2016 and 2015 was not material.

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

A number of our U.S. employees, including some employees who are covered by collective bargaining agreements, participate in defined benefit pension plans. Some of our international employees participate in defined benefit pension plans in their respective countries. The following table presents our funded status for 2016 and 2015 for our U.S. and international pension plans. The measurement date used to determine benefit obligations and plan assets is December 31 for all material plans (November 30 for non-material plans).

	December 31, 2016			December 31, 2015		
(In millions)	U.S.	International	Total	U.S.	International	Total
Change in benefit obligation:						
Projected benefit obligation at beginning of period	$135.9	$ 803.0	$ 938.9	$140.9	$ 833.8	$ 974.7
Service cost	—	6.2	6.2	—	6.5	6.5
Interest cost	4.6	16.6	21.2	5.4	18.6	24.0
Actuarial loss (gain)	4.1	71.5	75.6	(0.8)	20.0	19.2
Settlement/curtailment	(5.1)	(0.3)	(5.4)	(6.0)	(0.6)	(6.6)
Benefits paid	(5.7)	(21.7)	(27.4)	(10.0)	(21.7)	(31.7)
Employee contributions	—	2.2	2.2	—	2.7	2.7
Other	—	(2.1)	(2.1)	6.4	—	6.4
Foreign exchange impact	—	(52.7)	(52.7)	—	(56.3)	(56.3)
Projected benefit obligation at end of period	133.8	822.7	956.5	135.9	803.0	938.9
Change in plan assets:						
Fair value of plan assets at beginning of period	103.7	597.6	701.3	122.8	621.3	744.1
Actual return on plan assets	6.3	69.1	75.4	(3.2)	15.8	12.6
Employer contributions	—	17.9	17.9	—	20.2	20.2
Employee contributions	—	2.2	2.2	—	2.7	2.7
Benefits paid	(5.7)	(21.7)	(27.4)	(10.0)	(21.7)	(31.7)
Settlement/curtailment	(5.1)	(0.3)	(5.4)	(6.0)	(0.6)	(6.6)
Foreign exchange impact	—	(47.6)	(47.6)	—	(40.1)	(40.1)
Fair value of plan assets at end of period	99.2	617.2	716.4	103.6	597.6	701.2
Underfunded status at end of year	$ (34.6)	$(205.5)	$(240.1)	$ (32.3)	$(205.4)	$(237.7)
Accumulated benefit obligation at end of year	$133.8	$ 788.5	$ 922.3	$135.9	$ 776.0	$ 911.9

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

Amounts included in the Combined Balance Sheet consisted of:

	December 31, 2016			December 31, 2015		
(In millions)	U.S.	International	Total	U.S.	International	Total
Other assets	$ —	$ 10.3	$ 10.3	$ —	$ 19.0	$ 19.0
Other current liabilities	—	(1.7)	(1.7)	—	(1.8)	(1.8)
Other liabilities	(34.6)	(214.1)	(248.7)	(32.3)	(222.6)	(254.9)
Net amount recognized	$(34.6)	$(205.5)	$(240.1)	$(32.3)	$(205.4)	$(237.7)

The following table shows the components of our net periodic benefit cost (income) for the years ended December 31, for our pension plans charged to operations:

	December 31, 2016			December 31, 2015		
(In millions)	U.S.	International	Total	U.S.	International	Total
Components of net periodic benefit cost or (income):						
Service cost	$ —	$ 6.2	$ 6.2	$ —	$ 6.5	$ 6.5
Interest cost	4.6	16.6	21.2	5.4	18.6	24.0
Expected return on plan assets	(6.4)	(25.3)	(31.7)	(7.4)	(27.7)	(35.1)
Amortization of net prior service cost	—	—	—	—	0.1	0.1
Amortization of net actuarial loss	—	6.2	6.2	—	6.0	6.0
Net periodic benefit cost (income)	(1.8)	3.7	1.9	(2.0)	3.5	1.5
Cost of settlement/curtailment	0.6	—	0.6	0.4	0.3	0.7
Total benefit cost (income)	$(1.2)	$ 3.7	$ 2.5	$(1.6)	$ 3.8	$ 2.2

The amounts in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost at December 31, 2016 and 2015 are:

	December 31, 2016			December 31, 2015		
(In millions)	U.S.	International	Total	U.S.	International	Total
Unrecognized prior service costs	$ —	$ (1.8)	$ (1.8)	$ —	$ 0.3	$ 0.3
Unrecognized net actuarial loss	16.2	255.5	271.7	12.7	234.2	246.9
Total	$16.2	$253.7	$269.9	$12.7	$234.5	$247.2

