Subject to Completion, dated March 12, 2018

PRELIMINARY OFFERING MEMORANDUM **CONFIDENTIAL**

$1,250,000,000

VALEANT
Pharmaceuticals International, Inc.

Valeant Pharmaceuticals International

guaranteed by

Valeant Pharmaceuticals International, Inc.

% Senior Notes due 2026

Valeant Pharmaceuticals International (the "Issuer") is offering $1,250 million aggregate principal amount of % Senior Notes due 2026 (the "notes"). Interest on the notes will accrue from the date of issuance and will be payable on and of each year, commencing on , 2018. The notes will mature on , 2026.

The notes will be redeemable, in whole or in part, at any time on or after , 2022, at the redemption prices set forth in this offering memorandum. In addition, some or all of the notes may be redeemed prior to , 2022, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of redemption plus a "make-whole" premium as described under "Description of the Notes—Optional Redemption." At any time prior to , 2021, up to 40% of the aggregate principal amount of the notes may be redeemed with the net proceeds of certain equity offerings at the redemption prices set forth in this offering memorandum.

The notes will initially be guaranteed by Valeant Pharmaceuticals International, Inc., the indirect parent of the Issuer ("Valeant" or the "Parent"), and each of its subsidiaries (other than the Issuer) that is a guarantor under the Credit Agreement (as defined herein) (together with the Parent, the "Note Guarantors"). The notes and the guarantees will be unsecured senior obligations and will rank equally in right of payment with all of the Issuer's existing and future unsubordinated indebtedness and senior to the Issuer's existing and future subordinated indebtedness. The notes will be effectively junior to the Issuer's existing and future secured indebtedness, including the Issuer's guarantee of indebtedness under the Credit Agreement and the Existing Secured Notes (as defined herein), to the extent of the value of the assets securing such indebtedness. The guarantees will be unsecured and will rank equally in right of payment with all existing and future unsubordinated indebtedness of the Note Guarantors and senior to the existing and future subordinated indebtedness of the Note Guarantors. The guarantees will be effectively junior in right of payment to the existing and future secured indebtedness of the Note Guarantors to the extent of the assets securing such indebtedness, including the Note Guarantors' indebtedness under the Credit Agreement and the Existing Secured Notes. In addition, the notes will be structurally junior in right of payment to all liabilities of the Parent's non-guarantor subsidiaries (other than the Issuer).

The net proceeds of this offering, along with cash on hand, are intended to be used to fund a Tender Offer (as defined herein) by the Parent and the Issuer for up to $1,250 million aggregate principal amount across the outstanding 6.375% Senior Notes due 2020, 5.375% Senior Notes due 2020 and 6.750% Senior Notes due 2021 (each as defined herein) and to pay related fees, premiums and expenses. To the extent less than $1,250 million of such notes are tendered in the Tender Offer, we will redeem a portion of our outstanding notes with the net proceeds of this offering for a total aggregate repurchase (including under the Tender Offer) of $1,250 million following the closing of this offering. See "Use of Proceeds."

The Issuer is not obligated under any registration rights agreement or other obligation to register the notes for resale or to exchange the notes for notes registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. The Issuer does not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system.

Investing in the notes involves a high degree of risk. See "Risk Factors" beginning on page 19.

Offering Price: % plus accrued interest, if any, from , 2018.

The notes have not been and will not be registered under the Securities Act, and are being offered and sold only to persons reasonably believed to be qualified institutional buyers ("QIBs") in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the U.S. in reliance on Regulation S under the Securities Act. Prospective purchasers that are QIBs are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. In addition, the notes have not been and will not be qualified for sale to the public by prospectus under applicable securities laws in Canada. Accordingly, any offer and sale of the notes in the U.S., Canada or any other jurisdiction will be made on a basis which is exempt from the prospectus requirements of such securities laws. The notes are not transferable except in accordance with the restrictions described herein under "Transfer Restrictions."

The notes are expected to be delivered in book-entry form through the facilities of The Depository Trust Company ("DTC") and its direct and indirect participants, including Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking S.A. ("Clearstream"), on or about , 2018 (the "Closing Date"). See "Description of the Notes—Book-Entry, Delivery and Form."

Joint Book-Running Managers

Deutsche Bank Securities **Barclays** **Citigroup** **DNB Markets**

Goldman Sachs & Co. LLC **J.P. Morgan** **Morgan Stanley** **RBC Capital Markets**

Senior Co-Manager

HSBC

Co-Manager

TD Securities

Offering Memorandum dated , 2018

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For purposes of this offering memorandum, unless otherwise indicated or the context otherwise requires, (i) the term "Issuer" refers to, Valeant Pharmaceuticals International; (ii) the terms "Valeant" and the "Parent" refer to Valeant Pharmaceuticals International, Inc., the Issuer's indirect parent, and not to its subsidiaries; and (iii) the terms "Company," "we," "us," and "our" refer to the Parent and its subsidiaries (including the Issuer).

We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this offering memorandum. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This offering memorandum is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in or incorporated by reference in this offering memorandum is current only as of its date.

This offering memorandum is confidential. You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the notes described in this offering memorandum. We have provided the information contained in or incorporated by reference in this offering memorandum. The initial purchasers named herein under "Plan of Distribution" (the "Initial Purchasers") do not make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in or incorporated by reference in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers. You may not reproduce or distribute this offering memorandum, in whole or in part, and you may not disclose any of the contents of this offering memorandum or use any information herein for any purpose other than considering the purchase of the notes. You agree to the foregoing by accepting delivery of this offering memorandum.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of this offering memorandum and the offering and sale of the notes in certain jurisdictions may be restricted by law. We and the Initial Purchasers require persons in whose possession this offering memorandum comes to inform themselves about and to observe any such restrictions. This offering memorandum does not constitute an offer of, or an invitation to purchase, any of the notes in any jurisdiction in which such offer or invitation would be unlawful.

Notice to Investors

You must comply with all applicable laws and regulations in connection with the distribution of this offering memorandum and the offer or sale of the notes. See "Transfer Restrictions." You are not to construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the notes. Neither we nor the Initial Purchasers are making any representation to you regarding the legality of an investment in the notes by you under applicable laws. In making an investment decision regarding the notes offered by this offering memorandum, you must rely on your own examination of our company and the terms of this offering, including, without limitation, the merits and risks involved. This offering is being made on the basis of this offering memorandum. Any decision to purchase notes in this offering must be based on the information contained in this offering memorandum, including information incorporated by reference herein.

This offering memorandum is being provided on a confidential basis to prospective purchasers in connection with offers and sales: (1) to persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("Rule 144A") for informational use solely in connection with their consideration of the purchase of the notes and (2) in offshore transactions complying with Rule 903 of Regulation S under the Securities Act. Its use for any other purpose is not authorized.

This offering memorandum and the documents incorporated by reference herein contain 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 and Incorporation by Reference."

In making your purchase, you will be deemed to have made certain acknowledgements, representations and agreements as indicated in this offering memorandum under the caption "Transfer Restrictions." The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Transfer Restrictions."

No person is authorized in connection with the offering made by this offering memorandum to give any information or to make any representation not contained in this offering memorandum, including information incorporated by reference herein, and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers. The information contained in this offering memorandum is as of the date hereof, and the information contained in any document incorporated by reference herein is as of the date of such document, and such information is subject to change. Neither the delivery

of this offering memorandum at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum, including information incorporated by reference herein, or in our affairs since the dates thereof.

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 notes subscribed for by you. We are making this offering subject to terms described in this offering memorandum and the indenture related to the notes.

The notes will be available in book-entry form only. We expect that the notes sold pursuant to this offering memorandum will be issued in the form of one or more global certificates. The notes will be deposited with, or on behalf of, DTC and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates will be shown on, and transfers of interests in the global certificates will be effected only through, records maintained by DTC, Euroclear and Clearstream and their direct and indirect participants. After the initial issuance of the global certificates, notes in certificated form will be issued in exchange for the associated global certificates only as set forth in the indenture governing the notes. See "Description of the Notes—Book-Entry, Delivery and Form."

Industry and Market Data

This offering memorandum includes and incorporates by reference information with respect to market share, ranking and industry conditions from third-party sources or based upon our estimates using such sources when available. While we believe that such information and estimates are reasonable and reliable, we have not independently verified any of the data from third-party sources, and neither we nor the Initial Purchasers can guarantee the accuracy or completeness of the information. Similarly, our internal research is based upon our understanding of industry conditions, and such information has not been verified by any independent sources.

Any estimates underlying such market-derived information and other factors could cause actual results to differ materially from those expressed in the independent parties' estimates and in our estimates.

SEC and CSA Review

We may receive comments from the Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators (the "CSA") on the filings we make with the SEC and the CSA, respectively, that may require us to modify the information incorporated herein by reference. In addition, the SEC or the CSA may issue guidance relating to existing practice in the presentation of financial information or may promulgate new regulations that may require modifications to the presentation of the information included in this offering memorandum, including information incorporated herein by reference or in filings we make with the SEC or the CSA, as the case may be. Any such modifications may be significant.

SEC rules regulate the use in filings with the SEC and certain of our other communications of "non-GAAP financial measures", such as EBITDA, Adjusted EBITDA, Adjusted EBITDA (as reported), Adjusted EBITDA (as revised) and Adjusted EBITDA, as further adjusted, which are derived on the basis of methodologies other than in accordance with accounting principles

generally accepted in the U.S. ("GAAP"). We believe the financial statements and other financial data included in this offering memorandum comply in all material respects with GAAP and the regulations published by the SEC, with the exceptions of EBITDA, Adjusted EBITDA, Adjusted EBITDA (as reported), Adjusted EBITDA (as revised), Adjusted EBITDA, as further adjusted, net total debt and net secured debt and ratios using such non-GAAP measures. Please see "Presentation of Financial Information" and "Summary—Summary Historical Consolidated Financial and Other Information."

Presentation of Financial Information

Non-GAAP Financial Information

To supplement the financial measures prepared in accordance with GAAP, we use certain non-GAAP financial measures including EBITDA, Adjusted EBITDA (as reported), Adjusted EBITDA (as revised), Adjusted EBITDA, as further adjusted, net total debt and net secured debt. The reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown under "Summary—Summary Historical Consolidated Financial Information."

Management uses these non-GAAP measures as key metrics in the evaluation of Company performance and the consolidated financial results and, in part, in the determination of cash bonuses for our executive officers. We believe these non-GAAP measures are useful to investors in their assessment of our operating performance and the valuation of our company. In addition, these non-GAAP measures address questions we routinely receive from analysts and investors and, in order to ensure that all investors have access to similar data, we have determined that it is appropriate to make this data available to all investors. However, non-GAAP financial measures are not prepared in accordance with GAAP, as they exclude certain items as described below. Therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. In addition, EBITDA, Adjusted EBITDA (as reported), Adjusted EBITDA (as revised) and Adjusted EBITDA, as further adjusted, could differ in meaningful ways from the terms "Consolidated Adjusted EBITDA" and "Pro Forma Consolidated Adjusted EBITDA" as those terms are defined in the Credit Agreement and "Consolidated Cash Flow" as defined in the indenture.

EBITDA is net income attributable to the Company (its most directly comparable GAAP financial measure) adjusted for the following items: interest expense, net; provision for income taxes; and depreciation and amortization.

Adjusted EBITDA is EBITDA adjusted for certain items, as further described below. The Company has historically used Adjusted EBITDA to evaluate its performance. Following an evaluation of the Company's financial performance measures, new management of the Company identified certain new primary financial performance measures that it is now using to evaluate the Company's financial performance. One of those measures is Adjusted EBITDA, which the Company uses for both actual results and guidance purposes. Management of the Company believes that Adjusted EBITDA, along with the other new measures, most appropriately reflect how the Company measures the business internally and sets operational goals and incentives, especially in light of the Company's new strategies. In particular, the Company believes that Adjusted EBITDA focuses management on the Company's underlying operational results and business performance.

As a result, the Company is now using Adjusted EBITDA both to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Adjusted EBITDA is intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors. In addition, commencing in 2017, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA targets.

Adjusted EBITDA reflects the adjustments below:

Goodwill Impairment: The Company has excluded the impact of goodwill impairment. When the Company has made acquisitions where the consideration paid was in excess of the fair value of the net assets acquired, the remaining purchase price is booked as goodwill. For assets that we developed ourselves, no goodwill is booked. Goodwill is not amortized but is tested for impairment. Goodwill is impaired when an impairment test indicates that the implied fair value of the goodwill acquired has fallen below its carrying value. Management excludes these charges in measuring the performance of the Company and the business.

Restructuring and integration costs: Prior to 2016, the Company completed a number of acquisitions, which resulted in operating expenses which varied significantly from period to period and which would not otherwise have been incurred. The type, nature, size and frequency of the Company's acquisitions have varied considerably from period to period. As a result, the type and amount of the restructuring, integration and deal costs have also varied significantly from acquisition to acquisition. In addition, the costs associated with an acquisition varied significantly from quarter to quarter, with most costs generally decreasing over time. Consequently, given the variability and volatility of these costs from acquisition to acquisition and period to period and because these costs are incremental and directly related to the acquisition, the Company does not view these costs as normal operating expenses. Furthermore, due to the volatility of these costs and due to the fact that they are directly related to the acquisitions, the Company believes that such costs should be excluded when assessing or estimating the long-term performance of the acquired businesses or assets as part of the Company. Also, the size, complexity and/or volume of past acquisitions, which often drove the magnitude of such expenses, were not necessarily indicative of the size, complexity and/or volume of any future acquisitions. In addition, since 2016 and for the foreseeable future, while the Company has undertaken fewer acquisitions, the Company has incurred (and anticipates continuing to incur) additional restructuring costs as it implements its new strategies, which will involve, among other things, internal reorganizations and divestitures of assets and businesses. The amount, size and timing of these costs fluctuates, depending on the reorganization or transaction and, as a result, the Company does not believe that such costs (and their impact) are representative of the underlying business. In each case, by excluding these expenses from its non-GAAP measures, management believes it provided supplemental information that assisted investors with their evaluation of the Company's ability to utilize its existing assets and with its estimation of the long-term value that acquired assets would generate for the Company. Furthermore, the Company believes that the adjustments of these items provided supplemental information with regard to the sustainability of the Company's operating performance, allowed for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provided useful supplemental information to investors.

Acquired in-process research and development costs: The Company has excluded expenses associated with acquired in-process research and development, as these amounts are inconsistent in amount and frequency and are significantly impacted by the timing, size and nature of acquisitions. Furthermore, as these amounts are associated with research and development acquired, they are not a representation of the Company's research and development efforts during the period.

Asset Impairments: The Company has excluded the impact of impairments of finite-lived and indefinite-lived intangibles, as well as impairments of assets held for sale, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions and divestitures. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes intangible impairments from its non-GAAP expenses, the Company believes that it is important for investors to understand that intangible assets contribute to revenue generation.

Share-based compensation: The Company excludes the impact of costs relating to share-based compensation. The Company believes that the exclusion of share-based compensation expense assists investors in the comparisons of operating results to peer companies. Share-based compensation expense can vary significantly based on the timing, size and nature of awards granted.

Acquisition-related adjustments excluding amortization of intangible assets and depreciation expense: The Company has excluded the impact of acquisition-related contingent consideration non-cash adjustments due to the inherent uncertainty and volatility associated with such amounts based on changes in assumptions with respect to fair value estimates, and the amount and frequency of such adjustments is not consistent and is significantly impacted by the timing and size of the Company's acquisitions, as well as the nature of the agreed-upon consideration. In addition, the Company has excluded the impact of fair value inventory amortization step-up resulting from acquisitions as the amount and frequency of such adjustments are not consistent and are significantly impacted by the timing and size of its acquisitions.

Loss on extinguishment of debt: The Company has excluded loss on extinguishment of debt as this represents a cost of refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such charges are not consistent and are significantly impacted by the timing and size of debt financing transactions and other factors in the debt market out of management's control.

Foreign exchange and other: For periods prior to 2017, the Company excluded the impact of foreign currency fluctuations primarily related to intercompany financing arrangements in evaluating Company performance. As of the first quarter of 2017, Adjusted EBITDA no longer excludes foreign exchange gains and losses arising from intercompany transactions. Adjusted EBITDA (as revised) includes the foreign exchange gain/loss arising from intercompany transactions for all periods presented.

Other Non-GAAP Charges: The Company has excluded certain other amounts including integration related inventory and technology transfer costs, CEO termination costs, legal and other professional fees incurred in connection with recent legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices, litigation and other matters, net (gain)/loss on sale of assets, acquisition-related transaction costs and certain costs associated with the wind-down of the arrangements with Philidor Rx Services, LLC ("Philidor"). In addition, the Company has excluded certain other expenses that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. Given the unique nature of the matters relating to these costs, the Company believes these items are not normal operating expenses. For example, legal settlements and judgments vary significantly, in their nature, size and frequency, and, due to this volatility, the Company believes the costs associated with legal settlements and judgments are not normal

operating expenses. In addition, as opposed to more ordinary course matters, the Company considers that each of the recent proceedings, investigations and information requests, given their nature and frequency, are outside of the ordinary course and relate to unique circumstances. The Company believes that the exclusion of such out-of-the-ordinary-course amounts provides supplemental information to assist in the comparison of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. However, investors should understand that many of these costs could recur and that companies in our industry often face litigation.

Adjusted EBITDA, as further adjusted, is Adjusted EBITDA (as revised) after giving effect to the sale of the Company's CeraVe®, AcneFree™ and AMBI® skincare brands (the "Skincare Sale"), the sale of all outstanding equity interests in Dendreon Pharmaceuticals, LLC ("Dendreon" and such sale, the "Dendreon Sale"), the sale of our iNova Pharmaceuticals business ("iNova" and such sale, the "iNova Sale"), the sale of our Obagi Medical Products, Inc. business ("Obagi" and such sale, the "Obagi Sale") and the sale of our Sprout Pharmaceuticals, Inc. business ("Sprout") to a buyer affiliated with certain former shareholders of Sprout (the "Sprout Sale") in exchange for a 6% royalty on global sales of Addyi® (flibanserin 100 mg) beginning May 2019. The Skincare Sale was completed on March 3, 2017 and the Company no longer holds the rights to these three products. The CeraVe®, AcneFree™ and AMBI® skincare brands involved in the Skincare Sale contributed Adjusted EBITDA of approximately $15 million for the year ended December 31, 2017. The Dendreon Sale was completed on June 28, 2017 and this business contributed Adjusted EBITDA of approximately $65 million for the year ended December 31, 2017. The iNova Sale was completed on September 29, 2017, and this business contributed Adjusted EBITDA of approximately $100 million for the year ended December 31, 2017. The Obagi Sale was completed on November 9, 2017, and this business contributed Adjusted EBITDA of approximately $20 million for the year ended December 31, 2017. The Sprout Sale was completed on December 20, 2017, and this business generated Adjusted EBITDA of approximately $(30) million for the year ended December 31, 2017. We refer to these transactions as the "2017 Disposition Transactions."

Financial Information With Respect to Note Guarantors

In an offering registered with the SEC, Rule 3-10 of Regulation S-X would require the inclusion in the notes to our consolidated financial statements of consolidating balance sheets, statements of operations and comprehensive income and statements of cash flows for the Issuer, the guarantors and the non-guarantors. In lieu of the information that would be required by Rule 3-10 of Regulation S-X, we have included elsewhere certain quantitative data in respect of our non-guarantor subsidiaries. For so long as any notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

Where You Can Find More Information and Incorporation by Reference

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and also with the CSA. You may read and copy any of this information at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC also maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including the Company, who file electronically with the SEC. The address of that site is www.sec.gov. We file continuous and timely disclosure reports and other information under the CSA's System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

In this offering memorandum, we "incorporate by reference" certain information that we have filed with the SEC, which means that important information can be disclosed to you by referring to these documents. These documents contain important information about the Company, our financial condition and other matters:

- Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 28, 2018; and
- Current Report on Form 8-K filed on March 12, 2018.

In addition, we incorporate by reference any future filings we make with the SEC under Section 13(a), 13(c) or 15(d) of the Exchange Act after the date of this offering memorandum and before completion of this offering. These documents include periodic reports, such as Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, as well as proxy statements. Such documents are considered to be a part of this offering memorandum, effective as of the date such documents are filed. To the extent that any information contained in any such document, or any exhibit thereto, is furnished, rather than filed, with the SEC, such information or exhibit is specifically not incorporated by reference into this offering memorandum.

You can obtain any of the documents incorporated by reference into this offering memorandum from the SEC through the SEC's website at www.sec.gov. In addition, you can obtain any of the documents incorporated by reference into this offering memorandum from the CSA through SEDAR at www.sedar.com. We will also provide you with copies of these documents, without charge, upon written or oral request to:

Valeant Pharmaceuticals International, Inc.
2150 St. Elzéar Blvd. West
Laval, Quebec
Canada H7L 4A8
Attn: Investor Relations
Telephone: (514) 856-3855 / (877) 281-6642 (toll free)

In the event of conflicting information in this offering memorandum in comparison to any document incorporated by reference into this offering memorandum, or among documents incorporated by reference, the information in the latest filed document controls.

Special Note Regarding Forward-Looking Statements

To the extent any statements made in this offering memorandum and the documents incorporated by reference contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, and may be forward-looking information within the meaning defined under applicable Canadian securities legislation (collectively, "forward looking statements").

These forward-looking statements relate to, among other things: our business strategy, business plans and prospects, forecasts and changes thereto, product pipeline, prospective products or product approvals, product development and distribution plans, future performance or results of current and anticipated products; anticipated revenues for our products, including the Significant Seven; anticipated compounding growth in our Ortho Dermatologics business; expected R&D and marketing spend; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to reduce debt levels; the impact of our distribution, fulfillment and other third party arrangements; proposed pricing actions; exposure to foreign currency exchange rate changes and interest rate changes; the outcome of contingencies, such as litigation, subpoenas, investigations, reviews, audits and regulatory proceedings; general

market conditions; our expectations regarding our financial performance, including revenues, expenses, gross margins and income taxes; our ability to meet the financial and other covenants contained in our Credit Agreement (as defined below) and indentures; and our impairment assessments, including the assumptions used therein and the results thereof.Forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "should", "target", "potential", "opportunity", "tentative", "positioning", "designed", "create", "predict", "project", "forecast", "seek", "ongoing", "increase", or "upside" and variations or other similar expressions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we have indicated above certain of these statements set out herein, all of the statements in this offering memorandum and the documents incorporated by reference that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following:

- the expense, timing and outcome of legal and governmental proceedings, investigations and information requests relating to, among other matters, our distribution, marketing, pricing, disclosure and accounting practices (including with respect to our former relationship with Philidor Rx Services, LLC ("Philidor")), including pending investigations by the U.S. Attorney's Office for the District of Massachusetts, the U.S. Attorney's Office for the Southern District of New York and the State of North Carolina Department of Justice, the pending investigations by the SEC of the Company, the request for documents and information received by the Company from the Autorité des marchés financiers (the "AMF") (the Company's principal securities regulator in Canada), the pending investigation by the California Department of Insurance, a number of pending putative securities class action litigations in the U.S. (including related opt-out actions) and Canada and purported class actions under the federal RICO statute and other claims, investigations or proceedings that may be initiated or that may be asserted;
- potential additional litigation and regulatory investigations (and any costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom), negative publicity and reputational harm on our Company, products and business that may result from the ongoing public scrutiny of our distribution, marketing, pricing, disclosure and accounting practices and from our former relationship with Philidor, including any claims, proceedings, investigations and liabilities we may face as a result of any alleged wrongdoing by Philidor and/or its management and/or employees;
- the current scrutiny of our business practices including with respect to pricing (including the investigations by the U.S. Attorney's Offices for the District of Massachusetts and the Southern District of New York, and the State of North Carolina Department of Justice) and any pricing controls or price adjustments that may be sought or imposed on our products as a result thereof;

- pricing decisions that we have implemented, or may in the future elect to implement, whether as a result of recent scrutiny or otherwise, such as the decision of the Company to take no further price increases on our Nitropress® and Isuprel® products and to implement an enhanced rebate program for such products, our decision on the price of our Siliq™ product, the Patient Access and Pricing Committee's commitment that the average annual price increase for our branded prescription pharmaceutical products will be set at no greater than single digits and below the 5-year weighted average of the increases within the branded biopharmaceutical industry or any future pricing actions we may take following review by our Patient Access and Pricing Committee (which is responsible for the pricing of our drugs);
- legislative or policy efforts, including those that may be introduced and passed by the U.S. Congress, designed to reduce patient out-of-pocket costs for medicines, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);
- ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the U.S. Food and Drug Administration (the "FDA") and the results thereof;
- actions by the FDA or other regulatory authorities with respect to our products or facilities;
- our substantial debt (and potential additional future indebtedness) and current and future debt service obligations, our ability to reduce our outstanding debt levels and the resulting impact on our financial condition, cash flows and results of operations;
- our ability to meet the financial and other covenants contained in our Credit Agreement, indentures and other current or future debt agreements and the limitations, restrictions and prohibitions such covenants impose or may impose on the way we conduct our business, prohibitions on incurring additional debt if certain financial covenants are not met, limitations on the amount of additional debt we are able to incur where not prohibited, and restrictions on our ability to make certain investments and other restricted payments;
- any default under the terms of our senior notes indentures or Credit Agreement and our ability, if any, to cure or obtain waivers of such default;
- any delay in the filing of any future financial statements or other filings and any default under the terms of our senior notes indentures or Credit Agreement as a result of such delays;
- any further downgrade by rating agencies in our credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;
- any reductions in, or changes in the assumptions used in, our forecasts for fiscal year 2018 or beyond, which could lead to, among other things, (i) a failure to meet the financial and/or other covenants contained in our Credit Agreement and/or indentures, and/or (ii) impairment in the goodwill associated with certain of our reporting units or impairment charges related to certain of our products or other intangible assets, which impairments could be material;
- changes in the assumptions used in connection with our impairment analyses or assessments, which would lead to a change in such impairment analyses and assessments and which could result in an impairment in the goodwill associated with any of our reporting units or impairment charges related to certain of our products or other intangible assets;

- any additional divestitures of our assets or businesses and our ability to successfully complete any such divestitures on commercially reasonable terms and on a timely basis, or at all, and the impact of any such divestitures on our Company, including the reduction in the size or scope of our business or market share, loss of revenue, any loss on sale, including any resultant write-downs of goodwill, or any adverse tax consequences suffered as a result of any such divestitures;
- our shift in focus to much lower business development activity through acquisitions for the foreseeable future as we focus on reducing our outstanding debt levels and as a result of the restrictions imposed by our Credit Agreement that restrict us from, among other things, making acquisitions over an aggregate threshold (subject to certain exceptions) and from incurring debt to finance such acquisitions, until we achieve a specified leverage ratio;
- the uncertainties associated with the acquisition and launch of new products, including, but not limited to, our ability to provide the time, resources, expertise and costs required for the commercial launch of new products, the acceptance and demand for new pharmaceutical products, and the impact of competitive products and pricing, which could lead to material impairment charges;
- our ability to retain, motivate and recruit executives and other key employees, including subsequent to retention payments being paid out and as a result of the reputational challenges we face and may continue to face;
- our ability to implement effective succession planning for our executives and key employees;
- factors impacting our ability to achieve anticipated compounding growth in our Ortho Dermatologics business, including approval of pending and pipeline products (and the timing of such approvals), expected geographic expansion, changes in estimates on market potential for dermatology products and continued investment in and success of our sales force;
- factors impacting our ability to achieve anticipated revenues for our Significant Seven products, including the approval of pending products in the Significant Seven (and the timing of such approvals), changes in anticipated marketing spend on such products and launch of competing products;
- the challenges and difficulties associated with managing a large complex business, which has, in the past, grown rapidly;
- our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;
- our ability to effectively operate, stabilize and grow our businesses in light of the challenges that the Company currently faces, including with respect to its substantial debt, pending investigations and legal proceedings, scrutiny of our pricing, distribution and other practices, reputational harm and limitations on the way we conduct business imposed by the covenants in our Credit Agreement, indentures and the agreements governing our other indebtedness;
- the success of our fulfillment arrangements with Walgreen Co. ("Walgreens"), including market acceptance of, or market reaction to, such arrangements (including by customers, doctors, patients, pharmacy benefit managers ("PBMs"), third party payors

and governmental agencies), the continued compliance of such arrangements with applicable laws, and our ability to successfully negotiate any improvements to our arrangements with Walgreens;

- the extent to which our products are reimbursed by government authorities, PBMs and other third party payors; the impact our distribution, pricing and other practices (including as it relates to our current relationship with Walgreens) may have on the decisions of such government authorities, PBMs and other third party payors to reimburse our products; and the impact of obtaining or maintaining such reimbursement on the price and sales of our products;
- the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price and sales of our products in connection therewith;
- our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;
- the actions of our third party partners or service providers of research, development, manufacturing, marketing, distribution or other services, including their compliance with applicable laws and contracts, which actions may be beyond our control or influence, and the impact of such actions on our Company, including the impact to the Company of our former relationship with Philidor and any alleged legal or contractual non-compliance by Philidor;
- the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering and operating in new and different geographic markets (including the challenges created by new and different regulatory regimes in such countries and the need to comply with applicable anti-bribery and economic sanctions laws and regulations);
- adverse global economic conditions and credit markets and foreign currency exchange uncertainty and volatility in the countries in which we do business (such as the current or recent instability in Brazil, Russia, Ukraine, Argentina, Egypt, certain other countries in Africa and the Middle East, the devaluation of the Egyptian pound, and the adverse economic impact and related uncertainty caused by the United Kingdom's decision to leave the European Union (Brexit));
- our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property;
- the introduction of generic, biosimilar or other competitors of our branded products and other products, including the introduction of products that compete against our products that do not have patent or data exclusivity rights;
- if permitted under our Credit Agreement, and to the extent we elect to resume business development activities through acquisitions, our ability to identify, finance, acquire, close and integrate acquisition targets successfully and on a timely basis;
- factors relating to the acquisition and integration of the companies, businesses and products that have been acquired by the Company and that may in the future be acquired by the Company (if permitted under our Credit Agreement and to the extent we elect to resume business development activities through acquisitions), such as the time and resources required to integrate such companies, businesses and products, the difficulties associated with such integrations (including potential disruptions in sales activities and potential challenges with information technology systems integrations), the difficulties and challenges associated with entering into new business areas and new

geographic markets, the difficulties, challenges and costs associated with managing and integrating new facilities, equipment and other assets, the risks associated with the acquired companies, businesses and products and our ability to achieve the anticipated benefits and synergies from such acquisitions and integrations, including as a result of cost-rationalization and integration initiatives. Factors impacting the achievement of anticipated benefits and synergies may include greater than expected operating costs, the difficulty in eliminating certain duplicative costs, facilities and functions, and the outcome of many operational and strategic decisions;

- the expense, timing and outcome of pending or future legal and governmental proceedings, arbitrations, investigations, subpoenas, tax and other regulatory audits, reviews and regulatory proceedings against us or relating to us and settlements thereof;
- our ability to obtain components, raw materials or finished products supplied by third parties (some of which may be single-sourced) and other manufacturing and related supply difficulties, interruptions and delays;
- the disruption of delivery of our products and the routine flow of manufactured goods;
- economic factors over which the Company has no control, including changes in inflation, interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;
- interest rate risks associated with our floating rate debt borrowings;
- our ability to effectively distribute our products and the effectiveness and success of our distribution arrangements, including the impact of our arrangements with Walgreens;
- our ability to secure and maintain third party research, development, manufacturing, marketing or distribution arrangements;
- the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or recalls or withdrawals of products from the market;
- the mandatory or voluntary recall or withdrawal of our products from the market and the costs associated therewith;
- the availability of, and our ability to obtain and maintain, adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third party insurance or self-insurance;
- the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the FDA, Health Canada and similar agencies in other countries, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;
- the results of continuing safety and efficacy studies by industry and government agencies;
- the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as other factors impacting the commercial success of our products, which could lead to material impairment charges;
- the results of management reviews of our research and development portfolio (including following the receipt of clinical results or feedback from the FDA or other

regulatory authorities), which could result in terminations of specific projects which, in turn, could lead to material impairment charges;

- the seasonality of sales of certain of our products;
- declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;
- compliance by the Company or our third party partners and service providers (over whom we may have limited influence), or the failure of our Company or these third parties to comply, with health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and business practices (including with respect to pricing), worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations;
- the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Health Care Reform Act") and potential amendment thereof and other legislative and regulatory health care reforms in the countries in which we operate, including with respect to recent government inquiries on pricing;
- the impact of any changes in or reforms to the legislation, laws, rules, regulation and guidance that apply to the Company and its business and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to the Company or its businesses or products;
- the impact of changes in federal laws and policy under consideration by the Trump administration and Congress, including the effect that such changes will have on fiscal and tax policies, the potential revision of all or portions of the Health Care Reform Act, international trade agreements and policies and policy efforts designed to reduce patient out-of-pocket costs for medicines (which could result in new mandatory rebates and discounts or other pricing restrictions);
- illegal distribution or sale of counterfeit versions of our products; and
- interruptions, breakdowns or breaches in our information technology systems.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in our Annual Report on Form 10-K for the year ended December 31, 2017 under "Forward Looking Statements", and in the Company's other filings with the SEC and CSA. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this offering memorandum or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

SUMMARY

The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial statements (including the accompanying notes) appearing elsewhere in this offering memorandum or incorporated by reference herein. To understand this offering fully, you should read carefully the entire offering memorandum and the information incorporated by reference herein, including the section of this offering memorandum entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

All references in this offering memorandum to "$" are to U.S. dollars.

The Company

We are a global company whose mission is to improve people's lives with our health care products. We develop, manufacture and market a range of branded, generic and branded generic pharmaceuticals, medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment, and aesthetics devices) and over-the-counter ("OTC") products, primarily in the therapeutic areas of eye-health, gastroenterology and dermatology. We are delivering on our commitments as we build an innovative company dedicated to advancing global health.

The Company's portfolio of products falls into three reportable segments: (i) Bausch + Lomb/International, (ii) Branded Rx and (iii) U.S. Diversified Products.

- ***The Bausch + Lomb/International segment*** consists of: (i) sales in the U.S. of pharmaceutical products, OTC products and medical device products, primarily comprised of Bausch + Lomb products, with a focus on the Vision Care, Surgical, Consumer and Ophthalmology Rx products and (ii) sales in Canada, Europe, Asia, Australia and New Zealand, Latin America, Africa and the Middle East of branded pharmaceutical products, branded generic pharmaceutical products, OTC products, medical device products and Bausch + Lomb products.
- ***The Branded Rx segment*** consists of sales in the U.S. of: (i) Salix products (gastrointestinal ("GI") products), (ii) Ortho Dermatologics (dermatological products) and (iii) oncology (or Dendreon), dentistry and women's health products (or Sprout). As a result of the divestiture of the Company's equity interest in Dendreon Pharmaceuticals LLC on June 28, 2017 and Sprout Pharmaceuticals, Inc. on December 20, 2017, the Company has exited the oncology and women's health business, respectively.
- ***The U.S. Diversified Products segment*** consists of sales in the U.S. of: (i) pharmaceutical products, OTC products and medical device products in the areas of neurology and certain other therapeutic classes, including aesthetics which includes the Solta business and the Obagi business (the Obagi Sale was completed on November 9, 2017) and (ii) authorized generic products.

We are focused on the therapeutic areas of eye-health, gastroenterology and dermatology which we believe have the potential for strong operating margins and offer growth opportunities. We identify these businesses as "core", meaning that we believe we are best positioned to grow and develop them. Through our output-focused R&D model, we have advanced certain development programs to drive commercial growth, while creating efficiencies in our R&D efforts and expenses. These R&D projects include certain products that we have dubbed our "Significant Seven," which are products recently launched or expected to launch in the near term pending completion of testing and receiving FDA approval. Our

Significant Seven are: (i) Vyzulta™ (Bausch + Lomb), (ii) Siliq™ (psoriasis), (iii) Jemdel™ (psoriasis), (iv) Lumify™ (Bausch + Lomb), (v) Duobrii™ (psoriasis), (vi) Relistor® (GI) and (vii) the Bausch + Lomb ULTRA® product lines (Bausch + Lomb).

Our Transformation

Prior to 2016, we had completed a series of mergers and acquisitions which were in-line with the Company's previous strategy for growth. However, in response to changing business dynamics within our Company, we recognized the need to change our focus in order to build a world-class health care organization. In 2016, we retained a new executive team which immediately implemented a multi-year plan to stabilize, turnaround and transform the Company.

Stabilize

In 2016 the new executive team: (i) identified and retained a new leadership team, (ii) enhanced the Company's focus on core assets, which enabled the Company to recruit and retain stronger talent for its sales initiatives and (iii) realigned the Company's operations to improve transparency and operational efficiency and better support the Company's sales force. Once in place, the new leadership team began executing on the turnaround phase of the multi-year action plan and delivering on commitments to narrow the Company's activities to our core businesses where we believe we have an existing and sustainable competitive edge and to identify opportunities to improve operational efficiencies and our capital structure.

Turnaround

Throughout 2017 and into 2018, the Company continues to execute on its commitments to stabilize and turnaround the Company. During this time, we: (i) have better defined our core businesses, (ii) made measurable progress in improving our capital structure and (iii) have been aggressively addressing and resolving certain legacy matters to eliminate disruptions to our operations.

Focus on Core Businesses

We have found and continue to believe that there is significant opportunity in the: (i) eye-health, (ii) GI and (iii) dermatology businesses. We believe that our existing portfolio, commercial footprint and pipeline of product development projects position us to successfully compete in these markets and provide us with the greatest opportunity to build value for our shareholders. We identify these businesses as "core", meaning that we believe we are best positioned to grow and develop them. By narrowing our focus, we have the opportunity to reduce complexity in our operations and maximize the value of our core businesses. In order to focus our efforts, we performed a review of our portfolio of assets within these core businesses to identify those products where we believe we have, and can maintain, a competitive advantage and we continue to define and shape our operations and business strategies around these assets.

Once we committed to our core businesses, we began analyzing what to do with those business units and assets that fall outside our definition of "core". In order to focus on our objectives, we began divesting businesses and assets, which in each case, were not aligned with our core business objectives. This step not only allowed us to better focus our internal resources on our eye-health, GI and dermatology businesses, but also provided us with significant sources of capital which we used to reduce our debt and improve our capital structure.

As a result of the focus on our core businesses and the divestitures of businesses not aligned with our core business objectives, as well as reduced sales of products in other segments due to the loss of exclusivity, we are seeing a greater portion of our revenues driven

by our core businesses. In 2017 and 2016, our Bausch + Lomb, GI and dermatology revenues collectively represented approximately 66% and 62% of our total revenues, respectively. We expect this percentage to increase in 2018, as our recent and expected product launches are focused on these core businesses and the year-on-year comparison to widen as a result of the impact of 2017 divestitures of non-core businesses. The increase in this percentage demonstrates our convictions in these businesses.

Begin Redirecting the Allocation of Capital to Drive Growth

The ranking of our business units during 2016 changed our view of how capital should be allocated across our activities. In support of our core activities, our leadership team aggressively reallocated resources to: (i) promote our core businesses, (ii) make strategic investments in our infrastructure and (iii) direct R&D to our Bausch + Lomb, GI and dermatology businesses to drive growth. The outcome of this process allows us to better drive value in our product portfolio and generate operational efficiencies.

Promotion of our Core Businesses

To position the Company to drive the value of our core assets, we made a number of leadership changes and took steps to increase our promotional and sales force efforts, particularly in our GI and dermatology businesses.

In support of our GI business, we initiated a significant sales force expansion program in December 2016 to reach potential primary care physician ("PCP") prescribers of Xifaxan® for irritable bowel syndrome with diarrhea ("IBS-D") and Relistor® tablets for opioid induced constipation ("OIC"). In the first quarter of 2017, we hired approximately 250 trained and experienced sales force representatives and managers to create, bolster and sustain deep relationships with PCPs. With approximately 70% of IBS-D patients initially presenting symptoms to a PCP, we believe that the dedicated PCP sales force will be positioned to reach more patients in need of IBS-D treatment. The investment in these additional sales resources, including an increase in associated promotional costs, was in excess of $50 million in 2017. We consider these amounts well spent as they have allowed us to better capitalize on the potential of Xifaxan®. In addition, we have expanded our dedicated pain sales representatives to strengthen our position in the OIC market, and established a nurse educator team to educate clinical staff within top institutions.

Strategic Investments in our Infrastructure

In support of our core businesses we have and continue to make strategic investments in our infrastructure, with the most significant investments seen at our Waterford facility in Ireland and our Rochester facility in New York. The investments at these facilities were made primarily in support of our Biotrue® ONEday and Bausch + Lomb ULTRA® contact lens businesses globally and our Bausch + Lomb Aqualox® contact lens business in Japan.

Direct R&D Investment to our Bausch + Lomb, GI and Dermatology Businesses to Drive Growth

Our R&D organization focuses on the development of products through clinical trials. Currently, we have approximately 100 R&D projects in our global pipeline, and we launched and/or relaunched over 120 products globally during 2017. As of December 31, 2017, approximately 1,000 dedicated R&D and quality assurance employees in 23 R&D facilities were involved in our R&D efforts. Although R&D expense in 2017 was lower when compared to 2016

by $60 million, R&D expense as a percentage of revenue was approximately 4% in 2017 and 2016. The decrease in dollars spent in 2017 is attributable to year over year phasing, as we completed the R&D investment in Siliq™ and other recently launched products requiring investment in 2016, removed projects related to businesses divested in 2017 and rebalanced our portfolio to better align with our long-term plans and focus on our Bausch + Lomb, GI and dermatology businesses.

Our investment in R&D reflects our commitment to drive organic growth through internal development of new products, a pillar of our new strategy. In 2018, we anticipate R&D expense as a percentage of revenue to exceed 4%, which demonstrates our consistent commitment to our organic growth supported by investment in R&D strategy. In the U.S. alone, we have 71 projects focused on our core businesses in our pipeline and anticipate submitting over 60% of those projects for FDA approval in 2018 and 2019.

Core assets that have received a significant portion of our R&D investment are listed below:

- *Dermatology*—Duobrii™ (provisional name), under development as IDP-118, is the first and only topical lotion that contains a unique combination of halobetasol propionate and tazarotene for the treatment of moderate-to-severe plaque psoriasis in adults. Halobetasol propionate and tazarotene are each approved to treat plaque psoriasis when used separately, but are limited in duration of use. Halobetasol propionate may be used for up to two weeks and tazarotene may be limited due to irritation. Based on existing data from clinical studies, the combination of these ingredients in Duobrii™ with a dual mechanism of action, potentially allows for expanded duration of use, with reduced adverse events. On November 2, 2017, we announced that the FDA accepted for review our New Drug Application ("NDA") for Duobrii™ and set a Prescription Drug User Fee Act ("PDUFA") action date of June 18, 2018.
- *Dermatology*—Jemdel™ (provisional name), under development as IDP-122, is a novel product that contains a unique, lower concentration of halobetasol propionate for the treatment of moderate-to-severe psoriasis. Halobetasol propionate is approved to treat plaque psoriasis, but is limited in duration of use. Based on existing data from clinical studies, this novel formulation potentially allows for expanded duration of use. On February 14, 2018, we announced that the FDA accepted for review our NDA for Jemdel™ and set a PDUFA action date of October 5, 2018.
- *Bausch + Lomb*—Bausch + Lomb ULTRA® for Astigmatism is a monthly planned replacement contact lens for astigmatic patients. The Bausch + Lomb ULTRA® for Astigmatism lens was developed using the proprietary MoistureSeal® technology. In addition, the Bausch + Lomb ULTRA® for Astigmatism lens integrates an OpticAlign™ design engineered for lens stability and to promote a successful wearing experience for the astigmatic patient. We launched this product and the extended power range for this product in 2017.
- *Dermatology*—On July 27, 2017, we launched Siliq™ in the U.S. Siliq™ is an IL-17 receptor blocker monoclonal antibody biologic for treatment of moderate-to-severe plaque psoriasis, which we estimate to be an over $5,000 million market in the U.S. The FDA approved the Biologics License Application ("BLA") for Siliq™ injection for subcutaneous use for the treatment of moderate-to-severe plaque psoriasis in adult patients who are candidates for systemic therapy or phototherapy and have failed to respond or have lost response to other systemic therapies. Siliq™ has a Black Box Warning for the risks in patients with a history of suicidal thoughts or behavior and was approved with a Risk Evaluation and Mitigation Strategy involving a one-time enrollment for physicians and one-time informed consent for patients.

- *Bausch + Lomb*—Vyzulta™ (latanoprostene bunod ophthalmic solution, 0.024%) is an intraocular pressure lowering single-agent eye drop dosed once daily for patients with open angle glaucoma or ocular hypertension and was launched in December 2017.
- *Dermatology*—IDP-126 is an acne product with a fixed combination of benzoyl peroxide, clindamycin phosphate and adapalene, currently in Phase 2 testing.
- *Bausch + Lomb*—Lumify™ (brimonidine tartrate ophthalmic solution, 0.025%) eye drops was developed as an ocular redness reliever and was approved by the FDA in December 2017 and is expected to launch in April 2018.
- *Gastrointestinal*—A new formulation of rifaximin, which we acquired as part of the Salix Acquisition, is in progress.
- *Dermatology*—Altreno™ (provisional name) is the first lotion (rather than a gel or cream) product containing tretinoin for the treatment of acne. The FDA has accepted for review our NDA for Altreno™ and set a PDUFA action date of August 27, 2018.
- *Dermatology*—IDP-120 is an acne product with a fixed combination of mutually incompatible ingredients; benzoyl peroxide and tretinoin. We plan to begin Phase 3 testing of this product in the first half of 2018.
- *Dermatology*—IDP-123 is an acne product containing lower concentration of tazarotene in a lotion form to help reduce irritation while keeping efficacy, currently in Phase 3 testing.
- *Gastrointestinal*—NER1006 (provisionally named Plenvu®) is a novel, lower-volume polyethylene glycol-based bowel preparation that has been developed to help provide complete bowel cleansing, with an additional focus on the ascending colon. NER1006 was licensed to Salix in August 2016 by Norgine B.V. In June 2017, we announced that the FDA accepted for review our NDA for NER1006. In February 2018, we announced that the FDA had extended the PDUFA action date to May 13, 2018 to allow the FDA more time to review additional data that we had recently provided at its request. We continue to expect a FDA decision in 2018.
- *Bausch + Lomb*—In April 2017, we launched our Stellaris Elite™ Vision Enhancement System. The Stellaris Elite™ Vision Enhancement System is our next generation phacoemulsification cataract platform, which offers new innovations, as well as the opportunity to add upgrades and enhancements every one to two years. Stellaris Elite™ is the first phacoemulsification platform on the market to offer Adaptive Fluidics™, which combines aspiration control with predictive infusion management to create a responsive and controlled surgical environment for efficient cataract lens removal.
- *Bausch + Lomb*—Vitesse™ is a hypersonic vitrectomy system for the removal of the vitreous humor gel that fills the eye cavity to provide better access to the retina and allow for a variety of repairs, including the removal of scar tissue, laser repair of retinal detachments and treatment of macular holes. Available exclusively on the Stellaris Elite system, Vitesse™ liquefies tissue in a highly-localized zone at the edge of the port to increase the level of surgical control and precision to vitrectomies. We launched this product on a limited basis in October 2017.
- *Dermatology*—Next Generation Thermage FLX™ is a fourth-generation non-invasive treatment option using a radiofrequency platform designed to optimize key functional characteristics, expand clinical indication set and improve patient outcomes. On September 22, 2017, we received 510(k) clearance from the FDA and launched this product on a limited basis as part of our Solta business.
- *Bausch + Lomb*—We have filed a Premarket Approval application with the FDA on October 31, 2017 for 7-day extended wear for our Bausch + Lomb ULTRA® monthly planned replacement contact lenses.

- *Bausch + Lomb*—Biotrue® ONEday for Astigmatism is a daily disposable contact lens for astigmatic patients. The Biotrue® ONEday lenses incorporates Surface Active Technology™ to provide a dehydration barrier. The Biotrue® ONEday for Astigmatism also includes evolved peri-ballast geometry to deliver stability and comfort for the astigmatic patient. We launched this product in December 2016 and launched the complete extended power range in 2017.
- *Bausch + Lomb*—Bausch + Lomb ULTRA® for Presbyopia is a monthly planned replacement contact lens for presbyopic patients. The Bausch + Lomb ULTRA® for Presbyopia lens was developed using the proprietary MoistureSeal® technology. In addition, the Bausch + Lomb ULTRA® for Presbyopia lens integrates a 3 zone progressive design for near, intermediate and distance vision. We launched expanded parameters of this product throughout 2017.
- *Bausch + Lomb*—Bausch + Lomb ScleralFil® solution is a novel contact lens care solution that makes use of a preservative free buffered saline solution for use with the insertion of scleral lenses and was launched in 2017.
- *Bausch + Lomb*—Bausch + Lomb Renu® Advanced Formula multi-purpose solution is a novel soft and silicone hydrogel contact lens solution that makes use of three disinfectants and two moisture agents and was launched in May 2017.
- *Bausch + Lomb*—We are developing a new Ophthalmic Viscosurgical Device product, with a formulation to protect corneal endothelium during Phaco emulsification process during a cataract surgery and to help chamber maintenance and lubrication during interocular lens delivery. The planned investigative device exemption ("IDE") study is scheduled to begin in the first half of 2018.
- *Dermatology*—Traser™ is an energy-based platform device with significant versatility and power capabilities to address various dermatological conditions, including vascular and pigmented lesions. We are planning to launch this product in the second half of 2019 as part of our Solta business.
- *Bausch + Lomb*—Loteprednol Gel 0.38% is a new formulation for the treatment of post-operative ocular inflammation and pain with lower drug concentration and less frequent dosing. We have completed Phase III testing and expect to file an NDA for this product in the first half of 2018.
- *Bausch + Lomb*—enVista® Trifocal intraocular lens is an innovative lens design and expect to initiate an IDE study for this product in 2018.

Improve Capital Structure

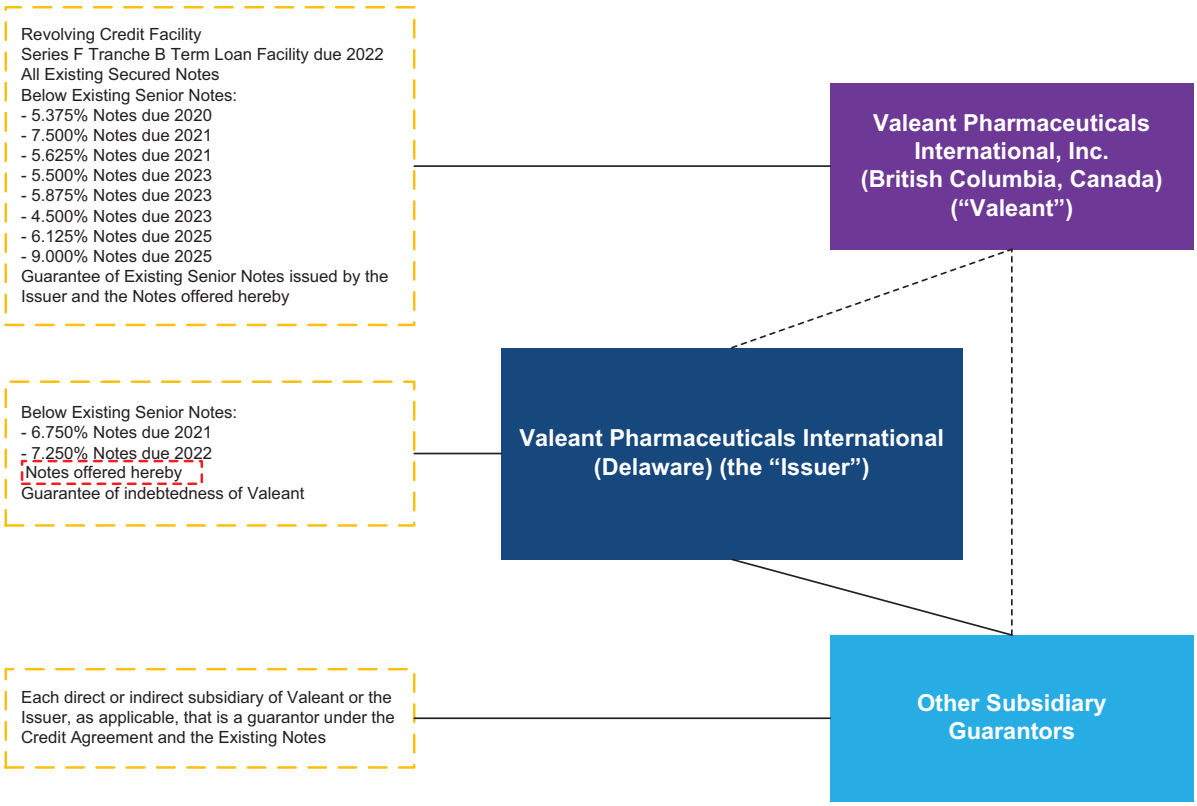
By executing our strategies during 2017, we have made measurable progress in improving our capital structure through debt reduction and extending debt maturities. Using cash generated from operations, the net cash proceeds from divestitures of non-core assets and cash generated from tighter working capital management, we repaid (net of additional borrowings) over $5,800 million of long-term debt during 2017 and 2016, in the aggregate. In January 2018, we also made the Term Loan Repayment (as defined below). See "—Recent Developments."

We accessed the credit markets in March, October, November and December of 2017, and completed a series of refinancing transactions to improve our capital structure, whereby we extended the maturities of certain debt obligations originally scheduled to mature in the years 2018 through 2022 out to March 2022 through December 2025. Furthermore, we extended $1,190 million of commitments under our Revolving Credit Facility, originally set to expire in April 2018, out to April 2020.

As a result of these debt repayments and refinancing transactions, we have eliminated all mandatory scheduled principal long-term debt repayments through March 2020, providing us with additional liquidity and greater flexibility to execute our business plans. Our reduced debt levels and improved debt portfolio will translate to lower payments of principal over the next three years, which, in turn, will permit more cash flow to be directed toward developing our core assets and repaying additional debt amounts.

Organizational Structure

The following chart summarizes our organizational structure and our principal indebtedness immediately following the Recent Development Transactions and the Transactions (each as defined below). This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with, or obligations of, the Issuer or Valeant.



Recent Developments

During 2017, $77 million was deposited with a bank as collateral to secure a bank guarantee for the benefit of the Australian Government in connection with a notice of assessment received on August 8, 2017 from the Australian Taxation Office. On January 9, 2018, the collateral of $77 million, accounted for as restricted cash, was returned to the Company in exchange for a $77 million letter of credit issued under our Revolving Credit Facility (as defined herein) (the "Letter of Credit Issuance").

On January 30, 2018, we made a $200 million payment of our Series F Tranche B Term Loan Facility due 2022 (the "Term Loan Repayment"), which we directed to be applied to satisfy (in part) payment of the expected $206 million Consolidated Excess Cash Flow (as defined in the Credit Agreement) payment for 2017. Under our Credit Facilities (as defined below), subject to certain exceptions and reductions, we are required to make mandatory annual principal prepayments equal to 50% of the Company's Consolidated Excess Cash Flow, if any, as defined in the Credit Agreement. See "Description of Other Indebtedness—Credit Facilities."

On February 28, 2018, the Issuer issued an irrevocable notice of redemption for the remaining $71 million principal amount of outstanding 7.000% Senior Notes due 2020 to be redeemed in full on March 30, 2018 using cash on hand in an amount equal to the remaining principal amount plus accrued but unpaid interest and a redemption premium (the "2020 Note Redemption").

We refer to the Letter of Credit Issuance, the Term Loan Repayment and the 2020 Note Redemption as the "Recent Development Transactions."

Tender Offer

On March 12, 2018, the Issuer commenced an offer (the "6.375% offer") to purchase its outstanding 6.375% Senior Notes due 2020, the Parent commenced an offer (the "VPII Tender Offer") to purchase its outstanding 5.375% Senior Notes due 2020, and the Issuer commenced an offer (the "6.750% offer" and, together with the 6.375% offer, the "VPI Tender Offer") to purchase its outstanding 6.750% Senior Notes due 2021 (collectively, the "Tender Offer Notes"). The offers to purchase the Tender Offer Notes are collectively referred to as the "Tender Offer." The Tender Offer will be limited in an amount of up to $1,250 million aggregate principal amount across the Tender Offer Notes, as determined in accordance with the terms and conditions of the Tender Offer. We intend to use the net proceeds from this offering, in addition to cash on hand, to fund the purchase of notes validly tendered and accepted for payment in the Tender Offer. We cannot assure you that the Tender Offer will be completed on the terms described in this Offering Memorandum, or at all. Nothing in this Offering Memorandum should be construed as an offer to purchase any of our outstanding notes. The Tender Offer is being made only upon the terms and conditions set forth in the related offer to purchase and letter of transmittal. See "Use of Proceeds" and "Capitalization."