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

Changes in plan assets and benefit obligations recognized in other comprehensive loss (income) at December 31, 2016 and 2015 were as follows:

	December 31, 2016			December 31, 2015		
(In millions)	U.S.	International	Total	U.S.	International	Total
Current year actuarial (gain) loss	$ 4.2	$27.7	$31.9	$ 9.7	$32.1	$41.8
Amortization of actuarial loss	—	(6.2)	(6.2)	—	(6.0)	(6.0)
Amortization of prior service cost	—	—	—	—	(0.1)	(0.1)
Settlement/curtailment (gain) loss	(0.6)	—	(0.6)	(0.4)	(0.3)	(0.7)
Total recognized in other comprehensive loss	$ 3.6	$21.5	$25.1	$ 9.3	$25.7	$35.0

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the year ended December 31, 2017 are as follows:

	Year Ended 2017		
(In millions)	U.S.	International	Total
Unrecognized prior service costs	$ —	$(0.1)	$(0.1)
Unrecognized net actuarial loss	0.1	7.7	7.8
Total	$0.1	$ 7.6	$ 7.7

Information for plans with accumulated benefit obligations in excess of plan assets as of December 31, 2016 and 2015 are as follows:

	December 31, 2016			December 31, 2015		
(In millions)	U.S.	International	Total	U.S.	International	Total
Accumulated benefit obligation	$133.8	$594.8	$728.6	$135.9	$603.3	$739.2
Fair value of plan assets	99.2	407.0	506.2	103.6	399.0	502.6

Actuarial Assumptions

On an annual basis assumptions for all plans are determined as part of the Sealed Air valuation process. The assumptions in the table below are total Sealed Air assumptions which are inclusive of the Diversey plans previously discussed.

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

Weighted average assumptions used to determine benefit obligations at December 31, 2016 and 2015 were as follows:

	December 31, 2016		December 31, 2015	
(In millions)	U.S.	International	U.S.	International
Benefit obligations				
Discount rate	4.0%	2.2%	4.3%	2.6%
Rate of compensation increase	N/A	2.4%	3.0%	2.5%
Social security increase rate	N/A	1.8%	3.0%	1.6%
Pension increase rate	3.0%	1.7%	N/A	1.6%

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31, were as follows:

	December 31, 2016		December 31, 2015	
(In millions)	U.S.	International	U.S.	International
Net periodic benefit cost				
Discount rate	4.3%	2.6%	3.9%	2.7%
Expected long-term rate of return	6.7%	4.5%	6.5%	4.9%
Rate of compensation increase	N/A	2.5%	N/A	2.7%
Social security increase rate	3.0%	1.6%	3.0%	1.6%
Pension increase rate	N/A	1.6%	N/A	1.6%

Estimated Future Benefit Payments

We expect the following estimated future benefit payments, which reflect expected future service as appropriate, to be paid in the years indicated:

	Amount		
(In millions)	U.S.	International	Total
Year			
2017	$ 9.6	$ 21.5	$ 31.1
2018	9.5	19.8	29.3
2019	9.4	20.3	29.7
2020	8.5	21.7	30.2
2021	8.3	23.2	31.5
Thereafter	43.2	135.2	178.4
Total	$88.5	$241.7	$330.2

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

Plan Assets

We review the expected long-term rate of return on plan assets annually, taking into consideration our asset allocation, historical returns, and the current economic environment. The expected return on plan assets is calculated based on the fair value of plan assets at year end. To determine the expected return on plan assets, expected cash flows have been taken into account.

Our long-term objectives for plan investments are to ensure that (a) there is an adequate level of assets to support benefit obligations to participants over the life of the plans, (b) there is sufficient liquidity in plan assets to cover current benefit obligations, and (c) there is a high level of investment return consistent with a prudent level of investment risk. The investment strategy is focused on a long-term total return in excess of a pure fixed income strategy with short-term volatility less than that of a pure equity strategy. To accomplish this objective, we invest assets primarily in a diversified mix of equity and fixed income investments. For U.S. plans, the target asset allocation will typically be 40-50% in equity securities, with a maximum equity allocation of 70%, and 50-60% in fixed income securities, with a minimum fixed income allocation of 30% including cash.