The Tender Offer is scheduled to expire at 11:59 p.m., New York City time, on April 9, 2018 (the "Expiration Date"), unless extended or earlier terminated. We may elect, after 5:00 p.m., New York City time, on March 23, 2018 (the "Early Tender Deadline") to accept for purchase at any time all Tender Offer Notes validly tendered (and not validly withdrawn) on or before the Early Tender Deadline. We have reserved the right, but are under no obligation, to increase or decrease the total amount of the Tender Offer Notes purchased in the Tender Offer. The Tender Offer is subject to the satisfaction of certain conditions, including, but not limited to, the consummation of this offering. This offering is not contingent on the consummation of the Tender Offer. To the extent less than $1,250 million of the Tender Offer Notes are tendered in the Tender Offer, we would redeem a portion of our outstanding notes for a total aggregate repurchase (including under the Tender Offer) of $1,250 million following the closing of this offering.

We refer to this offering collectively with the Tender Offer as the "Transactions."

The Offering

The following summary contains basic information about the notes. For a more complete understanding of the notes and this offering, see "Description of the Notes."

Issuer	Valeant Pharmaceuticals International, a Delaware corporation (the "Issuer"), and wholly-owned indirect subsidiary of Valeant Pharmaceuticals International, Inc. ("Valeant" or the "Parent").
Notes Offered	$1,250,000,000 aggregate principal amount of % Senior Notes due 2026.
Maturity Date	The notes will mature on , 2026.
Interest	The notes will bear interest at a rate of % per annum payable semi-annually on and of each year, commencing , 2018.
Guarantees	The notes will initially be jointly and severally guaranteed on a senior unsecured basis by the Parent and each of the Parent's subsidiaries (other than the Issuer) that is a guarantor under the Credit Agreement, the Existing Secured Notes and our existing senior unsecured notes (the "Existing Senior Notes" and, together with the Existing Secured Notes, the "Existing Notes"). The guarantee of any subsidiary may be released under certain circumstances as described under "Description of the Notes—Note Guarantees." Certain Note Guarantees may be subject to certain limitations. See "Risk Factors—Each guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability. Applicable U.S. and Canadian laws allow courts, under certain circumstances, to void the notes or the guarantees and any related security or take other actions detrimental to the holders of the notes such that the resources of the Issuer and the Note Guarantors may not be available to make payments in respect of the notes."
Ranking	The notes and the guarantees will be senior unsecured obligations of the Issuer and the Note Guarantors. Accordingly, they will: • be effectively subordinated to all existing and future secured indebtedness of the Issuer and the Note Guarantors, to the extent of the value of the collateral;

	• rank equally in right of payment with all existing and future unsubordinated indebtedness of the Issuer and the Note Guarantors; • senior in right of payment to all indebtedness of the Issuer and the Note Guarantors that expressly provides for its subordination to the notes; • structurally subordinated to the liabilities of any of the Issuer's subsidiaries that do not guarantee the notes to the extent of the value of such subsidiaries' assets. As of December 31, 2017, after giving effect to the Recent Development Transactions and the Transactions, the Issuer and the Note Guarantors (including the Parent) would have had (i) $8.6 billion aggregate principal amount of secured indebtedness outstanding, (ii) $16.9 billion aggregate principal amount of senior unsecured indebtedness outstanding and (iii) approximately $1.1 billion would have been available for borrowing under the Revolving Credit Facility (as defined herein), after adjusting for outstanding standby letters of credit. As of December 31, 2017, we have no subordinated debt outstanding. In addition, the notes and the guarantees will be structurally junior in right of payment to all liabilities of the Parent's non-guarantor subsidiaries. As of December 31, 2017, on a non-consolidated basis, the Parent's non-guarantor subsidiaries had an aggregate of $3.2 billion of assets and $1.4 billion of liabilities.
Optional Redemption of the Notes	The notes will be redeemable, in whole or in part, at any time on or after , 2022 at the redemption prices set forth in this offering memorandum. In addition, the notes may be redeemed, in whole or in part, prior to , 2022 at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of redemption plus a "make-whole" premium as described under "Description of the Notes—Optional Redemption." At any time prior to , 2021 up to 40% of the aggregate amount of the notes may be redeemed with the net proceeds of certain equity offerings at the redemption price set forth under "Description of the Notes—Optional Redemption," plus accrued and unpaid interest to, but not including, the date of redemption.
Change of Control	Upon the occurrence of a change of control (as defined herein), unless the Issuer has exercised its right to redeem all of the notes as described above, holders of the notes may require the Issuer to repurchase such holder's notes,

	in whole or in part, at a purchase price equal to 101% of the principal amount of such series plus accrued and unpaid interest to, but not including, the purchase date applicable to the notes.
Asset Sale Proceeds	If we or our restricted subsidiaries engage in certain asset sales, we must either prepay certain debt, invest the net cash proceeds from such sales in our business within a specified period of time or make an offer to purchase a principal amount of notes equal to the excess net cash proceeds of such asset sale, subject to certain exceptions. The purchase price of the notes purchased will be 100% of their principal amount, plus accrued and unpaid interest to, but not including, the repurchase date, and shall be payable in cash, as described under the heading "Description of the Notes—Repurchase at the Option of Holders—Asset Sales."
Certain Covenants	The indenture governing the notes will contain covenants that, among other things, limit the ability of the Parent and its restricted subsidiaries (including the Issuer) to: • incur or guarantee additional indebtedness; • make certain investments and other restricted payments; • create liens; • enter into transactions with affiliates; • engage in mergers, consolidations or amalgamations; and • transfer and sell assets. These covenants are subject to a number of important limitations and exceptions. At any time the notes are rated investment grade, certain covenants will no longer be in effect for the remaining term of the notes. See "Description of the Notes—Certain Covenants—Changes in Covenants When Notes Rated Investment Grade."
Additional Amounts	In the event that certain taxes are payable in respect of payments under or with respect to the guarantees, the Parent or the applicable Note Guarantor, other than Note Guarantors organized in the United States, any state thereof or the District of Columbia, as the case may be, will, subject to certain exceptions, pay such additional amounts as will result, after deduction or withholding of such taxes, in holders or beneficial owners of notes receiving the amounts which such holder or beneficial owners of notes would have received in respect of the

	notes and the guarantees, respectively, had no such withholding or deduction been required. See "Description of the Notes—Payment of Additional Amounts."
Governing Law	The notes, the guarantees and the indenture governing the notes will be governed by the law of the State of New York.
Transfer Restrictions	The notes have not been and are not required to be registered under the Securities Act or any state securities laws. We do not intend to register the notes. Unless they are registered, the notes 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 and applicable state securities laws. The notes have not been and will not be qualified for sale to the public by prospectus under the securities laws of any province or territory of Canada. The notes initially sold to investors in Canada are subject to restrictions on transfer in Canada and may not be sold or transferred directly or indirectly except in compliance with applicable securities laws of any province or territory of Canada. These resale restrictions may in some circumstances apply to resales made outside of Canada. See "Transfer Restrictions." Additionally, the indenture that will govern the notes offered hereby will not be subject to the provisions of the Trust Indenture Act of 1939, as amended (the "TIA").
Use of Proceeds	The Issuer intends to use the net proceeds of this offering, along with cash on hand, to fund the Tender Offer by the Parent and the Issuer for $1,250 million aggregate principal amount of the Tender Offer Notes. To the extent less than $1,250 million of the Tender Offer Notes are tendered in the Tender Offer, we will redeem a portion of our outstanding notes with the net proceeds of this offering for a total aggregate repurchase (including under the Tender Offer) of $1,250 million following the closing of this offering. See "Use of Proceeds." See "—Recent Developments—Tender Offer." The Initial Purchasers and/or their respective affiliates may hold Tender Offer Notes, and the Initial Purchasers and/or their respective affiliates may therefore receive a portion of the proceeds of this offering. See "Use of Proceeds" and "Plan of Distribution."
No Prior Market	There is no public trading market for the notes, and we do not intend to apply for a listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. See "Risk Factors—Risks Relating to the Notes—There is no established trading market for the notes. If an actual trading market

	does not develop for the notes, you may not be able to resell them quickly, for the price that you paid or at all."
Trustee, Registrar, Transfer Agent and Paying Agent	The Bank of New York Mellon.
Risk Factors	Investing in the notes involves substantial risk. See the section entitled "Risk Factors" for a discussion of certain factors that you should carefully consider before investing in the notes.

Summary Historical Consolidated Financial and Other Information

The summary historical consolidated statements of operations information for the years ended December 31, 2015, 2016 and 2017 and the summary historical consolidated balance sheet information as of December 31, 2016 and 2017 has been derived from the audited consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated by reference in this offering memorandum. The summary historical consolidated balance sheet information as of December 31, 2015 has been derived from our audited consolidated financial statements not included or incorporated by reference in this offering memorandum.

The credit statistics information set out below has been derived from our historical financial information but has been adjusted to reflect the 2017 Disposition Transactions, the Recent Development Transactions and the Transactions and to present the face value of debt, before reduction for unamortized discount and debt issuance costs. See "Capitalization" for further details.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of the Company, and you should read the following information in conjunction with the information appearing under "Risk Factors" in this offering memorandum, and in conjunction with our consolidated financial statements and the related notes incorporated by reference in this offering memorandum. See "Where You Can Find More Information and Incorporation by Reference."

	Years Ended December 31,		
	2017(1)	2016(1)	2015(1)
		(audited)	
Statement of Operations Information			
Product sales	$ 8,595	$ 9,536	$10,292
Other revenues	129	138	155
Total revenues	8,724	9,674	10,447
Expenses:			
Cost of goods sold (exclusive of amortization and impairments of intangible assets)	2,506	2,572	2,532
Cost of other revenues	42	39	53
Selling, general and administrative	2,582	2,810	2,700
Research and development	361	421	334
Amortization of intangible assets	2,690	2,673	2,257
Goodwill impairments	312	1,077	—
Asset impairments	714	422	304
Restructuring and integration costs	52	132	362
Acquired in-process research and development costs	5	34	106
Acquisition-related contingent consideration	(289)	(13)	(23)
Other (income) expense(2)	(353)	73	295
	8,622	10,240	8,920
Operating income (loss)	102	(566)	1,527
Interest expense, net	(1,828)	(1,828)	(1,559)
Loss on extinguishment of debt	(122)	—	(20)
Foreign exchange and other	107	(41)	(103)
Loss before (benefit from) provision for income taxes	(1,741)	(2,435)	(155)
(Benefit from) provision for income taxes	(4,145)	(27)	133
Net income (loss)	2,404	(2,408)	(288)
Less: Net income attributable to noncontrolling interest	—	1	4
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	$ 2,404	$ (2,409)	$ (292)

	Years Ended December 31,		
	2017(1)	2016(1)	2015(1)
		(audited)	
Balance Sheet Information (at end of period)			
Cash and cash equivalents	$ 720	$ 542	$ 597
Restricted cash(3)	77	—	—
Total assets	37,497	43,529	48,965
Long-term debt including current portion(4)	25,444	29,846	31,088
Secured debt(4)	8,609	10,646	11,870
Equity	5,944	3,258	6,029
Other Information			
Capital expenditures	$ 171	$ 235	$ 235
EBITDA(5)	2,945	2,258	3,867
Adjusted EBITDA (as revised)(5)	3,638	4,291	5,274
Adjusted EBITDA, as further adjusted(5)(6)	3,468		
Credit Statistics (as adjusted)(7)			
Cash and cash equivalents	490		
Restricted cash	—		
Total debt, at face value	25,481		
Total secured debt, at face value	8,571		
Ratio of net total debt to Adjusted EBITDA, as further adjusted(5)(6)(8)	7.2x		
Ratio of net secured debt to Adjusted EBITDA, as further adjusted(5)(6)(8)	2.3x		

(1) Amounts for 2015, 2016 and 2017 include the impact of several acquisitions of businesses, including the impact of the Salix, Amoun Pharmaceutical Company S.A.E. ("Amoun") and Sprout acquisitions and the acquisitions of certain assets from Dendreon Corporation and Marathon Pharmaceuticals, LLC that occurred in 2015. For more information regarding the Company's acquisitions, see note 3 of the notes to consolidated financial statements in Item 15 of our Annual Report on Form 10-K for the year ended December 31, 2017 incorporated by reference herein. Amounts for 2016 include the impact of several divestitures, including the Ruconest® commercialization rights divestiture and the divestiture of Paragon Holdings I, Inc. ("Paragon"). Amounts for 2017 include the impact of several divestitures, including the 2017 Disposition Transactions. For more information regarding the Company's divestitures, see Note 4 to our audited consolidated financial statements in Item 15 of our Annual Report on Form 10-K for the year ended December 31, 2017 incorporated by reference herein.

(2) Amount for 2015 includes (i) post-combination expenses of $168 million related to the acceleration of unvested restricted stock for Salix employees (including $3 million of related payroll taxes) in connection with the Salix acquisition, (ii) a legal-related charge of $25 million related to the AntiGrippin® litigation, and (iii) a post-combination expense of $12 million related to bonuses paid to Amoun employees. Amount for 2016 includes a loss on litigation settlements that includes (i) an unfavorable adjustment of $90 million related to the proposed settlement of the Salix securities litigation and (ii) a favorable adjustment of $39 million related to the settlement of the investigation into Salix's pre-acquisition sales and promotional practices for the Xifaxan®, Relistor® and Apriso® products. Amount for 2016 also includes (i) a gain of $20 million related to an amendment to a license agreement terminating the Company's right to develop and commercialize brodalumab in Europe and (ii) a loss of $22 million related to the divestiture of Ruconest®. Amount for 2017 includes the gains on the (i) Skincare Sale of $309 million, (ii) iNova Sale of $309 million and (iii) Dendreon Sale of $97 million and were partially offset by charges for litigation and other matters of $227 million and a loss on the Sprout Sale of $98 million and on other sales of assets of $37 million, including on the Obagi Sale of $13 million.

(3) During 2017, $77 million was deposited with a bank as collateral to secure a bank guarantee for the benefit of the Australian Government in connection with the notice of assessment received on August 8, 2017 from the Australian Taxation Office. The Company disagrees with the notice of assessment and continues to believe that its tax positions are appropriate and supported by the facts, circumstances and applicable laws and intends to defend its tax position in this matter vigorously. On January 9, 2018, the collateral of $77 million in restricted cash was returned in exchange for a $77 million letter of credit, which we refer to as the Letter of Credit Issuance.

(4) Net of unamortized debt discounts and debt issuance costs.

(5) To supplement the financial measures prepared in accordance with GAAP, we use certain non-GAAP financial measures including EBITDA, Adjusted EBITDA (as reported), Adjusted EBITDA (as revised), Adjusted EBITDA, as further adjusted, net total debt and net secured debt. Management uses these non-GAAP measures as key metrics in the evaluation of our performance and our consolidated financial results and, in part, in the determination of cash bonuses for our executive officers. We believe these non-GAAP measures are useful to investors in their

assessment of our operating performance and the valuation of our company. In addition, these non-GAAP measures address questions we routinely receive from analysts and investors and, in order to ensure that all investors have access to similar data, we have determined that it is appropriate to make this data available to all investors. However, non-GAAP financial measures are not prepared in accordance with GAAP, as they exclude certain items as described under "Presentation of Financial Information." Therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. EBITDA, Adjusted EBITDA (as reported), Adjusted EBITDA (as revised) and Adjusted EBITDA, as further adjusted, differ in meaningful ways from the terms "Consolidated Adjusted EBITDA" and "Pro Forma Consolidated Adjusted EBITDA" as those terms are defined in the Credit Agreement.

The following table reconciles net income (loss) attributable to Valeant Pharmaceuticals International, Inc. to EBITDA, Adjusted EBITDA (as reported) and Adjusted EBITDA (as revised).

	Years Ended December 31,		
	2017	2016	2015
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	**$ 2,404**	**$(2,409)**	**$ (292)**
Interest expense, net	1,828	1,828	1,559
(Benefit from) provision for income taxes	(4,145)	(27)	133
Depreciation and amortization	2,858	2,866	2,467
EBITDA	**2,945**	**2,258**	**3,867**
Adjustments:			
Goodwill impairments(a)	312	1,077	—
Restructuring and integration costs, excluding depreciation	52	132	360
Acquired in-process research and development costs(b)	5	34	106
Asset impairments(c)	714	422	304
Share-based compensation	87	165	140
Acquisition-related adjustments excluding amortization and depreciation expenses(d)	(289)	25	112
Loss on extinguishment of debt	122	—	20
Foreign exchange and other	—	14	95
Other non-GAAP charges(e)	(310)	178	365
Adjusted EBITDA (as reported)(f)	**3,638**	**4,305**	**5,369**
Foreign exchange loss/gain on intercompany transactions	—	(14)	(95)
Adjusted EBITDA (as revised)(g)	**$ 3,638**	**$ 4,291**	**$5,274**

(a) In connection with a change in the Company's reporting units during the third quarter of 2016, the Company conducted goodwill impairment testing under the former reporting unit structure immediately prior to the change, as well as under the current reporting unit structure immediately subsequent to the change. The Company determined that goodwill associated with its former U.S. reporting unit and the goodwill associated with the Salix reporting unit under the current reporting unit structure were impaired and recognized goodwill impairment charges of $1,077 million, in the aggregate, during 2016. In the third quarter of 2017, the Sprout business was classified as held for sale. As the Sprout business represented only a portion of a Branded Rx reporting unit, the Company assessed the goodwill of the remaining reporting unit for impairment and after completing the impairment testing, determined and recorded a goodwill impairment charge of $312 million during the third quarter of 2017.

(b) In 2015, acquired in-process research and development costs of $106 million was primarily related to the $100 million upfront payment in connection with the license of brodalumab (which is currently being marketed in the U.S. as Siliq™). In 2016, acquired in-process research and development costs of $34 million was primarily related to a $25 million license payment in the third quarter.

(c) Amount for 2015 included (i) $90 million related to the Rifaximin SSD development program based on analysis of Phase 2 study data, (ii) $79 million related to the termination of the arrangements with and relating to Philidor, (iii) $28 million related to the Emerade® program in the U.S. based on analysis of feedback received from the FDA, (iv) $27 million related to the remaining intangible asset for ezogabine/retigabine (immediate-release formulation) resulting from declining sales trends, (v) $26 million related to Zelapar® resulting from declining sales trends and (vi) $12 million related to the Arestin® Peri-Implantitis development program based on analysis of Phase 3 study data. Amount for 2016 included (i) $199 million related to Ruconest®, (ii) $25 million related to IBSChek™ and (iii) $14 million related to the termination of the development program for Cirle 3-dimensional surgical navigation technology. Amount for 2017 included: (i) an impairment of $351 million related to the Sprout business classified as held for sale, (ii) impairments of $151 million reflecting decreases in forecasted sales for other product lines, (iii) impairments of $114 million to other assets classified as held for sale, (iv) impairments of $95 million, in aggregate, to certain product/patent assets associated with the discontinuance of specific product lines not aligned with the focus of the Company's core business and (v) impairments of $3 million related to acquired IPR&D.

(d) Amount for 2017 includes an adjustment of $312 million reflecting a decrease in forecasted sales for the Addyi® product which reduced the fair value of the expected future royalty payments included in acquisition-related contingent consideration.

	Years Ended December 31,		
	2017	**2016**	**2015**
(e) Other non-GAAP charges include	**$(310)**	**$178**	**$365**
Integration related inventory and technology transfer costs	—	9	23
CEO termination costs (cash severance payment)	—	10	—
Legal and other professional fees (i)	44	65	7
Settlement of certain disputed invoices related to transition services	—	16	—
Litigation and other matters (ii)	227	59	37
Net (gain)/loss on sale of assets (iii)	(580)	(7)	8
Gain/loss on disposal of fixed assets	—	—	8
Acquisition related transaction costs	—	2	39
Post-combination expenses (iv)	—	—	183
Philidor Rx Services, LLC net loss through deconsolidation as of January 31, 2016	—	3	39
Other	(1)	21	21

(i) Legal and other professional fees were in connection with recent legal and governmental proceedings, investigations and information requests related to, among other matters, our distribution, marketing, pricing, disclosure and accounting practices.

(ii) Litigation and other matters in 2015 include a charge of $25 million related to the AntiGrippin® litigation. Litigation and other matters in 2016 include an unfavorable adjustment of $90 million from the proposed settlement from Salix securities litigation, partially offset by a favorable adjustment of $39 million from settlement of the investigation into Salix's pre-acquisition sales and promotional practices for the Xifaxan®, Relistor® and Apriso® products. Litigation and other matters in 2017 included $96 million for the estimated settlement of the Allergan shareholder class action, the estimated settlement of the Solodyn antitrust class actions litigation and the potential partial summary judgment related to the Mimetogen Pharmaceuticals litigation.

(iii) For the year ended December 31, 2017, net (gain)/loss on sale of assets includes the $(309) million gain on the iNova Sale in September of 2017, the $(97) million gain on the Dendreon Sale in June of 2017, the $(309) million gain on the Skincare Sale in March of 2017, the $98 million loss on the Sprout Sale in December of 2017, the $13 million loss on the Obagi Sale in November of 2017 and $24 million of losses on other sales of assets.

(iv) Post-combination expenses relate to payments made to certain employees of Salix and certain employees of other acquired entities, for bonuses and the acceleration of unvested stock that became due upon the completion of the respective acquisitions.

(f) Adjusted EBITDA (as reported) reflects Adjusted EBITDA reported by the Company for the years ended December 31, 2015, 2016 and 2017 using the methodology for calculating Adjusted EBITDA as of that date. The Company began to use certain new non-GAAP measures and methodologies to calculate these non-GAAP measures commencing with the first quarter of 2017.

(g) Adjusted EBITDA (as revised) includes the foreign exchange gain/loss arising from intercompany transactions that was previously excluded.

(6) Adjusted EBITDA, as further adjusted, is Adjusted EBITDA (as revised) after giving effect to the Skincare Sale, the Dendreon Sale, the iNova Sale, the Obagi Sale and the Sprout Sale (which we refer to collectively as the 2017 Disposition Transactions). The Skincare Sale was completed on March 3, 2017 and the Company no longer holds the rights to these three products. The CeraVe®, AcneFree™ and AMBI® skincare brands involved in the Skincare Sale contributed Adjusted EBITDA of approximately $15 million for the year ended December 31, 2017. The Dendreon Sale was completed on June 28, 2017 and this business contributed Adjusted EBITDA of approximately $65 million for the year ended December 31, 2017. The iNova Sale was completed on September 29, 2017, and this business contributed Adjusted EBITDA of approximately $100 million for the year ended December 31, 2017. The Obagi Sale was completed on November 9, 2017, and this business contributed Adjusted EBITDA of approximately $20 million for the year ended December 31, 2017. The Sprout Sale was completed on December 20, 2017, and this business generated Adjusted EBITDA of approximately $(30) million for the twelve months ended December 31, 2017.

(7) As adjusted information has been adjusted to give effect to the Transactions and the Recent Development Transactions.

(8) Net total debt and net secured debt is calculated as total debt, or total secured debt, at face value, minus cash and cash equivalents.

RISK FACTORS

In addition to the other information included in and incorporated by reference into this offering memorandum, including the matters addressed in the section entitled "Special Note Regarding Forward-Looking Statements," you should carefully consider the following risks and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2017, incorporated by reference in this offering memorandum before purchasing the notes. You should also read and consider the other information in this offering memorandum and the other documents incorporated by reference into this offering memorandum. See "Where You Can Find More Information and Incorporation by Reference."

Risks Relating to Our Business

See Item 1A in our Annual Report on Form 10-K.

Risks Relating to the Notes and the Guarantees

Enforcing your rights against the Parent, as guarantor, or under the guarantees of the notes by certain of its foreign subsidiaries across multiple jurisdictions may be difficult.

The Parent is a corporation continued under the British Columbia Business Corporations Act and certain of our existing subsidiaries that will also guarantee the notes are organized in multiple jurisdictions, including Australia, Barbados, Belarus, Belgium, Bermuda, Brazil, Canada, Colombia, England and Wales, France, Germany, Hong Kong, Hungary, Ireland, Italy, Japan, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Poland, Russia, Slovenia, Sweden, Switzerland and the United Arab Emirates. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of any future guarantor of the notes. Your rights under the guarantees will thus be subject to the laws of several jurisdictions, and you may not be able to effectively enforce your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi- jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights.

In addition, while the Issuer and the Note Guarantors will agree, in accordance with the terms of the indenture governing the notes, to accept service of process in any suit, action or proceeding with respect to the indenture governing the notes or the notes brought in any federal or state court located in New York City by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings, it may be difficult for holders of the notes to effect service within the U.S. upon directors, officers and experts who are not residents of the U.S. in order to institute actions in U.S. courts predicated solely upon civil liability under U.S. federal or state securities laws or other laws of the U.S. There may be doubt as to the enforceability in non-U.S. jurisdictions in original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon the U.S. federal or state securities laws or other laws of the U.S. You should not assume that the non-U.S. jurisdictions: (a) would enforce judgments of U.S. courts obtained in actions 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.; or (b) would 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.

You may have difficulty enforcing U.S. and Canadian bankruptcy and insolvency laws.

Under the Bankruptcy Code, U.S. bankruptcy courts are given jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside of the U.S. may not recognize the U.S. bankruptcy court's jurisdiction. Accordingly, you may have difficulty administering a U.S. bankruptcy case or a ruling of a U.S. bankruptcy court involving the Parent, because its center of main interest and/or the substantial majority of its respective property are located outside of the U.S. Any orders or judgments of a bankruptcy court in the U.S. may not be enforceable against the Parent with respect to its property located outside the U.S.

Similarly, under Canadian bankruptcy and insolvency laws, courts have jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside of Canada may not recognize the Canadian court's jurisdiction. Accordingly, you may have difficulty administering a Canadian bankruptcy or insolvency case involving the Parent, because its center of main interest and/or the substantial majority of their respective property is located outside of Canada. Any orders or judgments of a Canadian court may not be enforceable against the Parent with respect to its property located outside Canada. Similar difficulties may arise in administering bankruptcy cases in other jurisdictions.

Each guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability. Applicable U.S. and Canadian laws allow courts, under certain circumstances, to void the notes or the guarantees or take other actions detrimental to the holders of the notes such that the resources of the Issuer and the Note Guarantors may not be available to make payments in respect of the notes.

Each Note Guarantor will guarantee the payment of the notes on an unsecured basis and will provide the holders of the notes and the Trustee with a direct claim against each relevant Note Guarantor. However, the indenture will provide that each guarantee (other than the Parent's guarantee) will be limited to the maximum amount that can be guaranteed by the relevant Note Guarantor without rendering the relevant guarantee, as it relates to that Note Guarantor, voidable or otherwise ineffective or limited under applicable law, and enforcement of each guarantee would be subject to certain generally available defenses. The indenture will also permit guarantees by foreign subsidiaries to be limited to the extent necessary to comply with applicable local law, and these limitations could limit the value of the guarantees. For example, our subsidiaries in France can only guarantee the notes up to an amount equal to the amount of proceeds actually contributed to the French subsidiaries.

Enforcement of any of the guarantees against any Note Guarantor will be subject to certain defenses available to Note Guarantors in the relevant jurisdiction. These laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, transfer at undervalue, avoidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. The Issuer or its creditors or the creditors of one or more Note Guarantors could challenge the issuances of any of the notes or the guarantees as fraudulent transfers, conveyances or preferences, transfers at under value or on other grounds under applicable Canadian federal or provincial law or applicable U.S. federal or state law or other applicable law. If one or more of these laws and defenses are applicable, a Note Guarantor may have no liability or decreased liability under its guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could also limit the enforceability of any guarantee against any Note Guarantor.

A court could avoid the obligations under the notes or any guarantee or take other actions detrimental to the holders of the notes if, among other things, it were to determine that the Issuer or the applicable Note Guarantor:

- issued the notes or guarantee with the intent to prefer or defeat, hinder, delay or defraud its existing or future creditors;
- received less than reasonably equivalent value or fair consideration in return for issuing the notes or the guarantee; and (i) was insolvent or rendered insolvent by reason of issuing the notes or the guarantee; (ii) was 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; or
- under Canadian law only and with respect only to the Note Guarantors that are Canadian companies, acted in an oppressive manner, unfairly prejudicial to or unfairly disregarded the interests of any stakeholder or other interested party.

These or similar laws may also apply to any future guarantee granted by any of the Parent's subsidiaries pursuant to the indenture, which are also subject to the risk of being avoided as a preference to the extent they are issued after the date this offering closes.

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 court would likely find that a Note Guarantor (other than the Parent) did not receive reasonably equivalent value or fair consideration for its guarantee to the extent such Note Guarantor did not obtain a reasonably equivalent benefit from the issuance of the notes.

The measures of insolvency for purposes of the fraudulent transfer laws vary depending upon the law being applied in any particular proceeding, such that we cannot assure you which standard a court would apply in determining whether a Note Guarantor was "insolvent" at the relevant time or that, regardless of method of valuation, a court would not determine that a Note Guarantor was insolvent on that date, or a that a court would not determine, regardless of whether or not a Note Guarantor was insolvent on the date its guarantee was issued, that payments to holders of the notes constituted preferences, fraudulent transfers or conveyances on other grounds under United States law. Generally, a Note Guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all of 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, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

The liability of each Note Guarantor under its guarantee will be limited to the amount that will result in such guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside (although this provision may not be effective to protect the guarantees from being avoided under fraudulent transfer laws). However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Note Guarantor. There is a possibility that the entire guarantee may be set aside, in which case the entire liability may be extinguished.

Under U.S. and Canadian law, to the extent a court avoids a guarantee as a fraudulent transfer, preference or conveyance or holds it unenforceable for any other reason, holders of the notes would cease to have any direct claim against the Note Guarantor that delivered the guarantee and would be creditors solely of the Issuer and, if applicable, of any other Note Guarantor under the relevant guarantee which has not been avoided. In the event that any guarantee by a subsidiary of the Issuer is invalid or unenforceable, in whole or in part, the notes would be, to the extent of such invalidity or unenforceability, structurally subordinated to all liabilities of the applicable Note Guarantor, and if we cannot satisfy our obligations under the notes or any guarantee is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the notes. Similar limitations could apply in other jurisdictions. See "Annex A—Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees" for a discussion of certain limitations applicable to certain foreign subsidiaries.

We have incurred significant indebtedness, including the notes offered hereby, which restricts the manner in which we conduct business.

We have incurred significant indebtedness, including in connection with our prior acquisitions. As of December 31, 2017, after giving effect to the Recent Development Transactions and the Transactions, the Issuer and the Note Guarantors (including the Parent) would have had (i) $8.6 billion aggregate principal amount of secured indebtedness outstanding, (ii) $16.9 billion aggregate principal amount of senior unsecured indebtedness outstanding and (iii) approximately $1.1 billion would have been available for borrowing under the Revolving Credit Facility, after adjusting for outstanding standby letters of credit. As of December 31, 2017, we have no subordinated indebtedness outstanding. We may incur additional long-term debt and working capital lines of credit to meet future financing needs, subject to certain restrictions and prohibitions under the agreements governing our indebtedness, including the indenture governing the notes, which would increase our total debt. This additional debt may be substantial and some of this indebtedness may be secured.

The agreements governing our indebtedness contain restrictive covenants which impose certain limitations on the way we conduct our business, including limitations on the amount of additional debt we are able to incur, prohibitions on incurring additional debt if certain financial covenants are not met and restrictions on our ability to make certain investments and other restricted payments. Any additional debt, to the extent we are able to incur it, may further restrict the manner in which we conduct business. Such restrictions, prohibitions and limitations could impact our ability to implement elements of our strategy, including in the following ways:

- our flexibility to plan for, or react to, competitive challenges in our business and the pharmaceutical and medical device industries may be compromised;
- we may be put at a competitive disadvantage relative to competitors that do not have as much debt as we have, and competitors that may be in a more favorable position to access additional capital resources;
- our ability to make acquisitions and execute business development activities through acquisitions will be limited and may, in future years, continue to be limited; and
- our ability to resolve regulatory and litigation matters may be limited.

In the past, our credit ratings have been downgraded. Any further downgrade in our corporate credit ratings or other credit ratings may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

The notes will mature after a substantial portion of our other indebtedness.

The notes will mature on , 2026. A substantial portion of our existing indebtedness (including under the Credit Agreement and many of our Existing Notes) will mature prior to those dates. Therefore, we will be required to repay a substantial portion of our other debt before we are required to repay the notes. As a result, we may not have sufficient cash to repay all amounts owing on the notes. There can be no assurance that we will have the ability to borrow or otherwise raise the amounts necessary to repay or refinance such amounts.

The notes will be unsecured, and consequently the notes and the guarantees thereof will be effectively subordinated to the Issuer's and the Note Guarantors' existing and future secured indebtedness.

The notes and the note guarantees are unsecured and will be effectively subordinated to all of the Issuer's and the Note Guarantors' secured indebtedness to the extent of the value of the assets securing such indebtedness. As of December 31, 2017, after giving effect to the Recent Development Transactions and the Transactions, the Issuer and the Note Guarantors (including the Parent) would have had (i) $8.6 billion aggregate principal amount of secured indebtedness outstanding and (ii) approximately $1.1 billion would have been available for borrowing under the Revolving Credit Facility, after adjusting for outstanding standby letters of credit. Subject to the limitations set forth in the indenture, we can incur additional secured debt. Upon any distribution to our creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or our property, the holders of secured debt will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the instruments governing such debt and to be paid in full from the assets securing that secured debt before any payment may be made with respect to the notes. In that event, because the notes will not be secured by any of the Issuer's or the Note Guarantors' assets, it is possible that there will be no assets from which claims of holders of the notes can be satisfied or, if any assets remain, that the remaining assets will be insufficient to satisfy those claims in full or at all. If the value of such remaining assets is less than the aggregate outstanding principal amount of the notes and all other debt ranking *pari passu* with the notes, we may be unable to satisfy our obligations under the notes. In addition, if we fail to meet our payment or other obligations under our secured debt, the holders of that secured debt would be entitled to foreclose on our assets securing that secured debt and liquidate those assets. Accordingly, we may not have sufficient funds to pay amounts due on the notes. As a result, you may lose a portion of or the entire value of your investment in the notes.

To service our debt, we will be required to generate a significant amount of cash. Our ability to generate cash depends on a number of factors, some of which are beyond our control, and any failure to meet our debt obligations would have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of the notes to decline.

We have a significant amount of indebtedness. Our ability to satisfy our debt obligations will depend principally upon our future operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, may affect our ability to make payments on our debt. If we do not generate sufficient cash flow to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Alternatively, as we have done in the past, we may also elect to refinance certain of our debt, for example, to extend maturities. Our ability to restructure or refinance our debt will depend on the capital markets and our financial condition at such time. If

we are unable to access the capital markets, whether because of the condition of those capital markets or our own financial condition or reputation within such capital markets, we may be unable to refinance our debt. In addition, 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. Further, given our capital structure, any refinancing of our senior unsecured debt may be with secured debt, thereby increasing our secured leverage ratio. Our inability to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms, or at all, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of the notes to decline.

Repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Certain non-guarantor subsidiaries include non-U.S. subsidiaries that may be prohibited by law or other regulations from distributing funds to us and/or we may be subject to payment of taxes and withholdings on such distributions. In the event that we do not receive distributions from our subsidiaries or receive cash via services rendered and intellectual property licensed, we may be unable to make required principal and interest payments on our indebtedness.

Our ability to continue to reduce our indebtedness will depend upon factors including our future operating performance, our ability to access the capital markets to refinance existing debt and prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We can provide no assurance of the amount by which we will reduce our debt, if at all. In addition, servicing our debt will result in a reduction in the amount of our cash flow available for other purposes, including operating costs and capital expenditures that could improve our competitive position and results of operations.

The Credit Agreement and the indentures governing our Existing Notes, as well as the indenture governing the notes offered hereby, impose restrictive and financial covenants on us. Our failure to comply with these covenants could trigger events, which could result in the acceleration of the related debt, a cross-default or cross-acceleration to other debt, foreclosure upon any collateral securing the debt and termination of any commitments to lend, each of which would have a material adverse effect on our business, financial condition, cash flows and results of operations and would cause the market value of the notes to decline and could lead to bankruptcy or liquidation.

The Credit Agreement and the various indentures governing our Existing Notes, as well as the indenture governing the notes offered hereby, contain covenants that restrict the way we conduct business and require us to satisfy certain financial tests in order to incur debt or take other actions. Additionally, the Credit Agreement contains financial covenants that, for example, require us to maintain certain financial ratios at fiscal quarter end.

The Revolving Credit Facility under the Company's Credit Agreement contains specified quarterly financial maintenance covenants (consisting of a secured leverage ratio and an interest coverage ratio). As of December 31, 2017, we were in compliance with all financial maintenance covenants related to our outstanding debt. However, we can make no assurance that we will be able to comply with the restrictive and financial covenants contained in the Credit Agreement and indentures in the future. Based on our current forecast for the next twelve

months from the date of issuance of our annual report on Form 10-K for the year ended December 31, 2017, we expect to remain in compliance with these financial maintenance covenants and meet our debt obligations over that same period. In the event that we perform below our forecasted levels, we will implement certain additional cost-efficiency initiatives, such as rationalization of selling, general and administrative expenses and research and development spend, which would allow us to continue to comply with the financial maintenance covenants. We may consider taking other actions, including divesting other businesses and refinancing debt as deemed appropriate. If we perform below our forecasted levels and the actions referenced above are not effective, we would fail to comply with one or both of these financial maintenance covenants. In that instance, we would be in default, and our lenders would be permitted to accelerate our debt unless we could obtain an amendment. If our debt was accelerated, we would not have sufficient funds to repay our debt absent a refinancing, and we cannot provide assurance that we will be able to obtain a refinancing.

Our inability to comply with the covenants in our debt instruments could lead to a default or an event of default under the terms thereof, for which we may need to seek relief from our lenders and noteholders in order to waive the associated default or event of default and avoid a potential acceleration of the related indebtedness or cross-default or cross-acceleration to other debt. There can be no assurance that we would be able to obtain such relief on commercially reasonable terms or otherwise and we may be required to incur significant additional costs. In addition, the lenders under the Credit Agreement and holders of our Existing Notes may impose additional operating and financial restrictions on us as a condition to granting any such waiver.

If an event of default is not cured or is not otherwise waived, a majority of lenders in principal amount under the Credit Agreement or the Trustee or holders of at least 25% in principal amount of a series of our Existing Notes or the notes offered hereby may accelerate the maturity of the related debt under these agreements, foreclose upon any collateral securing the debt and terminate any commitments to lend, any of which would have a material adverse effect on our business, financial condition, cash flows and results of operations and would cause the market value of our securities, including the notes, to decline. Furthermore, under these circumstances, we may not have sufficient funds or other resources to satisfy all of our obligations and we may be unable to obtain alternative financing on terms acceptable to us or at all. In such circumstances, we could be forced into bankruptcy or liquidation and, as a result, investors could lose all or a portion of their investment in the notes.

The assets of the Parent's subsidiaries that are not the Issuer or a guarantor will be subject to prior claims by creditors of those subsidiaries.

You will not have a claim as a creditor against the Parent's subsidiaries that are not the Issuer or a guarantor of the notes. Not all of the Parent's subsidiaries will guarantee the notes and the Parent's subsidiaries that do guarantee the notes may obtain releases of their guarantees as set forth in the indenture. See "Description of the Notes—Note Guarantees." Therefore, the assets of the Parent's non-guarantor subsidiaries will be subject to prior claims by creditors of those subsidiaries, whether secured or unsecured. In addition, unrestricted subsidiaries under the indenture will not be subject to the covenants in the indenture. Except for the Issuer and the Note Guarantors, the Parent's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes will therefore be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary of the Issuer such that, in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any such subsidiary, all of such subsidiary's creditors (including trade creditors and preferred stockholders, if any) would be entitled to payment in full

out of such subsidiary's assets before the holders of the notes would be entitled to any payment. The indenture will permit non-guarantor subsidiaries to incur additional debt, subject to specified limits, and will not limit their ability to incur liabilities that do not constitute indebtedness. As of December 31, 2017, on a non-consolidated basis, our non-guarantor subsidiaries (other than the Issuer) had an aggregate of $3.2 billion of assets and $1.4 billion of liabilities.

We may incur substantially more debt, including secured debt.

Subject to the restrictions in the indenture governing the notes and our other outstanding indebtedness, including the Credit Agreement and the Existing Notes, we may incur significant additional debt, including secured debt that would be effectively senior to the notes. As of December 31, 2017, after giving effect to the Recent Development Transactions and the Transactions, the Issuer and the Note Guarantors (including the Parent) would have had (i) $8.6 billion aggregate principal amount of secured indebtedness outstanding, (ii) $16.9 billion aggregate principal amount of senior unsecured indebtedness outstanding and (iii) approximately $1.1 billion would have been available for borrowing under the Revolving Credit Facility, after adjusting for outstanding standby letters of credit. As of December 31, 2017, we have no subordinated debt outstanding. Although the terms of the Credit Agreement, the indentures governing the Existing Notes and the indenture governing the notes contain restrictions on the incurrence of additional debt, including secured debt, these restrictions are subject to a number of important exceptions, including our ability under certain circumstances to enter into new senior secured credit facilities that are secured by all of our and our subsidiaries' assets, and debt incurred in compliance with these restrictions could be substantial. If we and our restricted subsidiaries incur significant additional debt, the related risks that we face could intensify.

Canadian bankruptcy and insolvency laws may impair the Trustee's ability to enforce remedies against the Company or under the guarantee of any Note Guarantor organized under Canadian law.

The rights of the Trustee who represents the holders of the notes to enforce remedies could be delayed by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to the Company or any Note Guarantor organized under Canadian law. For example, both the Bankruptcy and Insolvency Act (Canada) and the Companies' Creditors Arrangement Act (Canada) contain provisions enabling an insolvent person to obtain a stay of proceedings against its creditors and to file a proposal to be voted on by the various classes of its affected creditors. Accordingly, we cannot predict whether payments under the notes or the guarantees thereof would be made during any proceedings in bankruptcy, insolvency or other restructuring, whether or when the Trustee could exercise its rights under the indenture governing the notes or whether and to what extent holders of the notes would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the Trustee.

The Issuer may not be able to repurchase the notes if it experiences a change of control.

The indenture governing the notes will require the Issuer to offer to repurchase the notes when certain change of control events occur. If a change of control of the Company occurs, you will have the right to require the Issuer to repurchase some or all of your notes at a purchase price in cash equal to 101% of the principal amount of your notes to be repurchased plus accrued and unpaid interest to, but excluding, the repurchase date. In addition, the indentures

governing the Existing Notes contain change of control provisions which give the holders of the notes the right to require the applicable issuer thereunder to repurchase the notes at a purchase price in cash equal to 101% of the principal amount of the applicable notes to be repurchased plus accrued and unpaid interest to, but excluding, the repurchase date, and a change of control may constitute a default under the Credit Agreement.

In the event that we experience a change of control that results in having to repurchase the notes, we may not have sufficient financial resources to satisfy our obligations under the notes, our Existing Notes and our other indebtedness. In addition, the change of control covenant in the indenture governing the notes offered hereby will not cover all corporate reorganizations, mergers or similar transactions and may not provide you with protection in a highly leveraged transaction. See "Description of the Notes—Repurchase at the Option of Holders—Change of Control."

The ability of holders of notes to require the Issuer to repurchase notes as a result of a disposition of "substantially all" of the Company's assets may be uncertain.

The definition of change of control in the indenture governing the notes will include a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of "all or substantially all" of the assets or properties of the Parent and its restricted subsidiaries, taken as a whole. 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, the ability of a holder of notes to require the Issuer to repurchase such notes as a result of a sale, transfer, conveyance or other disposition of less than all of the assets or properties of the Parent and its restricted subsidiaries taken as a whole to another person or group may be uncertain.

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, and 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 state securities laws and Canadian provincial securities laws and we do not currently intend to register the notes or to offer to exchange the notes for notes registered under the Securities Act. 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 U.S. or Canada only in a transaction exempt from or not subject to the registration requirements of the Securities Act and applicable state securities laws and Canadian provincial securities laws or Canadian prospectus requirements, as applicable, and you may be required to bear the risk of your investment for an indefinite period of time. Additionally, the indenture that will govern the notes will not be subject to the provisions of the TIA. See "Transfer Restrictions."

There is no established trading market for the notes. If an actual trading market does not develop for the notes, you may not be able to resell them quickly, for the price that you paid or at all.

The notes will constitute a new issue of securities with no established trading market. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for any quotation on any automated dealer quotation systems. The Initial Purchasers have advised us that they intend to make a market in the notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the notes at any time, in their sole discretion, without prior notice. As a result, we cannot assure you as to the liquidity of any trading market for the notes.

We also cannot assure you that you will be able to sell your notes at a particular time or at all, or that the prices that you receive when you sell them will be favorable. If no active trading market develops, you may not be able to resell your notes at their fair market value, or at all. The liquidity of, and trading market for, the notes may also be adversely affected by, among other things:

- prevailing interest rates;
- our operating performance and financial condition;
- the interest of securities dealers in making a market; and
- the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the notes. It is possible that the market for the notes will be subject to disruptions. Any disruptions may have a negative effect on noteholders, regardless of our prospects and financial performance.

Our credit ratings may not reflect the risks of investing in the notes.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the value of the notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the notes. Agency ratings are not a recommendation to buy, sell or hold any security and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating. There can be no assurance that our 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 rating agencies, if, in each rating agency's judgment, circumstances so warrant. Since late 2015, our corporate credit ratings have been lowered or revised on multiple occasions by both Moody's Investors Service ("Moody's") and S&P Global Ratings ("Standard & Poor's"). Any further downgrade in our corporate credit ratings or other credit ratings may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the value of the notes, may increase our borrowing costs and may negatively impact our ability to incur additional debt.

Many of the covenants in the indenture would not apply from and after such time that the notes are rated investment grade by Moody's or Standard & Poor's, even if the notes are subsequently rated below investment grade.

Many of the covenants contained in the indenture relating to the notes will not apply from and after such time that the notes are rated investment grade by Moody's or Standard & Poor's, and such covenants will not be reinstated if the notes are subsequently downgraded below investment grade. These covenants restrict, among other things, the ability of the Parent and its restricted subsidiaries (including the Issuer) to incur or guarantee additional indebtedness or issue preferred stock, to pay distributions on, redeem or repurchase capital stock or redeem or repurchase certain debt, sell assets, enter into certain merger transactions, enter into transactions with affiliates, enter into agreements limiting the ability of subsidiaries to make distributions and enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that the notes will maintain such ratings. However,

termination of these covenants will allow us to engage in certain actions that would not have been permitted were these covenants in force, even if the notes are subsequently downgraded below investment grade.

We are not providing all of the information that would be required if this offering were being registered with the SEC or qualified under applicable Canadian Securities Laws (as defined herein).

This offering memorandum does not include all of the information that would be required if we were registering this offering of the notes with the SEC or qualifying it under applicable Canadian Securities Laws. Among other things, we have not included any footnotes in our financial statements that show condensed consolidating financial information for us and the guarantors of the notes. See "Presentation of Financial Information—Financial Information with Respect to Note Guarantors and Stock Pledges." This lack of information could affect your ability to evaluate your investment in the notes.

USE OF PROCEEDS

We estimate that the Issuer will receive net proceeds from this offering, after giving effect to the Initial Purchasers' discount and fees and expenses payable by us, of approximately $ million.

We intend to use the net proceeds of this offering, along with cash on hand, to fund the Tender Offer by Valeant and the Issuer for $1,250 million aggregate principal amount of the Tender Offer Notes and to pay related fees, premiums and expenses. To the extent less than $1,250 million of the Tender Offer Notes are tendered in the Tender Offer, we will redeem a portion of our outstanding notes with the net proceeds of this offering for a total aggregate repurchase (including under the Tender Offer) of $1,250 million following the closing of this offering. See "Summary—Tender Offer" and "Capitalization."

The following table outlines the intended sources and uses of funds for the Transactions:

Sources	Amount	Uses	Amount
(in millions)		(in millions)	
Notes offered hereby	$1,250	Repurchase of the Tender Offer Notes	$1,250
Balance sheet cash	35	Transaction Fees and Expenses (a)	35
Total Sources	$1,285	Total Uses	$1,285

(a) Based on the tender prices on the Tender Offer Notes, assuming $661 million aggregate principal amount of the 6.375% Senior Notes due 2020, $589 million aggregate principal amount of the 5.375% Senior Notes due 2020 and no 6.750% Senior Notes due 2021 are tendered before the Early Tender Deadline and repurchased at the tender price. Actual tender participation could vary. Excludes accrued interest. Includes the Initial Purchasers' discount and fees.

The Initial Purchasers and/or their respective affiliates may hold Tender Offer Notes, and the Initial Purchasers and/or their respective affiliates may therefore receive a portion of the proceeds of this offering. See "Plan of Distribution."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2017,

- on an actual basis; and
- on an as adjusted basis to give effect to the Recent Development Transactions and the Transactions, with the assumption that $661 million aggregate principal amount of the 6.375% Senior Notes due 2020, $589 million aggregate principal amount of the 5.375% Senior Notes due 2020 and no 6.750% Senior Notes due 2021 are tendered prior to the Early Tender Deadline and repurchased at the tender price.

This table should be read in conjunction with "Use of Proceeds," "Description of Other Indebtedness," "Summary—Recent Developments" and our audited consolidated financial statements that are incorporated by reference in this offering memorandum. See "Where You Can Find More Information and Incorporation by Reference" and "Summary—Tender Offer."

	Actual	As adjusted
	(in millions)	
Cash, cash equivalents and restricted cash(1)	$ 797	$ 490
Credit Facilities(2)		
Revolving Credit Facility(3)	$ 250	$ 250
Series F Tranche B Term Loan Facility due 2022	3,521	3,321(4)
Senior Secured Notes:(2)		
6.500% Senior Secured Notes due 2022	1,250	1,250
7.000% Senior Secured Notes due 2024	2,000	2,000
5.500% Senior Secured Notes due 2025	1,750	1,750
Senior Unsecured Notes:(2)		
5.375% Senior Notes due 2020	1,708	1,119(5)
6.375% Senior Notes due 2020	661	—(5)
7.000% Senior Notes due 2020	71	—(6)
5.625% Senior Notes due 2021	900	900
6.750% Senior Notes due 2021	650	650(5)
7.500% Senior Notes due 2021	1,625	1,625
7.250% Senior Notes due 2022	550	550
4.500% Senior Notes due 2023(7)	1,801	1,801
5.500% Senior Notes due 2023	1,000	1,000
5.875% Senior Notes due 2023	3,250	3,250
6.125% Senior Notes due 2025	3,250	3,250
9.000% Senior Notes due 2025	1,500	1,500
Notes offered hereby(8)	—	1,250
Other	15	15
Total Debt	25,752	25,481
Total Equity(9)	5,944	5,944
Total Capitalization(9)	$31,696	$31,425

(1) Cash, cash equivalents and restricted cash includes $77 million of restricted cash on an actual basis, which amount is no longer restricted on an as adjusted basis following the Letter of Credit Issuance.

(2) Balances of our Credit Facilities, Existing Secured Notes, Existing Senior Notes and the notes offered hereby reflect the full outstanding principal amount of those obligations without reduction for unamortized debt discounts and debt issuance costs.

(3) As of December 31, 2017, we have drawn $250 million under the Revolving Credit Facility and approximately $1.1 billion would have been available for borrowing under the Revolving Credit Facility (after giving effect to the Letter of Credit Issuance).
(4) As adjusted to reflect the Term Loan Repayment.
(5) As further adjusted to give effect to the Transactions, with the assumption that $661 million aggregate principal amount of the 6.375% Senior Notes due 2020, $589 million aggregate principal amount of the 5.375% Senior Notes due 2020 and no 6.750% Senior Notes due 2021 are tendered prior to the Early Tender Deadline and repurchased at the tender price. Actual amounts repurchased could vary.
(6) As adjusted to reflect the 2020 Note Redemption.
(7) Euro Notes are shown in U.S. dollars at an exchange rate of $1.20 per €1.00, which was the exchange rate in effect on December 31, 2017.
(8) Represents the aggregate principal amount of notes offered hereby and assumes the notes are issued at par.
(9) Total Capitalization has not been adjusted for unamortized debt discounts and debt issuance costs included in the balances of our Credit Facilities, the Existing Secured Notes, the Existing Senior Notes and the notes offered hereby and Total Equity does not give effect to (i) interest expense associated with unamortized debt discounts and debt issuance costs paid from the application of proceeds as described under "Use of Proceeds" and (ii) any gain or loss associated with this offering or the use of proceeds related to the Transactions.

DESCRIPTION OF OTHER INDEBTEDNESS

Credit Facilities

The following description is a summary and should be read in conjunction with, and is qualified in its entirety by, the Credit Agreement, which is filed as an exhibit to the Parent's filings with the SEC.

On February 13, 2012, the Parent and certain of its subsidiaries as guarantors entered into the Third Amended and Restated Credit and Guaranty Agreement (as amended through the date hereof, the "Credit Agreement" and the facilities under such agreement, the "Credit Facilities") with a syndicate of financial institutions and investors, as lenders. The Credit Agreement currently provides for a $1.5 billion revolving credit facility, including a sublimit for the issuance of standby and commercial letters of credit and a sublimit for swing line loans (the "Revolving Credit Facility") and a senior secured term loan B facility (the "Term Loan B Facility"), which term loans mature on April 1, 2022.

Set forth below is a summary of the Credit Facilities (as amended to the date of this Offering Memorandum), and this description is subject to the terms and provisions of the various agreements governing the Credit Facilities.

The loans under the Credit Facilities may be made to, and the letters of credit under the Revolving Credit Facility may be issued on behalf of, the Parent. Subject to customary limitations, borrowings under the Credit Facilities are subject to the satisfaction of customary conditions, including the absence of a default or an event of default and the accuracy in all material respects of representations and warranties.

Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at our option, either (a) a base rate determined by reference to the higher of (1) the rate of interest quoted in the print edition of The Wall Street Journal, Money Rates Section, as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty largest banks) and (2) the federal funds effective rate plus 1/2 of 1% or (b) a LIBO rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, in each case plus an applicable margin.

The applicable interest rate margins for borrowings under the Revolving Credit Facility are between 2.25% to 2.75% with respect to base rate borrowings and between 3.25% to 3.75% with respect to LIBO rate borrowings based on the Company's secured leverage ratio. These applicable margins are subject to increase or decrease quarterly based on the secured leverage ratio. Based on its calculation of the Company's secured leverage ratio, management does not anticipate any such increase or decrease to the current applicable margins for the next applicable period. In addition, we are required to pay commitment fees of 0.50% per annum in respect of the unutilized commitments under the Revolving Credit Facility, payable quarterly in arrears. We are also required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on LIBO rate borrowings under the Revolving Credit Facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit and agency fees.

Borrowings under the Term Loan B Facility bear interest at a rate per annum equal to, at our option, either (a) a base rate determined by reference to the higher of (1) the rate of interest

quoted in the print edition of The Wall Street Journal, Money Rates Section, as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty largest banks) and (2) the federal funds effective rate plus 1/2 of 1% (provided however, that the base rate in respect of loans under the Term Loan B Facility shall at no time be less than 1.75% per annum) or (b) a LIBO rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs (provided however, that the LIBO rate in respect of loans under the Term Loan B Facility shall at no time be less than 0.75%), in each case plus an applicable margin. The applicable interest rate margins for the Series F Tranche B Term Loan Facility are 2.50% with respect to base rate borrowings and 3.50% with respect to LIBO rate borrowings.

Subject to certain exceptions and customary baskets set forth in the Credit Agreement, the Parent is required to make mandatory prepayments of the loans under the Credit Facilities under certain circumstances, including from (1) 100% of net cash proceeds from asset sales outside the ordinary course of business (subject to reinvestment rights once we achieve a leverage ratio of less than 4.50:1.00), (2) 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights and net proceeds threshold), (3) 50% of the net cash proceeds from the issuance of equity securities (subject to certain exceptions) subject to decrease based on leverage ratios, (4) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as specified in the Credit Agreement) and (5) 50% of Consolidated Excess Cash Flow (as defined in the Credit Agreement, and net of certain amounts) subject to decrease based on leverage ratios.

We are permitted to voluntarily reduce the unutilized portion of the revolving commitment amount and repay outstanding loans under the Revolving Credit Facility at any time without premium or penalty, other than customary "breakage" costs with respect to LIBO rate loans. We are permitted to voluntarily repay outstanding loans under any of the other Credit Facilities at any time without premium or penalty, other than (i) customary "breakage" costs with respect to LIBO rate loans and (ii) in the case of any prepayment of the Series F Tranche B Term Loans on or prior to May 21, 2018 in connection with a Repricing Transaction (as such term is defined in the Credit Agreement), a prepayment premium of 1% of the amount of the Series F Tranche B Term Loans being prepaid (which prepayment premium also applies in the case of a repricing amendment).