The fair values of our U.S. and international pension plan assets, by asset category and by the level of fair values are as follows:

	2016				2015			
(In millions)	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents[1]	$ 11.8	$11.7	$ 0.1	$ —	$ 3.9	$1.6	$ 2.3	$ —
Fixed income funds[2]	291.8	—	291.8	—	284.1	—	284.1	—
Equity funds[3]	266.0	—	266.0	—	286.3	—	286.3	—
Other[4]	146.8	—	24.3	122.5	126.9	—	19.2	107.7
Total	$716.4	$11.7	$582.2	$122.5	$701.2	$1.6	$591.9	$107.7

(1) Short-term investment fund that invests in a collective trust that holds short-term highly liquid investments with principal preservation and daily liquidity as its primary objectives. Investments are primarily comprised of certificates of deposit, government securities, commercial paper, and time deposits.

(2) Fixed income funds that invest in a diversified portfolio primarily consisting of publicly traded government bonds and corporate bonds. There are no restrictions on these investments, and they are valued at the net asset value of shares held at year end.

(3) Equity funds that invest in a diversified portfolio of publicly traded domestic and international common stock, with an emphasis in European equities. There are no restrictions on these investments, and they are valued at the net asset value of shares held at year end.

(4) The majority of these assets are invested in real estate funds and other alternative investments. Also includes guaranteed insurance contracts, which consists of Company and employee contributions and accumulated interest income at guaranteed stated interest rates and provides for benefit payments and plan expenses.

Note 13 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans (Continued)

The following table shows the activity of our U.S. and international plan assets, which are measured at fair value using Level 3 inputs.

(In millions)	December 31, 2016	December 31, 2015
Balance at beginning of period	$107.7	$114.0
Gains on assets still held at end of year	4.6	5.9
Purchases, sales, issuance, and settlements	(2.7)	(1.2)
Transfers in and/or out of Level 3	23.2	(4.9)
Foreign exchange (loss)/gain	(10.3)	(6.1)
Balance at end of period	$122.5	$107.7

Note 14 Other Post-Employment Benefits and Other Employee Benefit Plans

In addition to providing pension benefits, we provide for a portion of healthcare, dental, vision and life insurance benefits for certain retired Diversey employees, primarily in North America. Covered employees retiring on or after attaining age 55 and who have rendered at least ten years of service are entitled to post-retirement healthcare, dental and life insurance benefits. These benefits are subject to deductibles, co-payment provisions and other limitations.

Contributions made by us, net of Medicare Part D subsidies received in the U.S., are reported below as benefits paid. We may change the benefits at any time. We have elected to amortize the

Note 14 Other Post-Employment Benefits and Other Employee Benefit Plans (Continued)

transition obligation over a 20-year period. The status of these plans, including a reconciliation of benefit obligations, a reconciliation of plan assets and the funded status of the plans, follows:

(In millions)	December 31, 2016	December 31, 2015
Change in benefit obligations:		
Benefit obligation at beginning of period	$ 65.8	$ 79.8
Service cost	0.2	0.9
Interest cost	1.8	3.0
Actuarial loss (gain)	(6.2)	(4.7)
Benefits paid, net	(4.3)	(4.1)
Loss due to exchange rate movements	—	(0.6)
Plan amendments	(1.8)	(8.5)
Benefit obligation at end of period	$ 55.5	$ 65.8
Change in plan assets:		
Fair value of plan assets at beginning of period	$ —	$ —
Employer contribution	4.3	4.1
Benefits paid, net	(4.3)	(4.1)
Fair value of plan assets at end of period	$ —	$ —
Net amount recognized:		
Underfunded status	$(55.5)	$(65.8)
Accumulated benefit obligation at end of year	$ 55.5	$ 65.8
Net amount recognized in Combined Balance Sheets consists of:		
Current liability	(3.0)	(5.1)
Noncurrent liability	(52.5)	(60.7)
Net amount recognized	$(55.5)	$(65.8)
Amounts recognized in accumulated other comprehensive income consist of:		
Net actuarial loss	$ 2.4	$ 8.6
Prior service credit	(17.9)	(17.6)
Total	$(15.5)	$ (9.0)

Note 14 Other Post-Employment Benefits and Other Employee Benefit Plans (Continued)

The accumulated post-retirement benefit obligations were determined using a weighted-average discount rate of 3.9% at December 31, 2016 and 4.0% at December 31, 2015. The components of net periodic benefit cost for the years ended December 31 were as follows:

(In millions)	Years Ended 2016	2015
Components of net periodic benefit cost:		
Service cost	$ 0.2	$ 0.9
Interest cost	1.9	3.0
Amortization of net loss	—	0.4
Amortization of prior service credit	(1.5)	(0.8)
Net periodic benefit cost	$ 0.6	$ 3.5

The amounts in accumulated other comprehensive loss at December 31, 2016 that are expected to be recognized as components of net periodic benefit cost during the next fiscal year are as follows:

(In millions)	December 31, 2016
Unrecognized prior service costs	$(1.7)
Unrecognized net actuarial loss	(0.1)
Total	(1.8)

Healthcare Cost Trend Rates

For the year ended December 31, 2016, healthcare cost trend rates were assumed to be 4.0% for the Belgian plan, 7.0% for the U.S. plan in 2016 and decreasing to 5.0% by 2022, and 5.5% for the Canada plan in 2016 decreasing to 5.0% by 2018. The assumed healthcare cost trend rate has an effect on the amounts reported for the healthcare plans. A one percentage point change on assumed healthcare cost trend rates would have the following effect for the year ended December 31, 2016:

(In millions)	1% Increase	1% Decrease
Effect on total of service and interest cost components	$0.2	$0.1
Effect on post-retirement benefit obligation	2.6	0.6

The amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Note 14 Other Post-Employment Benefits and Other Employee Benefit Plans (Continued)

Expected post-retirement benefits (net of Medicare Part D subsidies) for each of the next five years and succeeding years are as follows:

(In millions) Year	Amount
2017	$ 3.1
2018	3.4
2019	3.8
2020	4.2
2021	4.2
Thereafter	19.0
Total	$37.7

Note 15 Income Taxes

For purposes of these Combined Finacial Statements income taxes were calculated on a separate return or other basis that is systematic, rational and based on general income tax accounting principles. Accordingly, our income tax results as presented do not necessarily reflect the results that we would have generated as an independent company for the periods presented.

The components of earnings (loss) before income tax provision were as follows:

	Year Ended December 31,	
(In millions)	2016	2015
Domestic	$ (38.8)	$ (56.9)
Foreign	139.6	109.0
Total	$100.8	$ 52.1

Note 15 Income Taxes (Continued)

The components of our income tax provision (benefit) were as follows:

(In millions)	Year Ended December 31, 2016	2015
Current tax expense (benefit):		
Federal	$(33.0)	$(51.0)
Foreign	43.2	39.5
Total current expense (benefit)	10.2	(11.5)
Deferred tax expense (benefit):		
Federal	0.2	(3.4)
State and local	7.6	(7.0)
Foreign	(25.4)	(11.2)
Total deferred tax benefit	(17.6)	(21.6)
Total income tax benefit	$ (7.4)	$(33.1)

Deferred tax assets (liabilities) consist of the following:

(In millions)	December 31, 2016	December 31, 2015
Accruals not yet deductible for tax purposes	$ 36.8	$ 38.2
Net operating loss carry forwards	85.4	46.6
Foreign, federal and state credits and investment tax allowances	145.8	127.8
Employee benefit items	89.8	94.5
Capitalized expenses	30.3	34.1
Gross deferred tax assets	388.1	341.2
Valuation allowance	(257.6)	(184.9)
Total deferred tax assets	130.5	156.3
Depreciation and amortization	(8.7)	(6.9)
Unremitted foreign earnings	(28.2)	(67.0)
Intangibles	(143.6)	(155.9)
Other	(3.1)	(2.5)
Total deferred tax liabilities	(183.6)	(232.3)
Net deferred tax liabilities	$ (53.1)	$ (76.0)

We have concluded that it is more likely than not that we will not realize the majority of our U.S. deferred tax assets at December 31, 2016. In assessing the need for a valuation allowance, we estimate future reversals of existing temporary differences, future taxable earnings, tax planning strategies and taxable income in carryback periods to determine which deferred tax assets are more likely than not to be realized in the future.

Note 15 Income Taxes (Continued)

A valuation allowance has been provided based on the likelihood of realizing the tax benefits primarily related to the following deferred tax assets:

- $134.7 million of foreign tax credit carryovers;
- $102.7 million of federal and foreign net operating losses and future deductible items; and
- $20.1 million of state net operating losses, credits and future deductible items.