The Parent's obligations and the obligations of the guarantors under the Credit Facilities and certain hedging arrangements and cash management arrangements entered into with lenders under the Credit Facilities (or affiliates thereof) are secured by first-priority security interests in the Collateral subject to certain exclusions set forth in the credit documentation governing the Credit Facilities.

The Credit Agreement contains a number of covenants that, among other things and subject to certain exceptions, restrict the Parent's and its subsidiaries' ability to:

- incur additional indebtedness;
- create liens;
- enter into agreements and other arrangements that include negative pledge clauses;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or subordinated indebtedness;
- create restrictions on the payment of dividends or other distributions by subsidiaries;
- make investments, loans, advances and acquisitions;

- merge, amalgamate or sell assets, including equity interests of subsidiaries;
- enter into sale and leaseback transactions;
- engage in transactions with affiliates;
- enter into new lines of business; and
- enter into amendments of or waivers under subordinated indebtedness, organizational documents and certain other material agreements.

The Credit Agreement imposes a number of restrictions on us until the time that our leverage ratio (being the ratio, as of the last day of any fiscal quarter, of Consolidated Total Debt (as defined in the Credit Agreement) as of such day to Consolidated Adjusted EBITDA (as defined in the Credit Agreement) for the four fiscal quarter period ending on such date) is less than 4.50 to 1.00, including (i) imposing a $500 million per annum aggregate cap on acquisitions, subject to a 50% one year carry-over for unused amounts and certain other exceptions and applicable baskets, (ii) restricting the incurrence of debt to finance such acquisitions and (iii) requiring the net proceeds from certain asset sales be used to repay the term loans instead of being reinvested in the business. In addition, our ability to make certain other investments, dividends, distributions, share repurchases and other restricted payments will also be restricted and subject to the further limitations until our leverage ratio is less than 4.00 to 1.00.

The Credit Agreement requires that we maintain a Secured Leverage Ratio (as defined in the Credit Agreement) not to exceed 3.00:1.00 as of the last day of each fiscal quarter through the fiscal quarter ending March 31, 2019, stepping down to 2.75:1.00 for any fiscal quarter ending June 30, 2019 and thereafter. The Credit Agreement requires that we maintain an Interest Coverage Ratio (as defined in the Credit Agreement) of not less than 1.50:1.00 as of the last day of each fiscal quarter through the fiscal quarter ending March 31, 2019, stepping up to 1.75:1.00 for any fiscal quarter ending June 30, 2019 and thereafter.

The Credit Agreement also contains certain customary affirmative covenants and events of default. If an event of default, as specified in the Credit Agreement, shall occur and be continuing, the Parent may be required to repay all amounts outstanding under the Credit Facilities. As of December 31, 2017, we were in compliance with all covenants associated with the Credit Facilities. We periodically review our debt profile with a view towards extending maturities and/or improving the terms of such debt. We may, from time to time, seek amendments to such debt in order to effect any such changes.

Existing Senior Notes

The following descriptions are summaries and should be read in conjunction with, and are qualified in its entirety by, the relevant documentation evidencing the indebtedness, which in each case is filed as an exhibit to our filings with the SEC.

7.000% Senior Notes due 2020

On September 28, 2010, the Issuer issued $700 million aggregate principal amount of 7.000% senior notes due 2020 in a private placement. The 7.000% Senior Notes due 2020 accrue interest at the rate of 7.000% per year, payable semi-annually in arrears. The 7.000% Senior Notes due 2020 are senior unsecured obligations of the Issuer, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness, including the notes, and senior to its existing and future subordinated indebtedness. The 7.000% Senior Notes due 2020 are guaranteed by the Parent and each of its subsidiaries (other than the Issuer) that is a guarantor under the Credit Facilities. The indenture governing the 7.000% Senior Notes due

2020 contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Issuer may redeem all or a portion of the 7.000% Senior Notes due 2020 at the redemption prices applicable to the October 2020 Notes, as set forth in the 7.000% Senior Notes due 2020 indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $71 million aggregate principal amount of the 7.000% Senior Notes due 2020 was outstanding. On February 28, 2018, the Issuer issued an irrevocable notice of redemption for the remaining $71 million principal amount of outstanding 7.000% Senior Notes due 2020 to be redeemed in full on March 30, 2018 using cash on hand.

6.75% Senior Notes due 2021

On February 8, 2011, the Issuer issued $650 million aggregate principal amount of 6.75% senior notes due 2021 in a private placement. The 6.75% Senior Notes due 2021 accrue interest at the rate of 6.75% per year, payable semi-annually in arrears. The 6.75% Senior Notes due 2021 are senior unsecured obligations of the Issuer, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness, including the notes offered hereby, and senior to its existing and future subordinated indebtedness. The 6.75% Senior Notes due 2021 are guaranteed by the Parent and each of its subsidiaries (other than the Issuer) that is a guarantor under the Credit Facilities. The indenture governing the 6.75% Senior Notes due 2021 contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Issuer may redeem all or a portion of the 6.75% Senior Notes due 2021 at the redemption prices applicable to the 6.75% Senior Notes due 2021, as set forth in the 6.75% Senior Notes due 2021 indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $650 million aggregate principal amount of the 6.75% Senior Notes due 2021 was outstanding. We intend to use the net proceeds from this offering, in addition to cash on hand, to fund the purchase of the 6.75% Senior Notes due 2021 validly tendered and accepted for payment in the Tender Offer. See "Summary—Tender Offer."

7.25% Senior Notes due 2022

On March 8, 2011, the Issuer issued $550 million aggregate principal amount of 7.25% senior notes due 2022 in a private placement. The 7.25% Senior Notes due 2022 accrue interest at the rate of 7.25% per year, payable semi-annually in arrears. The 7.25% Senior Notes due 2022 are senior unsecured obligations of the Issuer, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness, including the notes offered hereby, and senior to its existing and future subordinated indebtedness. The 7.25% Senior Notes due 2022 are guaranteed by the Parent and each of its subsidiaries (other than the Issuer) that is a guarantor under the Credit Facilities. The indenture governing the 7.25% Senior Notes due 2022 contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Issuer may redeem all or a portion of the 7.25% Senior Notes due 2022 at any time at the redemption prices applicable to the 7.25% Senior Notes due 2022, as set forth in the 7.25% Senior Notes due 2022 indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $550 million aggregate principal amount of the 7.25% Senior Notes due 2022 was outstanding.

6.375% Senior Notes due 2020

On October 4, 2012, the Issuer issued $1,750 million aggregate principal amount of 6.375% senior notes due 2020 in a private placement. The 6.375% Senior Notes due 2020 accrue interest at the rate of 6.375% per year, payable semi-annually in arrears. The 6.375% Senior Notes due 2020 are senior unsecured obligations of the Issuer, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness, including the notes offered hereby, and

senior to its existing and future subordinated indebtedness. The 6.375% Senior Notes due 2020 are guaranteed by the Parent and each of its subsidiaries (other than the Issuer) that is a guarantor under the Credit Facilities. The indenture which governs the 6.375% Senior Notes due 2020 contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Issuer may redeem all or a portion of the 6.375% Senior Notes due 2020 at the redemption prices applicable to the 6.375% Senior Notes due 2020, as set forth in the 6.375% Senior Notes due 2020 indenture, plus accrued and unpaid interest to the date of redemption.

Concurrently with the offering of the 6.375% Senior Notes due 2020, the Issuer issued $500 million aggregate principal amount of 6.375% senior notes due 2020 (the "Exchangeable Notes") in a private placement, the form and terms of such notes being substantially identical to the form and terms of the 6.375% Senior Notes due 2020, as described above.

In April 2013, the Issuer completed an offer to exchange (the "Exchange Offer") pursuant to which all of its Exchangeable Notes were exchanged for notes comprising a single series of 6.375% Senior Notes due 2020 under one indenture. As of December 31, 2017, $661 million aggregate principal amount of the 6.375% Senior Notes due 2020 was outstanding. We intend to use the net proceeds from this offering, in addition to cash on hand, to fund the purchase of the 6.375% Senior Notes due 2020 validly tendered and accepted for payment in the Tender Offer. See "Summary—Tender Offer."

7.50% Senior Notes due 2021

On July 12, 2013, the Parent issued $1,600 million aggregate principal amount of 6.75% senior notes due 2018 and $1,625 million aggregate principal amount of 7.50% senior notes due 2021 in a private placement. The outstanding 6.75% senior notes due 2018 were redeemed in full on August 15, 2017. The 7.50% Senior Notes due 2021 accrue interest at the rate of 7.50% per year, payable semi-annually in arrears.

The 7.50% Senior Notes due 2021 are senior unsecured obligations of the Parent, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness and senior to its existing and future subordinated indebtedness. The 7.50% Senior Notes due 2021 are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities (including the Issuer). The indenture governing the 7.50% Senior Notes due 2021 contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. We may redeem all or a portion of the 7.50% Senior Notes due 2021 at any time at the redemption price set forth in the 7.50% Senior Notes due 2021 indenture. As of December 31, 2017, $1,625 million aggregate principal amount of 7.50% Senior Notes due 2021 was outstanding.

5.625% Senior Notes due 2021

On December 2, 2013, the Parent issued $900 million aggregate principal amount of 5.625% Senior Notes due 2021 in a private placement. The 5.625% Senior Notes due 2021 accrue interest at the rate of 5.625% per year, payable semi-annually in arrears. The 5.625% Senior Notes due 2021 are senior unsecured obligations of the Parent, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness and senior to its existing and future subordinated indebtedness. The 5.625% Senior Notes due 2021 are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities (including the Issuer). The indenture governing the 5.625% Senior Notes due 2021 contains restrictive covenants that are substantially similar to the covenants in the indenture that will

govern the notes. The Parent may redeem all or a portion of the 5.625% Senior Notes due 2021 at the redemption prices applicable to the 5.625% Senior Notes, as set forth in the 5.625% Senior Notes due 2021 indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $900 million aggregate principal amount of the 5.625% Senior Notes due 2021 was outstanding.

5.50% Senior Notes due 2023

On January 30, 2015, the Parent issued $1,000 million aggregate principal amount of 5.50% senior notes due 2023 in a private placement. The 5.50% Senior Notes due 2023 accrue interest at the rate of 5.50% per year, payable semi-annually in arrears. The 5.50% Senior Notes due 2023 are senior unsecured obligations of the Parent, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness and senior to its existing and future subordinated indebtedness. The 5.50% Senior Notes due 2023 are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities (including the Issuer). The indenture governing the 5.50% Senior Notes due 2023 contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Parent may redeem all or a portion of the 5.50% Senior Notes due 2023 at any time at the redemption prices applicable to the 5.50% Senior Notes due 2023, as set forth in the 5.50% Senior Notes due 2023 indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $1,000 million aggregate principal amount of the 5.50% Senior Notes due 2023 was outstanding.

5.375% Senior Notes due 2020, 5.875% Senior Notes due 2023, 4.50% Senior Notes due 2023 and 6.125% Senior Notes due 2025

On March 27, 2015, the Parent issued $2,000 million aggregate principal amount of 5.375% senior notes due 2020 (the "2020 Notes"), $3,250 million aggregate principal amount of 5.875% senior notes due 2023 (the "May 2023 Notes"), €1,500 million aggregate principal amount of 4.50% senior notes due 2023 (the "Euro Notes") and $3,250 million aggregate principal amount of 6.125% senior notes due 2025 (the "2025 Notes" and, together with the 2020 Notes, the May 2023 Notes and the Euro Notes, the "VRX Notes") in a private placement.

The 2020 Notes accrue interest at the rate of 5.375% per year, payable semi-annually in arrears. The May 2023 Notes and the Euro Notes accrue interest at the rate of 5.875% and 4.50% per year, respectively, payable semi-annually in arrears. The 2025 Notes accrue interest at the rate of 6.125% per year, payable semi-annually in arrears. The VRX Notes are senior unsecured obligations of the Parent, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness and senior to its existing and future subordinated indebtedness. The VRX Notes are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities (including the Issuer). The indenture governing the VRX Notes contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Parent may redeem all or a portion of the May 2023 Notes, the Euro Notes and the 2025 Notes at any time prior to May 15, 2018, May 15, 2018 and April 15, 2020, respectively, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption, plus a "make-whole" premium. In addition, at any time prior to May 15, 2018 in the case of the May 2023 Notes, May 15, 2018 in the case of the

Euro Notes and April 15, 2018 in the case of the 2025 Notes, the Parent may redeem up to 40% of the aggregate principal amount of the applicable series of notes with the net proceeds of certain equity offerings at the redemption prices set forth in the applicable indenture. The Parent may redeem all or a portion of the 2020 Notes, and on or after March 15, 2017, May 15, 2018, May 15, 2018 and April 15, 2020, the Parent may redeem all or a portion of the May 2023 Notes, the Euro Notes and the 2025 Notes, respectively, at the redemption prices applicable to each series of such notes, as set forth in the applicable indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $1,708 million aggregate principal amount of the 2020 Notes, $3,250 million aggregate principal amount of the May 2023 Notes, €1,500 million aggregate principal amount of the Euro Notes and $3,250 million aggregate principal amount of the 2025 Notes was outstanding. We intend to use the net proceeds from this offering, in addition to cash on hand, to fund the purchase of the 2020 Notes validly tendered and accepted for payment in the Tender Offer. See "Summary—Tender Offer."

9.000% Senior Notes due 2025

On December 18, 2017, the Parent issued $1,500 million aggregate principal amount of 9.00% Senior Notes due 2025 (the "December 2025 Notes") in a private placement, the proceeds of which were used to repurchase: (i) $1,021 million in principal amount of the 6.375% October 2020 Unsecured Notes, (ii) $291 million in principal amount of the 2020 Notes and (iii) $188 million in principal amount of the 7.000% Senior Notes due 2020. The related fees and expenses were paid using cash on hand. The December 2025 Notes accrue interest at the rate of 9.00% per year, payable semi-annually in arrears.

The December 2025 Notes are senior unsecured obligations of the Parent, ranking equally in right of payment with all of its existing and future unsubordinated indebtedness and senior to its existing and future subordinated indebtedness. The December 2025 Notes are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities. The indenture governing the December 2025 Notes contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes. The Parent may redeem all or a portion of the December 2025 Notes at any time prior to December 15, 2022, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption, plus a "make-whole" premium. In addition, at any time prior to December 15, 2021, the Parent may redeem up to 40% of the aggregate principal amount of the outstanding December 2025 Notes with the net proceeds of certain equity offerings at the redemption price set forth in the December 2025 Notes indenture. On or after December 15, 2022, the Parent may redeem all or a portion of the December 2025 Notes at the applicable redemption prices set forth in the December 2025 Notes indenture, plus accrued and unpaid interest to the date of redemption. As of December 31, 2017, $1,500 million aggregate principal amount of the December 2025 Notes was outstanding.

Existing Secured Notes

6.50% Senior Secured Notes due 2022 and 7.00% Senior Secured Notes due 2024

On March 21, 2017, the Parent issued $1,250 million aggregate principal amount of 6.50% senior secured notes due March 15, 2022 (the "March 2022 Senior Secured Notes") and $2,000 million aggregate principal amount of 7.00% senior secured notes due March 15, 2024 (the "March 2024 Senior Secured Notes"), in a private placement. Interest on these notes is payable semi-annually in arrears on each March 15 and September 15.

The March 2022 Senior Secured Notes and March 2024 Senior Secured Notes are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities.

The March 2022 Senior Secured Notes and March 2024 Senior Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the Parent's obligations under the Credit Agreement under the terms of the indenture governing the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes.

The March 2022 Senior Secured Notes and March 2024 Senior Secured Notes and the guarantees rank equally in right of payment with all of the Parent's and Note Guarantors' (including the Issuer's) respective existing and future unsubordinated indebtedness and senior to the Company's and Note Guarantors' respective future subordinated indebtedness. The March 2022 Senior Secured Notes and March 2024 Senior Secured Notes and the guarantees related thereto are effectively *pari passu* with the Parent's and the Note Guarantors' respective existing and future indebtedness secured by a first priority lien on the collateral securing the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes and effectively senior to the Parent's and the Note Guarantors' (including the Issuer's) respective existing and future indebtedness that is unsecured, including the existing Senior Notes, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes are structurally subordinated to (i) all liabilities of any of the Parent's subsidiaries that do not guarantee the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes and (ii) any of the Company's debt that is secured by assets that are not collateral. The indentures governing these secured notes contain restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes, with appropriate modifications to reflect the secured status of the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes.

The March 2022 Senior Secured Notes are redeemable at the option of the Parent, in whole or in part, at any time on or after March 15, 2019, at the redemption prices set forth in the indenture. The Parent may redeem some or all of the March 2022 Senior Secured Notes prior to March 15, 2019 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. Prior to March 15, 2019, the Parent may redeem up to 40% of the aggregate principal amount of the March 2022 Senior Secured Notes using the proceeds of certain equity offerings at the redemption price set forth in the indenture.

The March 2024 Senior Secured Notes are redeemable at the option of the Parent, in whole or in part, at any time on or after March 15, 2020, at the redemption prices set forth in the indenture. The Parent may redeem some or all of the March 2024 Senior Secured Notes prior to March 15, 2020 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. Prior to March 15, 2020, the Parent may redeem up to 40% of the aggregate principal amount of the March 2024 Senior Secured Notes using the proceeds of certain equity offerings at the redemption price set forth in the indenture.

Upon the occurrence of a change in control (as defined in the indentures governing the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes), unless the Parent has exercised its right to redeem all of the notes as described above, holders of the March 2022 Senior Secured Notes and March 2024 Senior Secured Notes may require the Parent to repurchase such holder's notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest.

5.500% Senior Secured Notes due 2025

On October 17, 2017, the Parent issued $1,000 million aggregate principal amount of 5.500% senior secured notes due November 1, 2025 (together with the Additional Notes referred to

below, the "2025 Senior Secured Notes" and, together with the March 2022 Senior Secured Notes and the March 2024 Senior Secured Notes, the "Existing Secured Notes"), in a private placement. On November 21, 2017, the Parent issued $750 million aggregate principal amount of Additional Notes under the indenture dated as of October 17, 2017, that governs the 2025 Senior Secured Notes Interest on these notes is payable semi-annually in arrears on each May 1 and November 1.

The 2025 Senior Secured Notes are guaranteed by each of the Parent's subsidiaries that is a guarantor under the Credit Facilities. The 2025 Senior Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the Parent's obligations under the Credit Agreement under the terms of the indenture governing the 2025 Senior Secured Notes.

The 2025 Senior Secured Notes and the guarantees rank equally in right of payment with all of the Parent's and Note Guarantors' (including the Issuer's) respective existing and future unsubordinated indebtedness and senior to the Parent's and Note Guarantors' (including the Issuer's) respective future subordinated indebtedness. The 2025 Senior Secured Notes and the guarantees related thereto are effectively *pari passu* with the Parent's and the Note Guarantors' (including the Issuer's) respective existing and future indebtedness secured by a first priority lien on the collateral securing the 2025 Senior Secured Notes and effectively senior to the Parent's and the Note Guarantors' (including the Issuer's) respective existing and future indebtedness that is unsecured, including the existing Senior Notes, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the 2025 Senior Secured Notes are structurally subordinated to (i) all liabilities of any of the Parent's subsidiaries that do not guarantee the 2025 Senior Secured Notes and (ii) any of the Parent's debt that is secured by assets that are not collateral. The indenture governing the 2025 Senior Secured Notes contains restrictive covenants that are substantially similar to the covenants in the indenture that will govern the notes, with appropriate modifications to reflect the secured status of the 2025 Senior Secured Notes.

The 2025 Senior Secured Notes are redeemable at the option of the Parent, in whole or in part, at any time on or after November 1, 2020, at the redemption prices set forth in the indenture. The Parent may redeem some or all of the 2025 Senior Secured Notes prior to November 1, 2020 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. Prior to November 1, 2020, the Parent may redeem up to 40% of the aggregate principal amount of the 2025 Senior Secured Notes using the proceeds of certain equity offerings at the redemption price set forth in the indenture.

Upon the occurrence of a change in control (as defined in the indentures governing the 2025 Senior Secured Notes), unless the Parent has exercised its right to redeem all of the notes as described above, holders of the 2025 Senior Secured Notes may require the Parent to repurchase such holder's notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest.

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this section of the offering memorandum under the subheading "—Certain Definitions". In this section, (i) the term "Issuer" refers only to Valeant Pharmaceuticals International, a Delaware corporation, and its successors and not to any of its Subsidiaries and (ii) the term "Parent" refers only to Valeant Pharmaceuticals International, Inc., the indirect parent of the Issuer and a British Columbia corporation, and its successors and not to any of its Subsidiaries.

The Issuer will issue the % Senior Notes due 2026 (the "notes") under an indenture, dated as of the Issue Date, among the Issuer, the Note Guarantors, The Bank of New York Mellon, as trustee (the "Trustee"). The indenture will not be subject to the provisions of the TIA. Holders of the notes will not be entitled to any registration rights or similar rights.

The Issuer has the right to issue additional notes in the future. Any such additional notes will have the same terms as the notes being offered by this offering memorandum but may be offered at a different offering price or have a different initial interest payment date than the notes being offered by this offering memorandum. If issued, these additional notes will become part of the same series as the notes being offered by this offering memorandum.

The following description is a summary of the material provisions of the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as holders of the notes. Copies of the indenture are available as set forth below under "—Additional Information". Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the indenture.

The registered holder of a note will be treated as the owner of it for all purposes. The registered holders of the notes are those that own notes registered in their own names on the books that the Issuer or the Trustee maintains for this purpose, and not those who own beneficial interests in the notes registered in street name or in notes issued in book-entry form through one or more depositaries. Only registered holders will have rights under the indenture. Owners of beneficial interests in the notes should read the information contained under the subheading "—Book-Entry, Delivery and Form".

Ranking

The notes and the guarantees of the notes will be:

- general unsecured obligations of the Issuer and the Note Guarantors, as applicable;
- *pari passu* in right of payment with each other and all existing and future unsubordinated indebtedness of the Issuer or the applicable Note Guarantor;
- senior in right of payment to all existing and future indebtedness of the Issuer or the applicable Note Guarantor that expressly provides for its subordination to the notes or the applicable guarantee;
- structurally subordinated to all existing and future indebtedness and other liabilities of Parent's Subsidiaries (other than the Issuer) that do not guarantee the notes; and
- effectively subordinated to all existing and future secured indebtedness of the Issuer or the applicable Note Guarantor to the extent of the value of the assets securing such indebtedness.

Principal, Maturity and Interest

The Issuer will issue $1,250,000,000 aggregate principal amount of notes. The Issuer may issue additional notes under the indenture from time to time after this offering. Any offering of additional notes is subject to the covenants described below under the captions "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Liens." The notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Issuer will issue the notes in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes will mature on , 2026.

Interest on the notes will accrue at the rate of % per annum. Interest on the notes will be payable semi-annually in arrears on and , commencing on , 2018. The Issuer will make each interest payment to the holders of record on the immediately preceding and .

Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registrar for the Notes

The Trustee will initially act as Registrar, Transfer Agent and Paying Agent for the notes. The Issuer may change the Registrar, Transfer Agent or Paying Agent without prior notice to the holders, and Parent or any of its Subsidiaries may act as Paying Agent, Transfer Agent or Registrar.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the indenture. The Registrar, the Transfer Agent and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. The Issuer is not required to transfer or exchange any note selected for redemption. Also, the Issuer is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Note Guarantees

The Issuer's obligations under the notes and the indenture initially will be jointly and severally guaranteed by Parent and those of the Parent's Subsidiaries (other than the Issuer) that are obligors or guarantors under the Credit Agreement and the Existing Notes.

Not all of Parent's Subsidiaries will guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries (other than the Issuer), these non-guarantor Subsidiaries will pay the holders of their debts and their trade creditors before they will be able to distribute any of their assets to the Issuer. As of December 31, 2017, these non-guarantor Subsidiaries had an aggregate of $1.4 billion of liabilities outstanding (excluding intercompany obligations), to which the notes would have been structurally subordinated.

If any subsidiary of Parent (other than the Issuer) provides a Guarantee of any Indebtedness of Parent or a Guarantor under any syndicated Credit Facility or Capital Markets Indebtedness,

then such Subsidiary will promptly execute a supplemental indenture pursuant to which it will Guarantee, on a senior unsecured basis, the Issuer's obligations under the notes and the indenture for so long as the Guarantee in connection with the applicable Indebtedness remains in place. Notwithstanding the foregoing, no Subsidiary shall be required to Guarantee the notes if any such Guarantee shall be illegal or unenforceable under relevant law (after taking into account the limitations set forth in the next succeeding paragraph), as determined in good faith by the Issuer.

The obligations of each Note Guarantor under its Note Guarantee will be limited as necessary to prevent such Note Guarantee from constituting a fraudulent conveyance under applicable law. In addition, the obligations of any Note Guarantor organized outside the United States of America may be limited as necessary or appropriate to (1) comply with applicable law, (2) avoid any general legal limitations such as general statutory limitations, financial assistance, corporate benefit, "thin capitalization" rules, retention of title claims or similar matters or (3) avoid a conflict with the fiduciary duties of such company's directors, contravention of any legal prohibition or regulatory condition, or the material risk of personal or criminal liability for any officers or directors (collectively referred to as "Agreed Guarantee Principles", in each case as determined by the Issuer in its sole discretion). Such limitations could be significant.

A Subsidiary Guarantor shall be released from its obligations under its Note Guarantee and its obligations under the indenture:

(1) in the event of a sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the Equity Interests of such Subsidiary Guarantor then held by the Parent and its Restricted Subsidiaries;

(2) if such Subsidiary Guarantor is designated as an Unrestricted Subsidiary or otherwise ceases to be a Restricted Subsidiary, in each case in accordance with the provisions of the indenture, upon effectiveness of such designation or when it first ceases to be a Restricted Subsidiary, respectively;

(3) in the case of any Note Guarantee issued on the Issue Date, upon the release or discharge of the Note Guarantee by such Note Guarantor in respect of the Credit Agreement, and, in any other case, upon the release or discharge of any Note Guarantee in respect of Indebtedness that resulted in the issuance after the Issue Date of the Note Guarantee by such Subsidiary Guarantor; or

(4) if the Issuer exercises its legal defeasance option or its covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or if the obligations of the Issuer under the indenture are discharged in accordance with the terms of the indenture.

Payment of Additional Amounts

All payments made by or on behalf of any Note Guarantor, other than a Note Guarantor organized in the United States, any state thereof or the District of Columbia, under or with respect to any Note Guarantee by Parent or any Subsidiary Guarantor organized other than in the United States (each such person, a "Payor") will be made free and clear of any withholding or deduction for or on account of any tax, duty, levy, impost, assessment or other governmental charge of whatever nature (collectively, "Tax") imposed or levied by or on behalf of any jurisdiction in which such Payor is organized, resident or carrying on business for tax purposes or from or through which such Payor makes any payment on its Note Guarantee or any

department or political subdivision of any of the foregoing (each, a "Relevant Taxing Jurisdiction"), unless the Payor (or an applicable withholding agent) is required to withhold or deduct Taxes by law. For the avoidance of doubt, a Relevant Taxing Jurisdiction shall not include the United States, any state thereof or the District of Columbia. If the Payor (or an applicable withholding agent) is required by law to withhold or deduct any amount for or on account of Taxes of a Relevant Taxing Jurisdiction from any payment made under or with respect to any Note Guarantee, the Payor, subject to the exceptions listed below, will pay additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by each holder or beneficial owner of the notes after such withholding or deduction (including withholding or deduction attributable to Additional Amounts payable hereunder) will not be less than the amount the holder or beneficial owner would have received if such Taxes had not been required to be so withheld or deducted.

A Payor will not, however, pay Additional Amounts to a holder or beneficial owner of notes:

(a) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed but for the existence of any present or former connection between the holder or beneficial owner (or between a fiduciary, settler, beneficiary, member or shareholder of, or possessor of a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction (other than any connection resulting solely from the acquisition, ownership, holding or disposition of notes, the receipt of payments thereunder or under any Note Guarantee and/or the exercise or enforcement of rights under any notes or any Note Guarantee);

(b) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed but for the failure of the holder or beneficial owner of notes, following the Issuer's or the Payor's written request addressed to the holder, to the extent such holder or beneficial owner is legally eligible to do so, to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(c) with respect to any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property tax or any similar Taxes;

(d) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed but for the presentation by the holder or beneficial owner of any notes, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(e) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed but for the holder or beneficial owner not dealing at arm's length, within the meaning of the Income Tax Act (Canada), with such Payor; or

(f) any combination of items (a), (b), (c), (d) and (e).