For the year ended December 31, 2016, the valuation allowance increased by $72.7 million. This increase includes the impact of a reduction of a future source of taxable income from foreign earnings and continuing US losses. As of December 31, 2016, we have foreign net operating loss carry forwards of $156.0 million expiring in years beginning in 2017. The Federal net operating loss carryovers generated by the Company of $123.5 million begin to expire in 2024. The state net operating loss carry forwards totaling $138.1 million expire in various amounts over one to 20 years. Net operating losses presented herein may not represent amounts available for utilization in future tax returns due to allocation methods applied in these financial statements.

As of December 31, 2016, we have foreign and federal tax credit carry forwards totaling $141.2 million that expire in calendar year 2017 through 2036. We have $4.6 million of state credit carryovers expiring in 2017 - 2036. We have provided a full valuation allowance on all of the U.S. credits.

The Company has provided a $28.2 million deferred tax liability for unremitted foreign earnings; no offset for foreign tax credits related to these earnings is recorded. The liability relates to approximately $377.0 million of our foreign subsidiaries' accumulated earnings that the Company plans to repatriate.

The Company has not recorded a deferred tax liability related to the federal and state income taxes and foreign withholding taxes on approximately $1.4 billion of undistributed earnings of certain foreign subsidiaries indefinitely reinvested. Upon repatriation of those earnings the Company could be subject to both U.S. income taxes and withholding taxes payable to the various foreign countries.

Note 15 Income Taxes (Continued)

A reconciliation of the provision for income taxes, with the amount computed by applying the statutory federal income tax rate (35%) to income before income benefit, is as follows (dollars in millions):

	Year Ended December 31,			
	2016		2015	
Computed expected tax	$ 35.5	35.0%	$ 18.9	35.0%
State income taxes, net of federal tax benefit	4.9	4.8%	(4.4)	(8.1)%
Foreign earnings taxed at lower rates	(8.1)	(8.0)%	(5.8)	(10.7)%
U.S. tax on foreign earnings	10.1	10.0%	16.5	30.6%
U.S. tax permanent difference	3.6	3.5%	3.5	6.5%
Repatriation of foreign earnings	(38.7)	(38.1)%	27.4	50.7%
Net change in valuation allowance	39.4	38.8%	(28.8)	(53.3)%
Net change in unrecognized tax benefits	(50.1)	(49.4)%	(58.9)	(108.9)%
Deferred tax asset adjustments	(3.5)	(3.4)%	0.6	1.1%
Other	(0.4)	(0.4)%	(2.1)	(4.0)%
Effective income tax rate	$ (7.3)	(7.2)%	$(33.1)	(61.1)%

Unrecognized Tax Benefits

Our unrecognized tax benefits and the effect on our effective income tax rate if recognized (in millions) is as follows:

	Year Ended December 31,	
	2016	2015
Beginning balance of unrecognized tax benefits	$109.6	$171.9
Additions for tax positions of current year	2.3	1.8
Additions for tax positions of prior years	—	0.1
Reductions for tax positions of prior years	(22.1)	(6.6)
Reductions for lapses of statutes of limitation	(39.6)	(57.6)
Ending balance of unrecognized tax benefits	$ 50.2	$109.6

In 2016, our unrecognized tax benefit decreased by $59.4 million, primarily related to the expiration of the statute of limitations and settlement of audits. In 2015, we decreased our unrecognized tax benefit by $62.3 million primarily related to a reserve for which the statute of limitations has expired and which was primarily recorded at the time of the Diversey Holdings, Inc. acquisition.

If the unrecognized tax benefits at December 31, 2016 were recognized, our income tax expense would decrease by $48.4 million, resulting in a substantially lower effective tax rate. Based on the potential outcome of the Company's global tax examinations and the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the unrecognized tax benefits will change within the next 12 months. The associated impact on the reserve balance is estimated to be a decrease in the range of zero to $8.1 million.

Note 15 Income Taxes (Continued)

We recognize interest and penalties related to unrecognized tax benefits in income tax provision in the Combined Statements of Operations. We had a liability of approximately of $17.9 million (of which $5.7 million represents penalties) at December 31, 2016 for the payment of interest and penalties (before any tax benefit), and a liability of $20.1 million (of which $6.6 million represents penalties) at December 31, 2015. In 2016, there was a $2.2 million decrease in interest and penalties in the tax accruals for uncertainties in prior years. In 2015, there was a $2.3 million decrease in interest and penalties in the tax accruals for uncertainties in prior years.

The table above discloses the amounts of unrecognized tax benefits that were included in tax returns filed by the Company either as a separate filer or as part of Sealed Air. Historically, a portion of the Company's operations have been included in tax returns filed by Sealed Air or its subsidiaries. As a result, some uncertain tax positions related to the Company's operations result in unrecognized tax benefits that are potential obligations of Sealed Air or its subsidiaries.

Income Tax Returns

The Company files U.S. federal income tax returns as well as income tax returns in various state and foreign jurisdictions both as a separate filer or as part of Sealed Air. Unrecognized tax benefits relate to income tax returns for tax years that remain subject to examination by the relevant tax authorities. Since the Company's operations have historically been included in federal and state returns filed by Sealed Air, the statements surrounding examinations may relate to historical Sealed Air returns. We are under examination by the IRS (as part of the Sealed Air consolidation) for the 2012-2014 tax years.

State income tax returns are generally subject to examination for a period of three to five years after their filing date. We have various state income tax returns in the process of examination, and are open to examination for periods after 2002.

Our foreign income tax returns are under examination in various jurisdictions in which we conduct business. Income tax returns in foreign jurisdictions have statutes of limitations generally ranging from three to five years after their filing date and except where still under examination or where we are litigating, we have generally concluded all other income tax matters globally for years through 2007.

Management believes that an adequate provision has been made for any adjustments that may result from tax examinations. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, the Company could be required to adjust its provision for income taxes in the period such resolution occurs.

Note 16 Commitments and Contingencies

Environmental Matters

We are subject to loss contingencies resulting from environmental laws and regulations, and we accrue for anticipated costs associated with investigatory and remediation efforts when an assessment has indicated that a loss is probable and can be reasonably estimated. These accruals are not reduced by potential insurance recoveries, if any. We do not believe that it is reasonably possible that our liability in excess of the amounts that we have accrued for environmental matters

Note 16 Commitments and Contingencies (Continued)

will be material to our consolidated financial condition or results of operations. Environmental liabilities are reassessed whenever circumstances become better defined or remediation efforts and their costs can be better estimated.

We evaluate these liabilities periodically based on available information, including the progress of remedial investigations at each site, the current status of discussions with regulatory authorities regarding the methods and extent of remediation and the apportionment of costs among potentially responsible parties. As some of these issues are decided (the outcomes of which are subject to uncertainties) or new sites are assessed and costs can be reasonably estimated, we adjust the recorded accruals, as necessary. We believe that these exposures are not material to our consolidated financial condition or results of operations. We believe that we have adequately reserved for all probable and estimable environmental exposures.

Guarantees and Indemnification Obligations

We are a party to many contracts containing guarantees and indemnification obligations. These contracts primarily consist of:

- product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products will conform to specifications. We generally do not establish a liability for product warranty based on a percentage of sales or other formula. We accrue a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and annual expense related to product warranties are immaterial to our consolidated financial position and results of operations; and
- intellectual property warranties by us to third parties in which we have agreed to indemnify the licensee such third parties against infringement claims.

We are also involved in various other legal actions incidental to our business. We believe, after consulting with counsel, that the disposition of these other legal proceedings and matters will not have a material effect on our consolidated financial condition or results of operations.

Other Principal Contractual Obligations

At December 31, 2016, we had other principal contractual obligations, which included agreements to purchase an estimated amount of goods, including raw materials, or services in the normal course of business, aggregating to approximately $36.9 million. The estimated future cash outlays are as follows:

Year	Amount (in millions)
2017	$18.4
2018	18.5
Thereafter	—
Total	$36.9

Note 16 Commitments and Contingencies (Continued)

Asset Retirement Obligations

The Company has recorded asset retirement obligations primarily associated with asbestos abatement, lease restitution and the removal of underground tanks. The Company's asset retirement obligation liabilities were $3.5 million and $4.1 million at December 31, 2016 and 2015. The Company also recorded assets within property and equipment, net which included $0.7 million and $0.6 million related to buildings and $2.9 million and $3.5 million related to leasehold improvements as of December 31, 2016 and 2015, respectively. For the year ended December 31, 2016 accretion expense was $0.6 million.

Leases

We are obligated under the terms of various leases covering primarily warehouse and office facilities and production equipment, as well as smaller manufacturing sites that we occupy. We account for the majority of our leases as operating leases, which may include purchase or renewal options. At December 31, 2016, estimated future minimum annual rental commitments under non-cancelable real and personal property leases were as follows:

Year	Amount (in millions)
2017	$18.4
2018	14.8
2019	9.9
2020	6.5
2021	4.8
Thereafter	6.4
Total	$60.8

Net rental expense was $33.2 million in 2016 and $33.3 million in 2015.