Additional Amounts also will not be paid with respect to any payment on any Note Guarantee to a beneficial owner who is a fiduciary, a partnership (or entity treated as a partnership for tax purposes), or anyone other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the Relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not

have been entitled to the Additional Amounts had that beneficiary, settlor, member or interest holder been the beneficial owner.

The Payor or applicable withholding agent will (i) make any such withholding or deduction required by applicable law and (ii) timely remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Payor, or the applicable withholding agent, will make reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes. The Payor, or the applicable withholding agent, will provide to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld are due pursuant to applicable law, either a certified copy of tax receipts evidencing such payment, or, if such tax receipts are not reasonably available to the Payor, such other documentation that provides reasonable evidence of such payment by the Payor.

Where Tax is payable pursuant to Regulation 803 of the Income Tax Act (Canada) by a holder or beneficial owner of the notes in respect of any amount payable under any Note Guarantee to the holder (other than by reason of a transfer of the notes to a person resident in Canada with whom the transferor does not deal at arm's length for the purposes of such Act), but no Additional Amount is paid in respect of such Tax, the Payor will pay as or on account of interest to the holder an amount equal to such Tax (a "Regulation 803 Reimbursement") plus an amount equal to any Tax required to be paid by the holder or beneficial owner as a result of such Regulation 803 Reimbursement within 45 days after receiving from the holder a notice containing reasonable particulars of the Tax so payable, provided such holder or beneficial owner would have been entitled to receive Additional Amounts on account of such Tax (and only to the extent of such Additional Amounts that such holder or beneficial owner would have been entitled to receive) but for the fact that it is payable otherwise than by deduction or withholding from payments made under or with respect to any Note Guarantee.

The Payor will deliver to the Trustee an officers' certificate stating that such Additional Amounts will be payable prior to the date on which such payments will be made, and the amounts so payable, and will set forth such other information necessary to enable the Trustee (or applicable paying agent) to pay such Additional Amounts to holders on the payment date. Any such certificate will be delivered a reasonable amount of time in advance of when the payments in question are required to be made. The Payor will promptly publish a notice in accordance with the provisions of the indenture stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

The Payors, jointly and severally, will reimburse the holders or beneficial owners of notes, upon written request of such holder or beneficial owner of notes and certified proof of payment for the amount of (i) any Taxes levied or imposed by a Relevant Taxing Jurisdiction and payable by such holder or beneficial owner in connection with payments made under or with respect to any Note Guarantee; and (ii) any Taxes levied or imposed with respect to any reimbursement under the foregoing clause (i) or this clause (ii), so that the net amount received by such holder or beneficial owner after such reimbursement will not be less than the net amount such holder or beneficial owner would have received if the Taxes giving rise to the reimbursement described in clauses (i) and/or (ii) had not been imposed, provided, however, that the indemnification obligation provided for in this paragraph shall not extend to Taxes imposed for which the holder or beneficial owner of the notes would not have been eligible to receive payment of Additional Amounts hereunder by virtue of clauses (a) through (f) above or to the extent such holder or beneficial owner received Additional Amounts with respect to such payments.

In addition, the Payor will pay any stamp, issue, registration, court, documentary, excise or other similar taxes, charges and duties, including interest and penalties with respect thereto,

imposed by any Relevant Taxing Jurisdiction at any time in respect of the execution, issuance, registration or delivery of any Note Guarantee or any other document or instrument referred to thereunder and any such taxes, charges or duties imposed by any Relevant Taxing Jurisdiction at any time as a result of, or in connection with, (i) any payments made pursuant to any Note Guarantee or any other such document or instrument referred to thereunder and/or (ii) the enforcement of any Note Guarantee or any other such document or instrument referred to thereunder.

The obligations described under this heading will survive any termination, defeasance or discharge of the indenture and will apply mutatis mutandis to any successor Person, to any Payor and to any jurisdiction in which such successor is organized (other than the United States, any state thereof or the District of Columbia), carrying on business or is otherwise resident for tax purposes or any jurisdiction (other than the United States, any state thereof or the District of Columbia) from or through which payment is made by such successor or its respective agents. Whenever the indenture or this "Description of the Notes" refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any note or under any Note Guarantee, such reference includes the payment of Additional Amounts or indemnification payments as described hereunder, if applicable.

Optional Redemption

At any time prior to , 2021, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of notes (including notes issued after the Issue Date, if any) issued under the indenture at a redemption price of % of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more Equity Offerings; provided that:

(1) at least 60% of the aggregate principal amount of notes (including notes issued after the Issue Date, if any) issued under the indenture remains outstanding immediately after the occurrence of such redemption (excluding notes held by the Issuer and its Subsidiaries); and

(2) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

On or after , 2022, the Issuer may redeem all or a part of the notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest on the notes redeemed, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on of the years indicated below:

2022	%
2023	%
2024 and thereafter	100.000%

At any time prior to , 2022, the Issuer may redeem the notes, in whole or in part, at a redemption price equal to the principal amount of the notes redeemed plus the Applicable Premium plus accrued and unpaid interest to, but not including, the date of redemption. The Issuer shall calculate the redemption price, including any Applicable Premium.

Notice of Redemption

In connection with any optional redemption of the notes, any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent. If a redemption is subject to

satisfaction of one or more conditions precedent, the applicable redemption notice shall describe such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, without the requirement of an additional notice period to the holders, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the notes. However, under certain circumstances, the Issuer may be required to offer to purchase the notes as described under the caption "—Repurchase at the Option of the holders."

Other Purchases

Parent and its Subsidiaries may at any time and from time to time attempt to acquire or acquire notes by means other than a redemption, whether pursuant to an issuer tender offer, open market purchases or otherwise, assuming such acquisition does not otherwise violate the terms of the indenture; provided, that this paragraph does not provide the Issuer with any additional rights to redeem the notes other than as explicitly provided for in the indenture. In connection with any such acquisition, the Issuer may seek and obtain holders' consent to amendments to the indenture.

Repurchase at the Option of the Holders

Change of Control

If a Change of Control occurs, each holder of notes will have the right to require the Issuer to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of that holder's notes pursuant to an offer (the "Change of Control Offer") on the terms set forth in the indenture. In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest on the notes repurchased to, but excluding, the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control, the Issuer will transmit a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the Change of Control Payment 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 in accordance with the procedures of the depositary) and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased by the Issuer.

The Paying Agent will promptly mail (or transmit by wire transfer) to each holder of notes properly tendered the Change of Control Payment for such notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each new note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

The Issuer will publicly announce the results of the Change of Control Offer on or as soon as reasonably practicable after the Change of Control Payment Date.

Except as described above with respect to a Change of Control, the indenture does 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. The Change of Control purchase feature is a result of negotiations between the Issuer and the initial purchasers. Management evaluates transactions which could result in a Change of Control from time to time and may engage in a transaction involving a Change of Control in the future. Subject to the limitations discussed below, Parent could, in the future, enter into certain transactions, including acquisitions, refinancings or 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 Parent's capital structure or credit ratings. Restrictions on the ability of Parent and its Restricted Subsidiaries to incur additional Indebtedness are contained in the covenants described under "Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Liens". Except for the limitations contained in such covenants, however, the indenture does not contain any covenants or provisions that may afford holders protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer with respect to the notes upon a Change of Control if (1) a third party makes the Change of Control Offer with respect to the notes 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 properly tendered and not withdrawn under the Change of Control Offer, (2) notice of redemption with respect to the notes has been given pursuant to the indenture as described above under the caption "—Optional Redemption", unless and until there is a default in payment of the applicable redemption price, or (3) after giving effect to such Change of Control, (i) no Default or Event of Default has occurred and is continuing, (ii) the Change of Control transaction has been approved by the Board of Directors of Parent, and (iii) the notes have received an Investment Grade Rating. In addition, 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 launching the Change of Control Offer.

The provisions under the indenture relative to the Issuer's obligation to make an offer to repurchase the notes as a result of a Change of Control (including any required notice period) may be waived or modified with the written consent of the holders of a majority in principal amount of the notes, including after the entry into of an agreement that would result in the need to make a Change of Control Offer.

With respect to the notes, in the event that 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 purchases all of the notes validly tendered and not withdrawn by such holders, within 60 days of such purchase, the Issuer will have the right, upon not less than 30 days' nor more than 60 days' prior notice, to redeem all of the notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest on the notes to, but excluding, the date of redemption.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of Parent and its Restricted Subsidiaries taken as a whole. 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, the ability of a holder of notes to require the Issuer to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Parent and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

Parent will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Parent (or its Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (determined, for purposes of this clause (1), by Parent or, in the case of any asset(s) valued in excess of $750.0 million, by the Board of Directors) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration received in the Asset Sale by Parent or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

(3) For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on Parent's most recent consolidated balance sheet, of Parent or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes and the Note Guarantees) (i) that are assumed by the transferee of any such assets pursuant to an agreement that releases Parent or such Restricted Subsidiary from further liability or (ii) that are discharged by the transferee in a transaction pursuant to which neither Parent nor any Restricted Subsidiary has any liability following such Asset Sale;

(b) any securities, notes or other obligations received by Parent or any such Restricted Subsidiary from such transferee that are converted by Parent or such Restricted Subsidiary into cash within 180 days after the consummation of the applicable Asset Sale, to the extent of the cash received in that conversion; and (c) any Designated Noncash Consideration having an aggregate Fair Market Value that, when taken together with all other Designated Noncash Consideration previously received and then outstanding, does not exceed at the time of the receipt of such Designated Noncash Consideration (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) the greater of $800.0 million or 3.0% of Consolidated Total Assets.

Within 450 days after the receipt of any Net Proceeds from an Asset Sale, Parent or the applicable Restricted Subsidiary may apply an amount equal to those Net Proceeds:

(1) to repay (w) Indebtedness and other Obligations under the Credit Agreement and, if the Indebtedness repaid under the Credit Agreement is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (x) other secured indebtedness, (y) other Indebtedness which ranks pari passu in right of payment with the notes (provided, in the case of this clause (y), the Issuer shall equally and ratably reduce obligations under the notes in accordance with the provisions set forth under "—Optional Redemption," through privately negotiated transactions or open market purchases (in each case, provided that 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 Sale Offer) to all holders to purchase, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, the pro rata principal amount of the notes) or (z) other Indebtedness of a Subsidiary (other than the Issuer) that does not Guarantee the notes, so long as the relevant assets were assets of such Subsidiary;

(2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business or the minority interest of any Permitted Business;

(3) to make payments with respect to the acquisition or license of intellectual property rights that are used in a Permitted Business;

(4) to make a capital expenditure in or that is useful in a Permitted Business;

(5) to retire notes (x) pursuant to the provisions set forth under "—Optional Redemption," (y) through privately negotiated transactions or open market purchases, or (z) by making an offer to purchase notes in accordance with the procedures set forth below for an Asset Sale Offer;

(6) to acquire other assets that are not classified as current assets (for the avoidance of doubt, including acquisitions of in-process research and development) under GAAP and that are used or useful in a Permitted Business;

provided that a binding commitment to apply any Net Proceeds from an Asset Sale as set forth in clauses (2), (3), (4) or (6) above shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as Parent or such Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of the end of such 450-day period (an "Acceptable Commitment") and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, then Parent or such Restricted Subsidiary shall be permitted to apply the Net Proceeds in any manner set forth above before the expiration of such 180-day period and, in the event Parent or such Restricted Subsidiary fails to do so, then such Net Proceeds shall constitute Excess Proceeds (as defined below).

Notwithstanding the foregoing provisions of this covenant, Parent and its Restricted Subsidiaries will not be required to apply an amount equal to any Net Proceeds in accordance with this covenant except to the extent that the aggregate Net Proceeds from all Asset Sales which are not applied in accordance with this covenant exceed the greater of $275.0 million or 1.0% of Consolidated Total Assets at the time of receipt of such Net Proceeds. Pending application of an amount equal to Net Proceeds pursuant to this covenant, Parent or a Restricted

Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding two paragraphs will constitute "Excess Proceeds". When the aggregate amount of Excess Proceeds exceeds the greater of $275.0 million or 1.0% of Consolidated Total Assets, the Issuer will make an offer (an "Asset Sale Offer") to all holders of notes and all holders of other Indebtedness that is *pari passu* with the notes containing provisions similar to those set forth in the indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of notes and such other *pari passu* Indebtedness that may be purchased out of the amount of such Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest to, but not including, the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Parent and its Restricted Subsidiaries may use the amount of such Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the notes and such other *pari passu* Indebtedness will be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indenture by virtue of such compliance.

The agreements governing Parent's and its Restricted Subsidiaries' other Indebtedness, including any Credit Facilities and the Existing Notes, may contain prohibitions of certain events, including events that would constitute a Change of Control or an Asset Sale. In addition, the exercise by the holders of notes of their right to require the Issuer to offer to repurchase the notes upon a Change of Control or an Asset Sale may cause a default under these other agreements, even if the Change of Control or Asset Sale itself does not, due to the financial effect of such repurchases on the Issuer. Finally, the Issuer's ability to pay cash to the holders of notes upon a repurchase may be limited by the Issuer's then existing financial resources. See "Risk Factors—Risks Relating to the Notes—The Issuer may not be able to repurchase the notes if it experiences a change of control".

Selection and Notice

If the Issuer elects to redeem less than all of the notes at any time, the notes will be selected for redemption as follows:

(1) in accordance with the procedures of DTC and in compliance with the requirements of the applicable stock exchange to the extent the notes are held in the form of Global Notes; or

(2) on a pro rata basis, by lot or by such method as the Trustee deems fair and appropriate to the extent the notes are held in definitive form.

No notes of $2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail to holders of certificated notes (or otherwise transmitted to registered holders of

global notes in accordance with applicable procedures of the depositary) at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture.

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder of notes upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption.

On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption.

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

In the event of the occurrence of a Fall Away Event (and notwithstanding the failure of Parent subsequently to maintain an Investment Grade Rating), the covenants and provisions described below under the captions:

(1) "—Repurchase at the Option of holders—Asset Sales";

(2) "—Restricted Payments";

(3) "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(4) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(5) "—Transactions with Affiliates"; and

(6) clause (4) of the covenant described under "—Merger, Consolidation or Sale of Assets"

shall each no longer be in effect for the remaining term of the notes.

Restricted Payments

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Parent's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Parent or any of its Restricted Subsidiaries) or to the direct or indirect holders of Parent's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of Parent or to Parent or a Restricted Subsidiary of Parent);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Parent) any Equity Interests of Parent or any direct or indirect parent of Parent;

(3) purchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of the Issuer or any Note Guarantor that is contractually subordinated in right of payment to the notes or a Note Guarantee, except (i) from Parent or a Restricted Subsidiary of Parent or (ii) the purchase, redemption, defeasance or other acquisition or retirement of any such Indebtedness made in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, redemption, defeasance or other acquisition or retirement; or

(4) make any Restricted Investment

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) Parent would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock"; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Parent and its Restricted Subsidiaries after January 30, 2015 (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (8), (9), (11), (12) and (13) of the next succeeding paragraph), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of Parent for the period (taken as one accounting period) from October 1, 2014 to the end of Parent's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus

(b) 100% of the aggregate net cash proceeds (or the fair market value of assets) received by Parent since January 30, 2015 as a contribution to its common equity capital or from the issue or sale of Equity Interests of Parent (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Parent that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of Parent), plus

(c) to the extent that any Restricted Investment that was made after January 30, 2015 is sold for cash or otherwise liquidated or repaid for cash, the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) or (ii) the initial amount of such Restricted Investment, plus

(d) to the extent that any Unrestricted Subsidiary of Parent is redesignated as a Restricted Subsidiary after January 30, 2015, the lesser of (i) the Fair Market Value of Parent's Investment in such Subsidiary as of the date of such redesignation or (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary, plus

(e) $3.7 billion.

As of December 31, 2017, the amount available for Restricted Payments pursuant to clause (3) above would have been approximately $10.7 billion.

The preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the indenture (it being understood that the amount of any such dividend shall be included in the aggregate amount of Restricted Payments determined in clause (3) of the preceding paragraph only once and not as separate Restricted Payments made at both declaration and payment);

(2) any Restricted Payment made in exchange for, or in an amount equal to the net cash proceeds of, the substantially concurrent sale (other than to Parent or a Restricted Subsidiary of Parent) of, Equity Interests of Parent (other than Disqualified Stock); provided that an amount equal to such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;

(3) the defeasance, redemption, repurchase or other acquisition or retirement of subordinated Indebtedness of the Issuer or any Note Guarantor with the net cash proceeds from, or in exchange for, an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend or any other payment or distribution by a Restricted Subsidiary of Parent to the holders of its Equity Interests of any class on a pro rata basis to holders of such class;

(5) so long as no Default or Event of Default has occurred and is continuing, the repurchase, redemption or other acquisition or retirement for value of Equity Interests of Parent or any Restricted Subsidiary of Parent held by any present or former employee, director, officer or consultant of, or service provider to, Parent or any of its Restricted Subsidiaries pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by Parent in connection with any such repurchase, retirement or other acquisition), or any stock subscription or shareholder agreement; provided that the aggregate amount of Restricted Payments made under this clause (5) shall not exceed in any calendar year $25.0 million (with unused amounts for any year being carried over to the next succeeding year, but not to any subsequent year, with the permitted amount for each year being used prior to any amount carried over from the previous year); provided further that such amount in any calendar year may be increased by an amount not to exceed:

(i) the cash proceeds of key man life insurance policies received by Parent or its Restricted Subsidiaries after the Issue Date; less

(ii) the amount of any Restricted Payments previously made with the cash proceeds described in subclause (i) of this clause (5);

(6) payments to holders of Equity Interests (or to the holders of Indebtedness that is convertible into or exchangeable for Equity Interests upon such conversion or exchange) in lieu of the issuance of fractional shares;

(7) repurchases of Equity Interests deemed to occur in connection with the exercise or vesting of stock options or similar instruments to the extent necessary to pay withholding or similar taxes related to such exercise or vesting of stock options or similar instruments;

(8) [reserved];

(9) repurchases or retirement for value of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(10) the repurchase, redemption or other acquisition or retirement for value of any subordinated Indebtedness or Disqualified Stock pursuant to provisions similar to those described under the captions "—Repurchase at the Option of Holders—Change of Control" and "Repurchase at the Option of Holders—Asset Sales"; provided that, prior thereto, all notes tendered by holders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(11) so long as no Default or Event of Default has occurred and is continuing, the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Parent or its Restricted Subsidiaries issued in accordance with the covenant described under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(12) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments; provided, however, that if the Total Leverage Ratio as of the date of any Restricted Payment to be made pursuant to this clause (12) is greater than or equal to 3.50 to 1.0, such Restricted Payment shall be permitted to be made pursuant to this clause (12) only if the amount of such Restricted Payment, when taken together with the amount of all other Restricted Payments previously made pursuant to this clause (12) when the Total Leverage Ratio was greater than or equal to 3.50 to 1.0, does not exceed $500.0 million in the aggregate; and

(13) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Parent or a Restricted Subsidiary by, Unrestricted Subsidiaries.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value (determined, for purposes of this covenant, by Parent or, in the case of any asset(s) valued in excess of $750.0 million, by the Board of Directors) on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by Parent or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. For purposes of determining compliance with this "Restricted Payments" covenant, in the event that a Restricted Payment meets the criteria of more than one of the categories described in clauses (1) through (13) above, including the first paragraph of this covenant or the definition of "Permitted Investment," the Issuer will be permitted to classify such Restricted Payment and later reclassify all or a portion of such Restricted Payment in any manner that complies with this covenant. In addition, a Restricted Payment need not be permitted solely by reference to one provision permitting such Restricted Payment but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Restricted Payment.

As of December 31, 2017, the amount available for Restricted Payments pursuant to clause (5) above would have been approximately $50 million.

Incurrence of Indebtedness and Issuance of Preferred Stock

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur"), with respect to any Indebtedness (including Acquired Debt), and Parent will not issue any Disqualified Stock and will not permit

any of its Restricted Subsidiaries to issue any Disqualified Stock or preferred stock; provided, however, that Parent or any Restricted Subsidiary may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock and any Restricted Subsidiary may issue preferred stock if the Fixed Charge Coverage Ratio for Parent's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued would have been at least 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by Parent and its Restricted Subsidiaries of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed $2,500.0 million;

(2) the incurrence by Parent and its Restricted Subsidiaries of the Existing Indebtedness, including the Existing Secured Notes;

(3) the incurrence by the Issuer and the Note Guarantors of Indebtedness represented by the notes to be issued on the date of the indenture and the Note Guarantees (including any future Note Guarantees);

(4) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations in an aggregate amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4), not to exceed the greater of (x) $275.0 million and (y) 1.0% of Consolidated Total Assets at any time outstanding;

(5) mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Parent or any Restricted Subsidiary of Parent, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (5), not to exceed the greater of (x) $675.0 million and (y) 2.5% of Consolidated Total Assets at any time outstanding;

(6) the incurrence by Parent or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, Indebtedness (other than intercompany Indebtedness) that was permitted by the indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (12) or (14) of this paragraph or this clause (6) or, solely to the extent of the excess (if any) of the amount of Indebtedness incurred and outstanding under clause (20) prior to the applicable refinancing over the maximum aggregate amount permitted to be incurred and outstanding under clause (20) at the time of such refinancing, clause (20) of this paragraph;

(7) the incurrence by Parent or any of its Restricted Subsidiaries of intercompany Indebtedness between or among Parent and any of its Restricted Subsidiaries; provided, however, that:

(a) if the Issuer or a Note Guarantor is the obligor on such Indebtedness and the obligee is not the Issuer or another Note Guarantor, such Indebtedness must be expressly subordinated (without regard to security interest) to the prior payment in full in cash of all Obligations with respect to the notes; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Parent or a Restricted Subsidiary of Parent and (ii) any sale or other transfer of any such Indebtedness to a Person that is not Parent or a Restricted Subsidiary of Parent will be deemed, in each case, to constitute an incurrence of such Indebtedness by Parent or such Restricted Subsidiary, as the case may be, that is not permitted by this clause (7);

(8) (i) the incurrence by Parent or any of its Restricted Subsidiaries of Hedging Obligations that are incurred and not for speculative purposes and (ii) the incurrence by a Securitization Special Purpose Entity of Indebtedness in a Qualified Securitization Transaction that is without recourse to the Parent or to any other Restricted Subsidiary of the Parent or their assets (other than Standard Securitization Undertakings);

(9) the Guarantee by Parent or any Restricted Subsidiary of Parent of Indebtedness of Parent or any Restricted Subsidiary that was permitted to be incurred by another provision of this covenant (other than the Note Guarantees); provided that if the Indebtedness being guaranteed is subordinated to or pari passu with the notes or any Note Guarantee, then the Guarantee shall be subordinated to the same extent as the Indebtedness guaranteed (without regard to security interest);

(10) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; provided, in each such case, that the amount thereof is included in Fixed Charges of Parent as accrued;

(11) obligations in respect of performance and surety bonds and completion guarantees or similar obligations provided by Parent or any Restricted Subsidiary of Parent in each case in the normal course of business (whether or not consistent with past practice);

(12) the incurrence by Parent or any of its Restricted Subsidiaries of Acquired Debt; provided, however, that on the date of acquisition and after giving effect thereto on a pro forma basis, the Fixed Charge Coverage Ratio of Parent (A) would be at least 2.0 to 1.0 or (B) would be equal to or greater than such Fixed Charge Coverage Ratio immediately prior to such acquisition;

(13) the incurrence by any Foreign Subsidiary of Indebtedness in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (13), not to exceed the greater of (x) $675.0 million or (y) 2.5% of Consolidated Total Assets;

(14) Indebtedness of Parent or any Restricted Subsidiary incurred in connection with or in contemplation of, or to provide all or any portion of the funds or credit support utilized to

consummate, the acquisition by Parent or any Restricted Subsidiary of Parent of property used or useful in a Permitted Business (whether through the direct purchase of assets or the purchase of Capital Stock of, or merger or consolidation with, any Person owning such assets); provided, however, on the date of such incurrence and after giving effect thereto on a pro forma basis, the Fixed Charge Coverage Ratio of Parent (A) would be at least 2.0 to 1.0 or (B) would be equal to or greater than such Fixed Charge Coverage Ratio immediately prior to such incurrence;

(15) Indebtedness incurred by Parent or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including letters of credit in respect of workers' compensation claims, death, disability or other employee benefits or property, casualty or liability insurance or self-insurance, or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims; provided, however, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(16) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds, provided that such Indebtedness is extinguished within five business days of notice of its incurrence;

(17) Indebtedness of Parent or any of its Restricted Subsidiaries supported by a letter of credit issued pursuant to the Credit Facilities, in a principal amount not in excess of the stated amount of such letter of credit;

(18) Indebtedness of Parent or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take-or-pay or similar obligations contained in supply arrangements, in each case, incurred in the ordinary course of business;

(19) the incurrence by Parent or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (19), not to exceed the greater of (x) $675.0 million and (y) 2.5% of Consolidated Total Assets; and

(20) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness secured by a Lien under Credit Facilities in an aggregate principal amount such that, on a pro forma basis (including a pro forma application of the proceeds therefrom), the Secured Leverage Ratio would not exceed 3.50 to 1.00.

Parent and the Issuer will not, and will not permit any Note Guarantor to, incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or the Note Guarantors unless such Indebtedness is also contractually subordinated in right of payment to the notes on substantially identical terms; provided, however, that no Indebtedness of the Issuer or the Note Guarantors will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Note Guarantor solely by virtue of being unsecured or having a junior lien priority.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (20) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, Parent will be permitted to classify such item of Indebtedness on the date of its

incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant. Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness. Indebtedness under the Credit Agreement outstanding on the date on which notes are first issued and authenticated under the indenture will be deemed to have been incurred on such date in reliance on the exception provided by clause (20) of the definition of Permitted Debt.

In addition, for purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, Parent or the applicable Restricted Subsidiary may elect to treat all or any portion of the commitment under any Indebtedness (including with respect to any revolving loan commitment) as being incurred at the time of such commitment, in which case any subsequent incurrence of Indebtedness under such commitment shall not be deemed to be an incurrence at such subsequent time.

Liens

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien securing Indebtedness of any kind on any asset now owned or hereafter acquired, except Permitted Liens, unless contemporaneously therewith:

(1) in the case of any Lien securing Indebtedness that ranks *pari passu* with the notes or a Note Guarantee, effective provision is made to secure the notes or such Note Guarantee, as the case may be, equally and ratably with or prior to such obligation with a Lien on the same assets of Parent or such Restricted Subsidiary, as the case may be; and

(2) in the case of any Lien securing Indebtedness that is subordinated in right of payment to the notes or a Note Guarantee, effective provision is made to secure the notes or such Note Guarantee, as the case may be, with a Lien on the same assets of Parent or such Restricted Subsidiary, as the case may be, that is prior to the Lien securing such subordinated obligation.

Any Lien created for the benefit of holders pursuant to this covenant shall be automatically and unconditionally released and discharged, without any action on the part of the holders, upon the release and discharge of each of the Liens described in clauses (1) and (2) above.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

Parent will not, and will not permit any of its Restricted Subsidiaries that is not the Issuer to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to Parent or any of its Restricted Subsidiaries or pay any indebtedness owed to Parent or any of its Restricted Subsidiaries;

(2) make loans or advances to Parent or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to Parent or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements, including agreements governing Existing Indebtedness, as in effect on the date of the indenture and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not more materially restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of the indenture;

(2) the indenture, the notes and the Note Guarantees;

(3) any encumbrance or restriction pursuant to Credit Facilities incurred under clause (1) or (20) of the second paragraph of the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(4) applicable law, rule, regulation or order, approval, license, permit or similar restriction, including under contracts with foreign governments or agencies thereof entered into in the ordinary course of business;

(5) any instrument governing Indebtedness, Capital Stock or assets of a Person acquired by Parent or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred, or such Capital Stock was issued, in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements provided that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of the acquisition; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the indenture to be incurred;

(6) customary non-assignment provisions in leases, contracts and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property that impose restrictions on that property of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions, transfers, loans or advances by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not, in the good faith judgment of the Issuer, materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Permitted Liens securing Indebtedness that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into with the approval of the Board of Directors of Parent or otherwise in the ordinary course of business;

(12) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(13) restrictions in agreements or instruments which prohibit the payment or making of dividends or other distributions other than on a pro rata basis;

(14) contractual requirements of a Securitization Special Purpose Entity in connection with a Qualified Securitization Transaction; provided that such restrictions apply only to such Securitization Special Purpose Entity; and

(15) any agreement or instrument governing Indebtedness or preferred stock permitted to be incurred subsequent to the Issue Date pursuant to the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock," which encumbrances or restrictions (i) are not, in the good faith judgment of the Issuer, materially more restrictive, taken as a whole, than those contained in the indenture or (ii) will not, in the good faith judgment of the Issuer, affect the ability of the Issuer to make anticipated payments of principal, interest or premium on the notes.