Note 17 Share-Based Compensation

Sealed Air has a combined incentive plan in which the Company participates. The plan provides for the grant of Sealed Air stock options, Sealed Air stock appreciation rights, Sealed Air restricted stock, Sealed Air restricted stock units, Sealed Air unrestricted stock, Sealed Air performance share units known as PSU awards, other stock awards and cash awards to officers and key employees.

We record share-based incentive compensation expense in selling, general and administrative expenses and cost of sales on our Combined Statements of Operations for both equity-classified awards and liability-classified awards. We record corresponding credit to current or non-current liability for liability-classified awards based on the fair value of the share-based incentive compensation awards at the date of grant. Total expense for the liability-classified awards continues to be remeasured to fair value at the end of each reporting period. We recognize an expense or credit reflecting the straight-line recognition, net of estimated forfeitures, of the expected cost of the program. The number of PSUs earned may equal, exceed or be less than the targeted number of shares depending on whether the performance criteria are met, surpassed or not met.

Note 17 Share-Based Compensation (Continued)

The following table summarizes the Company's pre-tax share-based incentive compensation expense and related income tax benefit for the years ended December 31, 2016 and 2015 related to participation in Sealed Air's PSU awards, SLO awards and restricted stock awards.

(in millions)	2016	2015
Total share-based incentive compensation expense(1)	$14.4	$22.9
Associated tax benefits recognized	$ 0.8	$ 7.3

(1) The amounts do not include the expense related to our Sealed Air's U.S. profit sharing contributions made in the form of our common stock as these contributions are not considered share-based incentive compensation.

Stock Appreciation Rights ("SARs")

The Company has cash-settled SARs which were established based on Sealed Air common stock. We recognized SARs (income)/expense of $(0.1) million and $3.9 million in 2016 and 2015, respectively, which is included in selling, general and administrative expenses on the Combined Statements of Operations. Cash payments due to the exercise of these SARs were $1.9 million and $20.7 million in 2016 and 2015, respectively. As of December 31, 2016, all of the outstanding SARs were fully vested. The remaining liability for these SARs was $2.0 million and is included in other current liabilities on our Combined Balance Sheet.

Note 18 Related Party Transactions

The Combined Financial Statements have been prepared on a carve-out basis and are derived from the consolidated financial statements and accounting records of Sealed Air.

Allocation of Corporate Expenses

The Combined Financial Statements include expense allocations for certain functions provided by Sealed Air as well as other Sealed Air employees not solely dedicated to the Company, including but not limited to, general corporate expenses related to finance, legal, information technology, human resources, communications, compliance, shared services, employee benefits and share-based compensation. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on the basis on net sales, headcount, or other measures. During the years ended December 31, 2016 and 2015, the Company was allocated $110.0 million and $118.9 million, respectively, for general corporate expenses incurred by Sealed Air, which is primarily included within selling, general and administrative expenses and other income (expense) in the Combined Statements of Operations.

Related Party Receivables and Payables

For the years ended December 31, 2016 and 2015, the Company had estimated receivable balances due from Sealed Air totaling $111.8 million and $112.4 million, respectively, which are included in other receivables and other non-current assets on the Combined Balance Sheets. For the years ended December 31, 2016 and 2015, the Company had estimated payable balances due to Sealed Air totaling $142.2 million and $158.0 million, respectively, which are included in accounts

Note 18 Related Party Transactions (Continued)

payable and other non-current liabilities on the Combined Balance Sheets. The Company expects the remaining receivable/payable balance will not be settled in cash and are recorded in net parent investment.