Merger, Consolidation or Sale of Assets

Parent and the Issuer may not, directly or indirectly: (1) consolidate, amalgamate, or merge with or into another Person (whether or not Parent or the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of Parent and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person; unless:

(1) either: (a) Parent or the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation, amalgamation, or merger (if other than Parent or the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is organized and validly existing under the laws of the U.S., any state of the U.S. or the District of Columbia or under the laws of Canada or any province thereof, any member state of the European Union as in effect on the Issue Date, Bermuda, Cayman Islands, any Channel Island or Switzerland (provided that, in the case of the Issuer, if such entity is not a corporation, a co-obligor of the notes is a corporation);

(2) the Person formed by or surviving any such consolidation, amalgamation, or merger (if other than Parent or the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made expressly assumes all the obligations of Parent or the Issuer, as applicable, under the notes (or the Note Guarantee) and the indenture pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) in the case of Parent, either (a) Parent or the Person formed by or surviving any such consolidation, amalgamation, or merger (if other than Parent) or to which such sale,

assignment, transfer, conveyance or other disposition has been made will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock", or (b) Parent or the Person formed by or surviving any such consolidation amalgamation, or merger (if other than Parent) or to which such sale, assignment, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, have a Fixed Charge Coverage Ratio for such Person and its Restricted Subsidiaries that would be equal to or greater than such ratio for such Person and its Restricted Subsidiaries immediately prior to such action.

In addition, Parent may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person.

Parent will not permit any Subsidiary Guarantor to, directly or indirectly: (1) consolidate, amalgamate, or merge with or into another Person; or (2) sell, assign, transfer, convey or otherwise dispose (collectively "dispose") of all or substantially all of its properties or assets, in one or more related transactions, to another Person unless:

(1) except in the case of a Subsidiary Guarantor (x) that has disposed of all or substantially all of its assets, whether through a merger, amalgamation, consolidation or sale of Capital Stock or assets or (y) that, as a result of the disposition of all or a portion of its Capital Stock, ceases to be a Subsidiary of Parent, in both cases in compliance with the covenant described under "Repurchase at the Option of Holders—Asset Sales," the resulting, surviving or transferee Person (if not such Subsidiary Guarantor) shall expressly assume, by a guarantee agreement in a form reasonably satisfactory to the Trustee, all the obligations of such Subsidiary Guarantor under its Note Guarantee; and

(2) immediately after such transaction, no Default or Event of Default exists.

Notwithstanding the foregoing: (A) any Restricted Subsidiary may consolidate or amalgamate with, merge into or transfer all or part of its properties and assets to the Issuer or any Note Guarantor and (B) Parent or the Issuer may merge or amalgamate with an Affiliate of Parent solely for the purpose of reincorporating Parent or the Issuer in another jurisdiction within the United States of America, any state thereof or the District of Columbia, Canada or any province thereof, any member state of the European Union as in effect on the Issue Date, Bermuda, Cayman Islands, any Channel Island, Singapore or Switzerland or converting Parent or the Issuer into a limited liability company organized under the United States of America, any state thereof or the District of Columbia, Canada or any province thereof, any member state of the European Union as in effect on the Issue Date, Bermuda, Cayman Islands, any Channel Island, Singapore or Switzerland (provided that, in the case of the Issuer, a co-obligor of the notes is a corporation).

Transactions with Affiliates

Parent will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract,

agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction") involving aggregate payments or consideration in excess of $100.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable, taken as a whole, to Parent or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Parent or such Restricted Subsidiary with an unrelated Person, as determined by the Issuer in good faith; and

(2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $750.0 million, such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of Parent.

The following items will be deemed not to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement or benefit or similar plan entered into by Parent or any of its Restricted Subsidiaries in the ordinary course of business of Parent or such Restricted Subsidiary;

(2) transactions between or among Parent and/or its Restricted Subsidiaries;

(3) transactions with a Person that is an Affiliate of Parent solely because Parent owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) the payment of reasonable compensation and fees to, and the provision of customary indemnities to, current or former officers, directors, employees or consultants of Parent or any of its Restricted Subsidiaries;

(5) issuances or sales of Equity Interests (other than Disqualified Stock) of Parent to Affiliates or employees of or consultants to Parent;

(6) Restricted Payments that are permitted by the provisions of the indenture described above under the caption "—Restricted Payments" and Permitted Investments;

(7) transactions effected pursuant to agreements in effect on the date of the indenture and any amendment, modification or replacement to such agreement (so long the as amendment, modification or replacement is not, in the good faith judgment of the Issuer, materially more disadvantageous to Parent or such Restricted Subsidiary, taken as a whole, than the terms of those agreements in effect on the date of the indenture);

(8) [reserved];

(9) transactions with a Permitted Joint Venture in which Parent or any Restricted Subsidiary holds or acquires an ownership interest (whether by way of Capital Stock or otherwise) so long as the terms of any such transactions, in the good faith judgment of the Issuer, are not materially less favorable, taken as a whole, to Parent or such Restricted Subsidiary than they are to other joint venture partners;

(10) any agreement that grants registration and other customary rights in connection therewith or otherwise to the direct or indirect securityholders of Parent or any Restricted Subsidiary (and the performance of such agreements);

(11) transactions with Affiliates solely in their capacity as holders of Indebtedness or Capital Stock of Parent or any of its Restricted Subsidiaries, where such Affiliates receive the same consideration as non-Affiliates in such transactions;

(12) transactions affected as part of a Qualified Securitization Transaction; and

(13) transactions in which Parent or any Restricted Subsidiary, as the case may be, delivers to the Trustee a copy of a letter from an accounting, appraisal or investment banking firm of national standing addressed to the Company stating that such transaction meets the requirements of clause (1) of the preceding paragraph.

Designation of Restricted and Unrestricted Subsidiaries

Initially, all of Parent's Subsidiaries will be "Restricted Subsidiaries". Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the indenture and will not Guarantee the notes. Following the Issue Date, Parent's Board of Directors may designate any Restricted Subsidiary (other than the Issuer) to be an Unrestricted Subsidiary if that designation would not cause a Default. Any designation of a Subsidiary as an Unrestricted Subsidiary will be deemed to be a designation of each of such entity's Subsidiaries as Unrestricted Subsidiaries. Following the Issue Date, if a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by Parent 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 "—Restricted Payments" or under one or more of the clauses of the definition of Permitted Investments, as determined by Parent. 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 an Unrestricted Subsidiary. Parent's Board of Directors may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default; provided that such redesignation will be deemed to be an incurrence of Indebtedness and, if applicable, an incurrence of related Liens by a Restricted Subsidiary of Parent of any outstanding Indebtedness and, if applicable, related Liens of such Unrestricted Subsidiary and such redesignation will only be permitted if such Indebtedness and, if applicable, related Liens are permitted under the covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and, if applicable, "—Certain Covenants—Liens" (other than clause (3) under the definition of Permitted Liens), calculated, if applicable, on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period.

Business Activities

Parent will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to Parent and its Restricted Subsidiaries, taken as a whole.

Reports

Whether or not required by the SEC's rules and regulations, so long as any notes are outstanding, Parent will furnish (to the extent not publicly available on the SEC's EDGAR

system) to the holders of notes and post on Parent's website (in a format that is accessible to holders of notes as well as prospective holders of notes), within the time periods specified in the SEC's rules and regulations:

(1) all quarterly and annual reports that would be required to be filed with the SEC on Forms 10-Q and 10-K if Parent were required to file such reports; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if Parent were required to file such reports.

All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports (other than consolidating financial information required by Rule 3-10 or 3-16 of Regulation S-X or any comparable provision so long as the Issuer complies with the second to last paragraph of this "—Reports" covenant). Each annual report on Form 10-K will include a report on Parent's consolidated financial statements by Parent's independent registered public accountants. In addition, Parent will file a copy of each of the reports referred to in clauses (1) and (2) above with the SEC for public availability within the time periods specified in the rules and regulations applicable to such reports (unless the SEC will not accept such a filing or Parent is no longer subject to the periodic reporting requirements of the Exchange Act for any reason) and make such information available to securities analysts and prospective investors upon request.

If, at any time, Parent is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, and regardless of whether it continues to file reports with the SEC, Parent will nevertheless continue making the reports specified in the preceding paragraph available to the holders of notes, prospective investors and securities analysts by posting such information on its website.

While Parent remains subject to the periodic reporting requirements of the Exchange Act, Parent agrees that it will not take any action for the purpose of causing the SEC not to accept any such filings. If, notwithstanding the foregoing, the SEC will not accept Parent's filings for any reason, Parent will post the reports referred to in the preceding paragraph on its website within the time periods that would apply if Parent were required to file those reports with the SEC.

In addition, Parent agrees that, for so long as any notes remain outstanding, at any time it is not required to file the reports required by the preceding paragraphs with the SEC, it will furnish to the 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 quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements, in the footnotes of the financial statements or in Management's Discussion and Analysis of Financial Condition and Results of Operations, that discloses the total assets, liabilities, revenues and income from operations of subsidiaries of the Issuer that do not Guarantee the notes.

Notwithstanding anything herein to the contrary, in the event that Parent fails to comply with its obligation to file or provide such information, documents and reports as required hereunder, Parent will be deemed to have cured such Default with respect to the notes for purposes of clause (4) under "—Events of Default and Remedies" upon the filing or provision of all such information, documents and reports required hereunder prior to the expiration of 90 days after written notice to Parent of such failure from the Trustee or the holders of at least 25% of the principal amount of the notes.

Events of Default and Remedies

Each of the following is an Event of Default with respect to the notes:

(1) default for 30 days in the payment when due of interest on the notes;

(2) default in the payment when due of the principal of, or premium, if any, on the notes;

(3) failure by Parent or any of its Restricted Subsidiaries (a) to comply with the provisions described under the caption "—Repurchase at the Option of Holders", which failure remains uncured for 30 days after written notice to the Issuer from the Trustee or to the Issuer and the Trustee from the holders of at least 25% in principal amount of the notes, or (b) to comply with the provisions described under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets";

(4) failure by Parent or any of its Restricted Subsidiaries for 60 days (or 90 days in the case of the provisions described under "—Certain Covenants—Reports") after written notice to the Issuer from the Trustee or to the Issuer and the Trustee from the holders of at least 25% in principal amount of the notes to comply with any of the other agreements in the indenture;

(5) 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 Parent or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by Parent or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists or is created after the date of the indenture, if that default:

(a) is caused by a failure to pay principal when due on such Indebtedness within any applicable grace period provided in such Indebtedness (a "Payment Default"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity; 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 $250.0 million or more;

(6) failure by Parent or any of its Restricted Subsidiaries to pay final non-appealable judgments aggregating in excess of $250.0 million, which judgments are not paid, discharged, stayed or subject to insurance for a period of 60 days after becoming final;

(7) any Note Guarantee by Parent or a Significant Subsidiary ceases to be in full force and effect in all material respects (except as contemplated by the terms thereof) or Parent or any Note Guarantor that is a Significant Subsidiary denies or disaffirms such Note Guarantor's obligations under the indenture or any Note Guarantee and such Default continues for 10 days after receipt of the notice as specified in the indenture; or

(8) certain events of bankruptcy, insolvency or liquidation described in the indenture with respect to Parent, the Issuer, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Issuer, all outstanding notes will become due and payable immediately without further action or notice. If any other Event of Default with respect to the notes occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding notes may declare all the notes to be due and payable immediately.

Holders of the notes may not enforce the indenture or the notes except as provided in the indenture. Subject to certain limitations, including the right to be indemnified, holders of a majority in aggregate principal amount of the then outstanding notes may direct the Trustee with respect to the notes in its exercise of any trust or power. The Trustee may withhold from holders of the notes notice of any continuing Default or Event of Default (except a Default or Event of Default in the payment of principal or interest) if it determines that withholding notice is in their interest.

The holders of a majority in aggregate principal amount of the notes then outstanding by written notice to the Trustee may on behalf of the holders of all of the notes waive any existing Default or Event of Default and its consequences under the indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the notes.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the indenture. Upon becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

Foreign Currency Equivalents

For purposes of determining compliance with any U.S. dollar-denominated restriction or amount, the U.S. dollar equivalent principal amount of any amount denominated in a foreign currency will be the Dollar Equivalent calculated on the date the Indebtedness was incurred or other transaction was entered into; provided that if any Permitted Refinancing Indebtedness denominated in a currency other than U.S. dollars is incurred to refinance Indebtedness denominated in the same currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated on the date of such refinancing, such Permitted Refinancing Indebtedness shall be deemed not to exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision in the indenture, no restriction or amount will be exceeded solely as a result of fluctuations in the exchange rate of currencies. In no event, will the Trustee or the Paying Agent be responsible for obtaining exchange rates or otherwise effecting currency conversions or calculations.

Consent to Jurisdiction and Service of Process

The Note Guarantors domiciled outside the U.S. will irrevocably appoint Valeant Pharmaceuticals North America LLC, 400 Somerset Corporate Boulevard, Bridgewater, New Jersey 08807, as their 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 New York City and each of such parties will submit to the jurisdiction thereof.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Note Guarantor, as such, will have any liability for any obligations of the Issuer or any Note Guarantor under the notes, the indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have all of its and the Note Guarantors' obligations discharged with respect to the outstanding notes and the related Note Guarantees ("Legal Defeasance") except for:

(1) the rights of holders of outstanding notes to receive payments in respect of the principal of, or interest or premium, if any, on, the notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Note Guarantors with respect to the notes released with respect to certain covenants that are described in the indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default with respect to the notes or an Event of Default. In the event Covenant Defeasance occurs, certain events (not including non-payment or bankruptcy or insolvency events with respect to Parent of the Issuer) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance as to the notes:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the notes, cash in U.S. dollars, U.S. dollar-denominated Government Securities, or a combination of cash in U.S. dollars and U.S. dollar-denominated Government Securities, in each case in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the beneficial owners of the outstanding notes will not recognize income, gain or loss for U.S. federal income tax purposes 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;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the outstanding notes 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 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 Covenant Defeasance had not occurred;

(4) no Default or Event of Default with respect to the notes may have occurred and be continuing, on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(5) such Legal Defeasance or Covenant Defeasance must not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the indenture) to which Parent or any of its Subsidiaries is a party or by which Parent or any of its Subsidiaries is bound; and

(6) the Issuer must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next three succeeding paragraphs with respect to the notes, (a) the indenture or the notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the notes), and (b) any existing Default or compliance with any provision of the indenture or the notes may be waived with the consent of the holders of a majority in principal amount of the then outstanding notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the notes).

Without the consent of each holder of the notes affected thereby, an amendment or waiver may not (with respect to any notes held by a non-consenting holder):

(1) reduce the principal amount of the notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption of the notes (excluding, for the avoidance of doubt, provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or change the time for payment of interest on any note;

(4) make any such note payable in money other than U.S. dollars;

(5) make any change in the provisions of the indenture relating to waivers of past Defaults or the rights of holders of notes to receive payments of principal of, or interest or premium, if any, on notes;

(6) waive a redemption payment with respect to any note (excluding, for the avoidance of doubt, a payment required by one of the covenants described above under the caption "—Repurchase at the Option of Holders");

(7) impair the right to institute suit for the enforcement of any payment on or with respect to the notes;

(8) modify the Note Guarantees with respect to the notes in any manner adverse to the holders of the notes; or

(9) make any change in the preceding amendment and waiver provisions.

In addition, except as set forth under "—Note Guarantees," without the consent of holders of at least 66 2/3% in principal amount of the notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes), no amendment or supplement may release the Note Guarantees of Parent with respect to the notes.

Notwithstanding the preceding, without the consent of any holder of notes, the Issuer and the Trustee may amend or supplement the indenture or the notes:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated notes in addition to or in place of certificated notes;

(3) to provide for the assumption of the Issuer's or any Note Guarantor's obligations to holders of notes in the case of a consolidation or merger or sale of all or substantially all of the Issuer's or a Note Guarantor's assets;

(4) to make any change that would provide any additional rights or benefits to the holders of notes or that does not adversely affect the legal rights under the indenture of any such holder;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the TIA;

(6) to conform the text of the indenture, the notes or the Note Guarantees to any provision of this "Description of the Notes;"

(7) to provide for the issuance of additional notes in accordance with the limitations set forth in the indenture as of its date; or

(8) to add additional Note Guarantees with respect to the notes or to confirm and evidence the release, termination or discharge of any Note Guarantee with respect to the notes when such release, termination or discharge is permitted under the indenture.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect, and the Note Guarantees will be released without any further action by holders, when:

(1) either:

(a) all notes that have been authenticated, except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(b) all notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will

become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders of notes, cash in U.S. dollars, non-callable U.S. dollar-denominated Government Securities, or a combination of cash in U.S. dollars and non-callable U.S. dollar-denominated Government Securities, in each case in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption, provided that with respect to any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purpose of the indenture to the extent that an amount is deposited with the Trustee 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 on or prior to the date of redemption;

(2) no Default or Event of Default has occurred and is continuing with respect to the notes on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound, and as to which the rights of the other parties thereto are senior to those of the holders;

(3) the Issuer has paid or caused to be paid all sums payable by it with respect to the notes under the indenture; and

(4) the Issuer has delivered irrevocable instructions to the Trustee under the indenture to apply the deposited money toward the payment of the notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the Trustee becomes a creditor of the Issuer, the indenture limits its right 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; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

The holders of a majority in principal amount of the then outstanding notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee with respect to the notes, subject to certain exceptions. The indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of such person's own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it in its sole discretion against any loss, liability or expense (including attorney's fees and expenses).

The Trustee shall not be responsible to make any calculation with respect to any matter under the indenture.

Governing Law

The indenture, the notes and the guarantees will be governed by the laws of the State of New York.

Additional Information

Anyone who receives this offering memorandum may obtain a copy of the indenture without charge by writing to Valeant Pharmaceuticals International, Inc., 400 Somerset Corporate Boulevard, Bridgewater, NJ 08807, Attention: Corporate Secretary.

Book-Entry, Delivery and Form

The notes will be represented by one or more notes in registered global form, without interest coupons attached. On the date of closing, these global notes (the "Global Notes") will remain in the custody of the Trustee and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, including, if applicable, those of Euroclear and Clearstream, which may change from time to time. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in the limited circumstances described below. See "—Exchange of Global Notes for Certificated Notes".

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Issuer that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "participants") and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "indirect participants"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised the Issuer that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of participants with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the Global Notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC.

Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

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 notes in certificated form and will not be considered the registered owners or "Holders" thereof under the indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, the Issuer and the Trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised the Issuer that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect

participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee or the Issuer. Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the participants in DTC, on the one hand, and DTC participants acting on behalf of Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of DTC participants acting on behalf of Euroclear or Clearstream, as the case may be; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to the DTC participant acting on its behalf to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the DTC participants acting on behalf of Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default, DTC reserves the right to exchange the Global Notes for notes in certificated form, and to distribute such notes to its participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Issuer nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for definitive notes in registered certificated form, or "Certificated Notes," if:

(1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary; or

(2) there has occurred and is continuing a Default or Event of Default.

In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures), and the Certificated Notes shall bear appropriate legends indicating the transfer restrictions applicable thereto.

Same Day Settlement and Payment

The Issuer will make payments in respect of the notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by the Global Note holder. The Issuer will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes, in the case of a holder holding an aggregate principal amount of notes of $1.0 million or more, or, if no such account is specified or in the case of a holder holding an aggregate principal amount of notes of less than $1.0 million, by mailing a check to each such holder's registered address. The notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Certain Definitions

Set forth below are certain defined terms used in the indenture. Reference is made to the indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"Acquired Debt" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person and which is not satisfied in full at such time, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"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

purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have correlative meanings.

"Applicable Premium" means, with respect to the notes, the greater of:

(1) 1.0% of the then outstanding principal amount of such notes, and

(2) (a) the present value of all remaining required interest and principal payments due on such notes and all premium payments relating to such notes assuming a redemption date of , 2022, computed using a discount rate equal to the Treasury Rate plus 50 basis points, minus

(b) the then outstanding principal amount of such note, minus

(c) accrued interest paid on the date of redemption.

The Issuer shall determine the Applicable Premium.

"Asset Sale" means:

(1) the sale, lease, conveyance or other disposition of any assets, property or rights outside of the ordinary course of business; provided that the sale, conveyance or other disposition of all or substantially all of the assets of Parent and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the indenture described above under the caption "—Repurchase at the Option of Holders—Change of Control" and/ or the provisions described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant; and

(2) the issuance of Equity Interests by any of Parent's Restricted Subsidiaries or the sale of Equity Interests in any of its Restricted Subsidiaries, in each case other than directors' qualifying shares.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $100.0 million;

(2) a transfer of assets between or among Parent and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of Parent to Parent or to another Restricted Subsidiary of Parent;

(4) any sale of receivables in connection with a Qualified Securitization Transaction;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) a Restricted Payment or Permitted Investment that is permitted by the covenant described above under the caption "—Certain Covenants—Restricted Payments";

(7) the license or sublicense of intellectual property or other general intangibles and licenses, leases or subleases of other property which do not materially interfere with the business of Parent and its Restricted Subsidiaries, taken as a whole, determined in good faith by the Issuer;

(8) the sale, exchange or other disposition of obsolete, worn out, uneconomical or surplus assets, including any such intellectual property;

(9) sale, lease, conveyance or other disposition to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding agreements;

(10) foreclosures on, or condemnation of, assets and the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims; and

(11) sales, transfers or other dispositions of assets for consideration at least equal to the Fair Market Value of the assets sold or disposed of, but only if the consideration received consists of property or assets (other than cash, except to the extent used as a bona fide means of equalizing the value of the property or assets involved in the swap transaction; provided, however, that cash does not exceed 10% of the sum of the amount of the cash and the Fair Market Value of the assets received or given) of a nature or type that are used in a business having property or assets of a nature or type or engaged in a Permitted Business (or Capital Stock of a Person whose assets consist of assets of the type described in this clause (11)).

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"Board of Directors" means:

(1) with respect to a company or corporation, the board of directors of the company or corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership or any committee thereof duly authorized to act on behalf of such board; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"Capital Lease Obligations" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Markets Indebtedness" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act, (b) a private placement to institutional investors that is resold in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC or (c) a private placement to institutional investors. For the avoidance of doubt, the term "Capital Markets Indebtedness" does not include any Indebtedness under the Credit Agreement, Indebtedness incurred in connection with a sale and leaseback transaction, Indebtedness incurred in the ordinary course of business of Parent, Capital Lease Obligations or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a "securities offering."

"Capital Stock" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation (including, without limitation, quotas) that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (provided, that the full faith and credit of the U.S. is pledged in support thereof) having repricings or maturities of not more than one year from the date of acquisition;

(2) certificates of deposit and time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any U.S. commercial bank having capital and surplus in excess of $500.0 million;

(3) repurchase obligations with a term of not more than 14 days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having a rating of at least "P-2" or better from Moody's or at least "A-2" or better from S&P, or carrying an equivalent rating by an internationally recognized rating agency and, in each case, maturing within one year after the date of acquisition;

(5) auction-rate, corporate and municipal securities, in each case (x) having either short-term debt ratings of at least "P-2" or better from Moody's or at least "A-2" or better from S&P or long-term senior debt ratings of "A2" or better from Moody's or at least "A" or better from S&P, or carrying an equivalent rating by an internationally recognized rating agency, (y) having repricings or maturities of not more than one year from the date of acquisition and (z) which are classifiable as cash and cash equivalents under GAAP;

(6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition; or

(7) in the case of Parent or any Foreign Subsidiary:

(a) direct obligations of the sovereign nation, or any agency thereof, in which Parent or such Foreign Subsidiary is organized or is conducting business or in obligations fully and unconditionally guaranteed by such sovereign nation, or any agency thereof; provided, that such obligations have repricings or maturities of not more than one year from the date of acquisition and are used by Parent or such Foreign Subsidiary in accordance with normal investment practices for cash management in investments of the type analogous to clauses (1) through (5) above; or

(b) investments of the type and maturity described in clauses (1) through (5) above of foreign obligors, which investments or obligors have ratings described in such clauses or equivalent ratings from internationally recognized rating agencies; provided, that such investments are used by Parent or such Foreign Subsidiary in accordance with normal investment practices for cash management in investments of the type analogous to clauses (1) through (5) above.

"Change of Control" means the occurrence of any of the following:

(1) any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the Beneficial Owner, other than by way of merger or consolidation of Parent, of shares of Parent's Voting Stock representing 50% or more of the total voting power of all of Parent's outstanding Voting Stock;

(2) Parent consolidates with, or merges with or into, another Person, or Parent, directly or indirectly, sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of the properties or assets of Parent and its Restricted Subsidiaries, taken as a whole (other than by way of merger or consolidation), in one or a series of related transactions, or any Person consolidates with, or merges with or into, Parent, in any such event other than pursuant to a transaction in which the Persons that Beneficially Owned the shares of Parent's Voting Stock immediately prior to such transaction Beneficially Own at least a majority of the total voting power of all outstanding Voting Stock (other than Disqualified Stock) of the surviving or transferee Person; or

(3) the holders of Parent's Capital Stock approve any plan or proposal for the liquidation or dissolution of Parent (whether or not otherwise in compliance with the indenture); or

(4) Parent ceases to own, directly or indirectly, at least a majority of the voting power of the Capital Stock of the Issuer (unless the Issuer has merged with or into Parent).

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (1) Parent becomes a direct or indirect wholly owned Subsidiary of a holding company and (2) (a) the direct or indirect holders of the Voting Stock of the ultimate parent holding company immediately following that transaction are substantially the same as the holders of Parent's Voting Stock immediately prior to that transaction or (b) no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the Beneficial Owner of 50% or more of the total voting power of the Voting Stock of such ultimate parent holding company.

"Consolidated Cash Flow" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus (without duplication):

(1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(2) Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that any such expense was deducted in computing such Consolidated Net Income; plus

(3) any restructuring charges or expenses (which, for the avoidance of doubt, shall include retention, severance, systems establishment costs, excess pension charges, contract termination costs and costs to consolidate facilities and relocate employees), to the extent that any such charge or expense was deducted in computing such Consolidated Net Income; plus

(4) fees and expenses in connection with any proposed or actual issuance of any Indebtedness or Equity Interests, or any proposed or actual acquisitions, Investments, Asset Sales or divestitures permitted to be incurred under the indenture; plus

(5) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), and other non-cash charges or expenses (including impairment charges and other write-offs of intangible assets and goodwill, but excluding amortization of a prepaid cash expense that was paid in a prior period to the extent added back in such prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; provided that if any such non-cash charge or expense (or any portion thereof) represents an accrual or reserve for any potential cash items in any future period, (i) Parent may elect not to add back such non-cash charge in the then-current period and instead add back such amount to a following period, and (ii) to the extent Parent elects to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated Cash Flow to the same extent in such future period; plus

(6) any expense or charge extraordinary, unusual or non-recurring expenses or charges (including costs of, and payments of, litigation expenses, actual or prospective legal settlements, fines, judgments or orders); minus

(7) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with GAAP.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) solely for purposes of the covenant described under "Covenants—Limitation on Restricted Payments" the Net Income of any Restricted Subsidiary (other than the Issuer or any

Note Guarantor) will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained or cannot be obtained other than pursuant to customary filings) or, directly or indirectly, by 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 stockholders;

(3) the cumulative effect of a change in accounting principles will be excluded;

(4) any unrealized net gain or loss resulting in such period from Hedging Obligations or other derivative instruments will be excluded;

(5) any expense or charge attributable to the disposition of discontinued operations will be excluded;

(6) non-cash goodwill or asset impairment charge and any non-cash compensation expense recorded from grants of stock, stock appreciation or similar rights, stock options, restricted stock or other rights to officers, directors, employees or consultants of such Person or any of its Restricted Subsidiaries will be excluded;

(7) any amortization expense incurred during such period with respect to products acquired by Parent or any of its Subsidiaries that are used or useful in a Permitted Business will be excluded;

(8) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries will be excluded;

(9) any extraordinary, nonrecurring or unusual gain or loss, together with any related provision for taxes on such extraordinary, nonrecurring or unusual gain or loss will be excluded;

(10) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions or on the re-valuation of any benefit plan obligation and (ii) income (loss) attributable to deferred compensation plans or trusts, will be excluded;

(11) any purchase accounting effects including adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development) will be excluded;

(12) to the extent covered by insurance and actually reimbursed, or, so long as Parent 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 90 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 365 days), expenses with respect to liability or casualty events or business interruption; provided that (x) if net income is increased as a result of any amounts received

from an insurer in respect of such a liability, casualty event or business interruption and the right to be so reimbursed was used in a prior period to increase Consolidated Net Income pursuant to this clause (12), such amounts received shall be excluded from Consolidated Net Income and (y) to the extent the actual reimbursement received is less than the expected reimbursement amount excluded in a prior period pursuant to this clause (12), Consolidated Net Income shall be reduced by the difference in the period in which such lower actual reimbursement amounts are received or in which a final judgment of a court of competent jurisdiction is made that Parent is entitled to no reimbursement.