Note 19 Accumulated Other Comprehensive Income (Loss)

The following table provides details of comprehensive loss:

(In millions)	Unrecognized Pension Items	Cumulative Translation Adjustment	Unrecognized Gains (Losses) on Derivative Instruments for net investment hedge	Unrecognized Gains (Losses) on Derivative Instruments for cash flow hedge	Accumulated Other Comprehensive Income (Loss), Net of Taxes
Balance at January 1, 2015	$(183.9)	$1,282.9	$ —	$ 2.0	$1,101.0
Other comprehensive income (loss) before reclassifications	(30.2)	(172.4)	(3.8)	17.2	(189.2)
Less: amounts reclassified from accumulated other comprehensive income (loss)	7.9	—	—	(17.3)	(9.4)
Net current period other comprehensive income (loss)	(22.3)	(172.4)	(3.8)	(0.1)	(198.6)
Balance at December 31, 2015	(206.2)	1,110.5	(3.8)	1.9	902.4
Other comprehensive income (loss) before reclassifications	(10.5)	(61.5)	(2.5)	(16.6)	(98.8)
Less: amounts reclassified from accumulated other comprehensive income (loss)	7.3	0.4	—	14.8	22.5
Net current period other comprehensive income (loss)	(3.2)	(61.1)	(2.5)	(1.8)	(76.3)
Balance at December 31, 2016	$(209.4)	$1,049.4	$(6.3)	$ 0.1	$ 833.8

Note 19 Accumulated Other Comprehensive Income (Loss) (Continued)

The following table provides detail of amounts reclassified from accumulated other comprehensive income:

(In millions)	2016[1]	2015[1]	Location of Amount Reclassified from AOCI
Defined benefit pension plans and other post-employment benefits:			
Prior service costs	$ 1.5	$ 0.9[2]	
Actuarial losses	(11.2)	(11.1)[2]	
Total pre-tax amount	(9.7)	(10.2)	
Tax benefit	2.4	2.3	
Net of tax	(7.3)	(7.9)	
Reclassifications from cumulative translation adjustment:			
Charges related to Venezuelan subsidiaries	(0.4)	—[4]	
Net gains (losses) on cash flow hedging derivatives:			
Foreign currency forward contracts	2.4	1.2[3]	Other income, net
Interest rate and currency swaps	(25.9)	25.7[3]	Various
Total pre-tax amount	(23.5)	26.9	
Tax benefit (expense)	8.7	(9.6)	
Net of tax	(14.8)	17.3	
Total reclassifications for the period	$(22.5)	$ 9.4	

(1) Amounts in parenthesis indicate changes to earnings (loss).

(2) These accumulated other comprehensive components are included in the computation of net periodic benefit costs within cost of sales and selling, general, and administrative expenses on the Combined Statement of Operations.

(3) These accumulated other comprehensive components are included in our derivative and hedging activities. See Note 11, ''Derivatives and Hedging Activities'' of the Notes to Combined Financial Statements for additional details.

(4) Due to the ongoing challenging economic situation in Venezuela, the Company approved a program in the second quarter of 2016 to cease operations in the country. Refer to Note 2, ''Summary of Significant Accounting Policies and Recently Issued and Adopted Accounting Standards'' under the ''Impact of Inflation and Currency Fluctuation'' section of the Notes to the Combined Financial Statements for further details.

Note 20 Other Income (Expense), net

The following table provides details of other income (expense), net:

(In millions)	Year Ended December 31, 2016	2015
Interest and dividend income	$ 5.7	$ 6.4
Net foreign exchange transaction gains (losses)	2.4	(6.8)
Bank fee expense	(0.5)	(0.1)
Net gain (loss) on disposals of property and equipment and other	0.1	(0.7)
Income from equity method investment	1.2	0.4
Parent intercompany expense[1]	(4.5)	(2.1)
Other, net	(0.8)	1.1
Other income (expense), net	$ 3.6	$(1.8)

(1) For the years ended December 31, 2016 and 2015, intercompany transactions between Sealed Air and the Company primarily consisted of royalty expenses, net.

Note 21 Subsequent Events

On April 1, 2017 the Diversey Care division acquired the UVC disinfection portfolio of Daylight Medical, a manufacturer of innovative medical devices. The preliminary fair value of the consideration transferred was approximately $28.7 million which included $3.5 million of cash paid at closing as well as a preliminary fair value of $25.2 million related to noncontingent considerations which will be paid in the future and a preliminary fair value for liability-classified contingent consideration. The assets and liabilities acquired as part of the acquisition will be classified as held for sale on the Condensed Consolidated Balance Sheet in future periods.

Subsequent events have been evaluated through May 31, 2017. Other than those discussed above, we have not identified any material subsequent event items related to the Company.

€545,000,000

Diamond (BC) B.V.

% Senior Notes due 2025

Goldman Sachs International
Credit Suisse
Barclays
Citigroup
BofA Merrill Lynch
RBC Capital Markets
HSBC
SunTrust Robinson Humphrey
Jefferies