"Consolidated Total Assets" means, as of any date of determination, the total assets shown on the consolidated quarterly or annual balance sheet of Parent and its Restricted Subsidiaries as of the most recent date for which such a quarterly or annual balance sheet is available, determined on a consolidated basis in accordance with GAAP (and in the case of any determination relating to any incurrence of Indebtedness or Investment, on a pro forma basis). In addition, "Consolidated Total Assets" will be calculated in a manner consistent with the definition of "Fixed Charge Coverage Ratio" to give effect to transactions that occurred after the date of the most recent quarterly or annual balance sheet date.

"Credit Agreement" means the Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, as in effect on the Issue Date (as it may be amended, restated, replaced, supplemented or otherwise modified from time to time), among Parent, certain subsidiaries of Parent, as guarantors, the lenders party thereto from time to time, Goldman Sachs Lending Partners LLC, J.P. Morgan and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc., as co-syndication agents, JPMorgan Chase Bank, N.A., as issuing bank, Barclays Bank PLC (as successor to Goldman Sachs Lending Partners LLC), as administrative agent and collateral agent, as amended, supplemented, restated and otherwise modified, together with the related documents thereto (including any guarantees and security documents), and in each case as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement or instrument (and related documents) governing Indebtedness incurred to refinance or replace, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such facilities or a successor facility, whether by the same or any other bank, institutional lender, purchaser, investor, trustee or agent or group thereof.

"Credit Facilities" has the meaning set forth under "Description of Other Indebtedness—Credit Facilities" and includes one or more other debt facilities, credit agreements, commercial paper facilities, indentures or other agreements, in each case with banks, institutional lenders, purchasers, investors, trustees or agents providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or other extensions of credit or other Indebtedness, in each case including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement or instrument (and related documents) governing Indebtedness incurred to refinance or replace, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such facilities or a successor facility, whether by the same or any other bank, institutional lender, purchaser, investor, trustee or agent or group thereof.

"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 Noncash Consideration" means noncash consideration received by Parent or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated by Parent as Designated Noncash Consideration, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Noncash Consideration, which cash and Cash Equivalents shall be considered Net Proceeds received as of such date and shall be applied pursuant to the covenant described above under the caption "—Asset Sales".

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Parent or a Restricted Subsidiary to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that Parent or a Restricted Subsidiary may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "—Certain Covenants—Restricted Payments".

"Dollar Equivalent" of any amount means, at the time of determination thereof, (1) if such amount is expressed in U.S. dollars, such amount, or (2) if such amount is expressed in any other currency, the equivalent of such amount in U.S. dollars determined by using the rate of exchange as published in *The Wall Street Journal* in the "Exchange Rates" column under the heading "Currency Trading" on the date no later than two Business Days prior to such determination or, if such rate is unavailable, as quoted by a nationally recognized investment bank in New York, New York, selected by the Issuer, at 11:00 a.m. (New York City time) on the date of determination (or, if such date is not a business day, the last business day prior thereto) to prime banks in New York, in either case for the spot purchase in the New York currency exchange market of such amount of U.S. dollars with such currency.

"Domestic Subsidiary" means any Restricted Subsidiary that was formed under the laws of the United States or any state thereof or the District of Columbia.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Offering" means a public or private offering of Equity Interests (other than Disqualified Stock).

"Existing Indebtedness" means Indebtedness of Parent and its Restricted Subsidiaries (other than Indebtedness incurred under clause (1) or (20) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock") in existence on the date of the indenture, until such amounts are repaid.

"Existing Senior Notes" means (x) the Issuer's outstanding, 6.375% Senior Notes due 2020, 7.000% Senior Notes due 2020, 6.75% Senior Notes due 2021 and 7.25% Senior Notes due 2022 and (y) Parent's outstanding 5.375% Senior Notes due 2020, 7.50% Senior Notes due 2021,

5.625% Senior Notes due 2021, 5.50% Senior Notes due 2023, 5.875% Senior Notes due 2023, 4.50% Senior Notes due 2023, 6.125% Senior Notes due 2025 and 9.000% Senior Notes due 2025.

"Existing Secured Notes" means Parent's outstanding, 6.50% Senior Secured Notes due 2022, 7.00% Senior Secured Notes due 2024 and 5.500% Senior Secured Notes due 2025.

"Existing Notes" means Parent's Existing Senior Notes and Existing Secured Notes.

"Fair Market Value" means the price that could be negotiated in an arm's-length transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction, determined in good faith by (i) a responsible financial or accounting officer of Parent with respect to valuations not in excess of $750.0 million and (ii) the Board of Directors of Parent with respect to valuations equal to or in excess of $750.0 million, as applicable.

"Fall Away Event" means such time as the notes shall have an Investment Grade Rating and the Issuer shall have delivered to the Trustee an officers' certificate certifying that the foregoing condition has been satisfied.

"Fixed Charge Coverage Ratio" means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

To the extent Parent elects pursuant to an officers' certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being incurred prior to the actual incurrence thereof pursuant to the fifth paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", Parent shall deem all or such portion of such commitment of such Indebtedness, as applicable, as having been incurred and to be outstanding for purposes of calculating the Fixed Charge Coverage Ratio for any period in which Parent makes any such election and for any subsequent period until such commitments or such Indebtedness, as applicable, are no longer outstanding.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through consolidations or mergers and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated (x) on a pro forma basis in accordance with Regulation S-X promulgated by the SEC and, in addition, (y) to give effect to any Pro Forma Cost Savings;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded; and

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

"Fixed Charges" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Interest Rate Hedging Obligations; plus

(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; plus

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries; plus

(4) all dividends, whether paid or accrued and whether or not in cash, on any Disqualified Stock or any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of Parent (other than Disqualified Stock) or to Parent or a Restricted Subsidiary of Parent, in each case, on a consolidated basis and determined in accordance with GAAP; minus

(5) the consolidated interest income of such Person and its Restricted Subsidiaries for such period; minus

(6) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any financing fees.

"Foreign Subsidiary" means a Restricted Subsidiary that is not organized or existing under the laws of the United States of America or any state or territory thereof or the District of Columbia or is a Restricted Subsidiary of such Foreign Subsidiary.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect on January 30, 2015.

"Government Securities" means, as applicable, (i) direct non-callable obligations of, or guaranteed by, the United States of America for the timely payment of which guarantee or obligations the full faith and credit of the U.S. is pledged and (ii) direct non-callable obligations of, or guaranteed by, a member state of the European Union for the timely payment of which guarantee or obligations the full faith and credit of the government of such member state is pledged.

"Guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

"Hedging Obligations" means, with respect to any specified Person

(1) Interest Rate Hedging Obligations; and

(2) the obligations of such Person under agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent (without duplication):

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations or Attributable Debt in respect of sale and leaseback transactions;

(5) representing the balance deferred and unpaid of the purchase price of any property, which balance is (a) due more than twelve months from the date of incurrence of the obligation in respect thereof or (b) evidenced by a note or similar written instrument, and except any such balance that constitutes an accrued expense or trade payable; or

(6) representing net payment obligations under any Hedging Obligations, if and to the extent any of the preceding items (other than letters of credit, Attributable Debt and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), the amount of such obligation being deemed to be the lesser of the Fair Market Value of such asset and the amount of the obligation so secured and (y) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, in connection with the purchase by a Person or any of its Restricted Subsidiaries of any business, the term "Indebtedness" will exclude indemnification or post-closing payment adjustments or earn-out or similar obligations to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet, working capital calculation or other similar method or such payment depends on the

performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable or is of a contingent nature and, to the extent such payment thereafter becomes fixed and finally determined, the amount is paid within 60 days thereafter.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"Interest Rate Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Investment Grade Rating" means a rating of Baa3 or better by Moody's or BBB- or better by S&P (or its equivalent under any successor rating categories of Moody's or S&P) (or, in each case, if such Rating Agency ceases to rate the notes for reasons outside of the control of Parent or the Issuer, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency).

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If (i) Parent or any Restricted Subsidiary of Parent sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of Parent such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of Parent or (ii) a Restricted Subsidiary of Parent is redesignated as an Unrestricted Subsidiary, Parent will be deemed to have made an Investment on the date of any such sale, disposition or redesignation equal to the Fair Market Value of our Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments". For the avoidance of doubt, acquisitions of or licenses for products or assets used or useful in a Permitted Business do not constitute Investments.

"Issue Date" means , 2018, the date of the initial issuance of the notes under the indenture.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge (fixed and/or floating), security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement

to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Moody's" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof. "Net Income" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

"Net Proceeds" means the aggregate cash proceeds received by Parent or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under the Credit Agreement, secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"Non-Recourse Debt" means Indebtedness:

(1) as to which none of Parent or any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the notes) of Parent or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of Parent or any of its Restricted Subsidiaries.

"Note Guarantee" means each Guarantee of the obligations with respect to the notes issued by Parent or a Subsidiary of Parent pursuant to the terms of the indenture.

"Note Guarantor" means Parent and each Subsidiary of Parent that becomes a guarantor of the notes pursuant to the terms of the indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange of assets used or useful in a Permitted Business or a combination of such assets and cash or Cash Equivalents between Parent or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received must be applied in accordance with the covenant described under "—Asset sales".

"Permitted Business" means any business conducted by Parent and its Restricted Subsidiaries on the Issue Date and any business that is in the judgment of the Issuer reasonably related, ancillary or complementary to the business of Parent and its Restricted Subsidiaries on the Issue Date or a natural extension thereof.

"Permitted Investments" means:

(1) any Investment in Parent or in a Restricted Subsidiary of Parent;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by Parent or any Subsidiary of Parent in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of Parent; or

(b) such Person is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Parent or a Restricted Subsidiary of Parent; 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, transfer, conveyance or liquidation.

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales";

(5) any Investments made solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of Parent;

(6) (i) any Investments received in compromise of obligations owed to Parent or any of its Restricted Subsidiaries created in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or in satisfaction of judgments and (ii) Investments by Parent or any of its Restricted Subsidiaries in a Securitization Special Purpose Entity or any Investment by a Securitization Special Purpose Entity in any other Person, in each case, in connection with a Qualified Securitization Transaction;

(7) receivables owing to Parent or any Restricted Subsidiary of Parent if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms (which trade terms may include such concessionary trade terms as Parent or any such Restricted Subsidiary deems reasonable under the circumstances), and other Investments to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by Parent or any Restricted Subsidiary;

(8) Investments represented by Hedging Obligations;

(9) Investments in existence on the date of the indenture and any extension, modification or renewal of any such Investments, but only to the extent such extension, modification or renewal does not involve additional advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the date of the indenture);

(10) 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;

(11) loans and advances to officers, directors and employees in the ordinary course of business in the aggregate amount outstanding at any one time not to exceed $25.0 million;

(12) Investments in a Permitted Joint Venture or Unrestricted Subsidiary, when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding, not to exceed the greater of (x) $675.0 million and (y) 2.5% of Consolidated Total Assets; and

(13) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding, not to exceed the greater of (x) $2.0 billion and (y) 7.5% of Consolidated Total Assets.

"Permitted Joint Venture" means any joint venture (which may be in the form of a limited liability company, partnership, corporation or other entity) in which Parent or any of its Restricted Subsidiaries is a joint venturer; provided, however, that the joint venture is engaged solely in a Permitted Business.

"Permitted Liens" means:

(1) Liens securing Indebtedness and other Obligations under Credit Facilities that were permitted by the terms of the indenture to be incurred under clause (1) or (20) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(2) Liens in favor of the Issuer or any Note Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with or is acquired by Parent or any Subsidiary of Parent; provided that such Liens were not incurred in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person merged into, consolidated with or acquired by Parent or the Subsidiary;

(4) Liens on property existing at the time of acquisition of the property by Parent or any Subsidiary of Parent, provided that such Liens were not incurred in contemplation of such acquisition;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) or (5) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" covering only the assets acquired with such Indebtedness (and improvements or accessions thereto);

(7) Liens existing on the date of the indenture and liens securing the Existing Secured Notes;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided, that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(9) (i) Liens securing Hedging Obligations and (ii) Liens existing under or by reason of Indebtedness or other contractual requirements of a Securitization Special Purpose Entity or any Standard Securitization Undertaking, in each case in respect of this clause (ii) in connection with a Qualified Securitization Transaction;

(10) Liens arising by reason of deposits necessary to obtain standby letters of credit in the ordinary course of business;

(11) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the indenture;

provided, however, that:

(a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;

(12) Liens of Parent or any Restricted Subsidiary of Parent with respect to obligations that do not exceed the greater of (x) $275.0 million and (y) 1.0% of Consolidated Total Assets at any one time outstanding;

(13) survey title exceptions, title defects, encumbrances, easements, reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph or telephone lines and other similar purposes or zoning or other restrictions as to the use of real property not materially interfering with the business of Parent and its Restricted Subsidiaries taken as a whole;

(14) Liens arising by operation of law in favor of landlords, mechanics, carriers, warehousemen, materialmen, laborers, employees, suppliers or the like, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof;

(15) Liens arising out of judgments, decrees, orders or awards in respect of which Parent or a Restricted Subsidiary of Parent shall in good faith be prosecuting an appeal or proceedings for review which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired;

(16) Liens securing the notes and the Note Guarantees with respect thereto;

(17) Liens securing one or more local working capital facilities of Foreign Subsidiaries, so long as such Liens do not extend to the assets of any Person other than such foreign Restricted Subsidiaries;

(18) Liens on assets of Foreign Subsidiaries securing Indebtedness incurred by Foreign Subsidiaries pursuant to clause (13) of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(19) Liens imposed pursuant to licenses, sublicenses, leases and subleases which do not materially interfere with the ordinary conduct of the business of Parent and its Restricted Subsidiaries taken as a whole;

(20) Liens incurred to secure cash management services in the ordinary course of business; (21) customary restrictions on, or options, contracts or other agreements for, transfers of assets contained in agreements related to any sale of assets pending such sale; provided that such restrictions apply only to the assets to be sold and such sale is otherwise permitted by the indenture;

(22) Liens securing obligations to the Trustee arising under the indenture and similar Liens in favor of trustees, agents and representatives arising under instruments governing Indebtedness permitted to be incurred under the indenture;

(23) Liens on trusts, cash or Cash Equivalents or other funds in connection with the defeasance (whether by covenant or legal defeasance), discharge or redemption of Indebtedness, pending consummation of a strategic transaction, or similar obligations; provided that such defeasance, discharge or redemption is otherwise permitted by the indenture; and

(24) Liens to secure any Indebtedness permitted to be incurred pursuant to the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", provided that, in the case of this clause (24), at the time of its incurrence and after giving pro forma effect thereto, the Secured Leverage Ratio would be no greater than 3.50 to 1.0.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), Parent in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with this definition and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"Permitted Refinancing Indebtedness" means any Indebtedness of Parent or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of Parent or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is contractually subordinated in right of payment to the notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the notes on terms at least as favorable to the holders of notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) if the Indebtedness being refinanced is Indebtedness of the Issuer or a Note Guarantor, such Permitted Refinancing Indebtedness is also Indebtedness of the Issuer or a Note Guarantor.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Pro Forma Cost Savings" means, without duplication, with respect to any period, the reductions in costs and other operating improvements or operating synergies with respect to an acquisition that are reasonably identifiable, factually supportable, reasonably attributable to the action specified and reasonably anticipated to result from such actions; provided that the relevant actions have been taken or initiated and the benefits resulting therefrom are anticipated to be realized within 18 months of the date of such acquisition (including, for the avoidance of doubt, actions that will be taken or initiated so long as the benefits resulting therefrom are anticipated to be realized within 18 months of the date of such acquisition), as if all such reductions in costs and other operating improvements or operating synergies had been effected as of the beginning of such period, decreased by any recurring incremental expenses incurred or to be incurred during such four-quarter period in order to achieve such reduction in costs. Pro Forma Cost Savings described in the preceding sentence shall be calculated in good faith by a responsible financial or accounting officer of Parent and shall be accompanied by a certificate delivered to the Trustee from Parent's chief financial officer that generally outlines the specific actions taken or expected to be taken and the net cost reductions and other operating improvements or operating synergies achieved or expected to be achieved from each such action and certifies that such cost reductions and other operating improvements or synergies meet the criteria set forth in the preceding sentence.

"Qualified Securitization Transaction" means any transaction or series of transactions that may be entered into by Parent or any of its Restricted Subsidiaries pursuant to which Parent or such Restricted Subsidiary may sell, convey, grant a security interest in or otherwise transfer to a Securitization Special Purpose Entity, and such Securitization Special Purpose Entity may sell, convey, grant a security interest in or otherwise transfer to any other Person, any Securitization Program Assets (whether now existing or arising in the future).

"Rating Agency" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the notes for reasons outside of the control of Parent or the Issuer, a nationally recognized statistical rating organization under the Exchange Act selected by the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary. For the avoidance of doubt, the Issuer shall at all times be considered a Restricted Subsidiary of Parent.

"S&P" means Standard & Poor's Ratings Group, Inc., or any successor to the rating agency business thereof.

"Secured Leverage Ratio" means the ratio of (i) the Total Consolidated Indebtedness of Parent and its Restricted Subsidiaries that is secured by a Lien on assets of Parent and its Restricted Subsidiaries, after giving effect to all incurrences and repayments of Indebtedness on the relevant transaction date (net of unrestricted cash and Cash Equivalents of Parent and its Restricted Subsidiaries as of such date); provided that in the event Parent proposes to incur Indebtedness pursuant to clauses (1) and (20) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" on the same day, Indebtedness incurred under clause (1) on that date shall not be included in the calculation of the Secured Leverage Ratio for purposes of the calculation to be made pursuant to such clause (20) on such date or clause (24) of the definition of Permitted Liens on such date (but shall, for the avoidance of doubt, be included in any and all subsequent calculations of the Secured Leverage Ratio to the extent then outstanding and secured) to (ii) Consolidated Cash Flow of Parent for the most recent four consecutive full fiscal quarters for which financial statements are available ending on or prior to the transaction date. In addition, the "Secured Leverage Ratio" will be calculated in a manner consistent with the definition of "Fixed Charge Coverage Ratio" to give effect to transactions that would require pro forma adjustments to such ratio.

To the extent Parent elects pursuant to an officers' certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being incurred prior to the actual incurrence thereof pursuant to the fifth paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", the Issuer shall deem all or such portion of such commitment of such Indebtedness, as applicable, as having been incurred and to be outstanding for purposes of calculating the Secured Leverage Ratio for any period in which the Issuer makes any such election and for any subsequent period until such commitments or such Indebtedness, as applicable, are no longer outstanding.

"Securitization Program Assets" means (i) all receivables customarily transferred in connection with asset securitization transactions by Parent or any of its Restricted Subsidiaries pursuant to documents relating to any Qualified Securitization Transaction, (ii) all rights arising under the documentation governing or related to receivables (including rights in respect of Liens securing such receivables and other credit support in respect of such receivables), any proceeds of such receivables and any lockboxes or accounts in which such proceeds are deposited, spread accounts and other similar accounts (and any amounts on deposit therein) established in connection with a Qualified Securitization Transaction, any warranty, indemnity, dilution and other intercompany claim arising out of the documents relating to such Qualified Securitization Transaction and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitizations involving accounts receivable. and (iii) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses (i) and (ii).

"Securitization Special Purpose Entity" means a Person (including, without limitation, a Restricted Subsidiary) created in connection with the transactions contemplated by a Qualified Securitization Transaction, which Person engages in no activities and holds no assets other than those incidental to such Qualified Securitization Transaction.

"Significant Subsidiary" means any Subsidiary of Parent that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X promulgated by the SEC, as such Regulation is in effect on the date hereof.

"Standard Securitization Undertakings" means all representations, warranties, covenants, indemnities, performance guarantees and servicing obligations entered into by Parent or any Subsidiary (other than a Securitization Special Purpose Entity) which are customary in connection with any Qualified Securitization Transaction.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any specified Person:

(1) any corporation, association or other business 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 of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"Subsidiary Guarantee" means each Guarantee of the obligations with respect to the Notes issued by a Subsidiary of Parent pursuant to the indenture.

"Subsidiary Guarantor" means any Subsidiary that has issued a Subsidiary Guarantee.

"Total Consolidated Indebtedness" means Indebtedness consisting of Indebtedness for borrowed money, Capital Lease Obligations, letters of credit (only to the extent of any unreimbursed drawings thereunder), debt obligations evidenced by promissory notes and similar instruments and Guarantees in respect of any of the foregoing.

"Total Leverage Ratio" means the ratio of (i) Total Consolidated Indebtedness of Parent and its Restricted Subsidiaries, after giving effect to all incurrences and repayments of Indebtedness on the transaction date (net of unrestricted cash and Cash Equivalents of Parent and its Restricted Subsidiaries as of such date), to (ii) Consolidated Cash Flow of Parent and its Restricted Subsidiaries for the most recent four consecutive full fiscal quarters for which financial statements are available ending on or prior to the transaction date. In addition, the "Total Leverage Ratio" will be calculated in a manner consistent with the definition of "Fixed Charge Coverage Ratio" to give effect to transactions that would require pro forma adjustments to such ratio.

To the extent Parent elects pursuant to an officers' certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being incurred prior to the actual incurrence thereof pursuant to the fifth paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", Parent

shall deem all or such portion of such commitment of such Indebtedness, as applicable, as having been incurred and to be outstanding for purposes of calculating the Total Leverage Ratio for any period in which the Issuer makes any such election and for any subsequent period until such commitments or such Indebtedness, as applicable, are no longer outstanding.

"Treasury Rate" means, with respect to the notes, the rate per annum equal to the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity most nearly equal to the period from such date of redemption to , 2022, provided, however, that if the period from such date of redemption to , 2022 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from such date of redemption to , 2022 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used. The Issuer shall obtain the Treasury Rate.

"Unrestricted Subsidiary" means any Subsidiary (other than the Issuer) of Parent that is designated by the Board of Directors of Parent as an Unrestricted Subsidiary pursuant to a board resolution, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with Parent or any Restricted Subsidiary of Parent unless the terms of any such agreement, contract, arrangement or understanding are not materially less favorable to Parent or such Restricted Subsidiary, in each case, taken as a whole, than those that might be obtained at the time from Persons who are not Affiliates of Parent;

(3) is a Person with respect to which neither Parent nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Parent or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of Parent as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of the board resolution giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—Certain Covenants—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 of Parent 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—Incurrence of Indebtedness and Issuance of Preferred Stock", Parent will be in default of such covenant. The Board of Directors of Parent 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 and, if applicable, related Liens by a Restricted Subsidiary of Parent of any outstanding Indebtedness and, if applicable, related Liens of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness and, if applicable, related Liens are permitted under the

covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and, if applicable, "—Certain Covenants—Liens" (other than clause (3) under the definition of Permitted Liens), calculated, if applicable, on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time 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 at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) 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.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following are certain U.S. federal income tax consequences of owning and disposing of notes purchased in this offering at the "issue price," which is the first price at which a substantial amount of the notes is sold to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and held as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, as well as differing tax consequences that may apply if you are, for instance:

- a financial institution;
- a regulated investment company;
- a dealer or trader in securities that uses a mark-to-market method of accounting;
- holding notes as part of a "straddle" or integrated transaction;
- a U.S. Holder (as defined below) whose functional currency is not the U.S. dollar;
- a tax-exempt entity;
- a person required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the notes to their financial statements; or
- a partnership for U.S. federal income tax purposes.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences described herein. This summary does not address any aspect of state, local or non-U.S. taxation, or any taxes other than income taxes. You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Certain Additional Payments

There are circumstances in which we might be required to make payments on a note that would increase the yield of the note, as described under Description of Notes—Repurchase at the Option of the Holders—Change of Control. We intend to take the position that the possibility of such payments does not result in the notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is not binding on the Internal Revenue Service ("IRS"). If the IRS takes a contrary position, you may be required to accrue interest income based upon a "comparable yield" (as defined in the Treasury Regulations) determined at the time of issuance of the notes (which is not expected to differ significantly from the actual yield on the notes), with adjustments to such accruals when any contingent payments are made that differ from the payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition of the notes

would be treated as interest income rather than as capital gain. You should consult your tax adviser regarding the tax consequences if the notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

Tax Consequences to U.S. Holders

This section applies to you if you are a U.S. Holder. You are a U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a note and are:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Payments of Interest

Stated interest on a note will be taxable to you as ordinary interest income at the time it accrues or is received, in accordance with your method of accounting for federal income tax purposes. It is expected, and this discussion assumes, that the notes will be issued without original issue discount for U.S. federal income tax purposes.

Sale or Other Taxable Disposition of the Notes

Upon the sale or other taxable disposition of a note, you will recognize taxable gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and your adjusted tax basis in the note. Your adjusted tax basis in a note will generally equal the cost of your note. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under "Payments of Interest" above.

Gain or loss realized on the sale or other taxable disposition of a note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale or other taxable disposition the note has been held for more than one year. Long-term capital gains recognized by non-corporate taxpayers are subject to reduced tax rates. The deductibility of capital losses is subject to limitations.

Tax Consequences to Non-U.S. Holders

This section applies to you if you are a Non-U.S. Holder. You are a Non-U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a note that is:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

You are not a Non-U.S. Holder if you are a nonresident alien individual present in the United States for 183 days or more in the taxable year of disposition, or if you are a former citizen or former resident of the United States, in either of which cases you should consult your tax adviser regarding the U.S. federal income tax consequences of owning or disposing of a note.

Payments on the Notes

Subject to the discussion below under "FATCA," payments of principal and interest on the notes by the Company or any paying agent to you will not be subject to U.S. federal income or withholding tax, provided that, in the case of interest,

- you do not own, actually or constructively, ten percent or more of the total combined voting power of all classes of stock of the Company entitled to vote;
- you are not a controlled foreign corporation related, directly or indirectly, to the Company through stock ownership;
- you certify on a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, under penalties of perjury, that you are not a United States person; and
- it is not effectively connected with your conduct of a trade or business in the United States as described below.

If you cannot satisfy one of the first three requirements described above and interest on the notes is not exempt from withholding because it is effectively connected with your conduct of a trade or business in the United States as described below, payments of interest on the notes will be subject to withholding tax at a rate of 30%, or the rate specified by an applicable treaty.

Sale or Other Taxable Disposition of the Notes

You generally will not be subject to U.S. federal income or withholding tax on gain realized on a sale, redemption or other taxable disposition of notes, unless the gain is effectively connected with your conduct of a trade or business in the United States as described below, although any amounts attributable to accrued interest will be treated as described above under "Payments on the Notes."

Effectively Connected Income

If interest or gain on a note is effectively connected with your conduct of a trade or business in the United States, you will generally be taxed in the same manner as a U.S. Holder (see "Tax Consequences to U.S. Holders" above) unless an applicable income tax treaty provides otherwise. In this case, you will be exempt from the withholding tax on interest discussed above, although you will be required to provide a properly executed IRS Form W-8 in order to claim an exemption from withholding. You should consult your tax adviser with respect to other U.S. tax consequences of the ownership and disposition of notes, including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate) if you are a corporation.

Backup Withholding and Information Reporting

If you are a U.S. Holder, information returns are required to be filed with the IRS in connection with payments on the notes and proceeds received from a sale or other disposition of the notes unless you are an exempt recipient. You may also be subject to backup withholding on these payments in respect of your notes unless you provide your taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules or you provide proof of an applicable exemption.

If you are Non-U.S. Holder, information returns are required to be filed with the IRS in connection with payments of interest on the notes. Unless you comply with certification

procedures to establish that you are not a United States person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a note. You may be subject to backup withholding on payments on the notes or on the proceeds from a sale or other disposition of the notes unless you comply with certification procedures to establish that you are not a United States person or otherwise establish an exemption. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Provisions commonly referred to as "FATCA" impose withholding of 30% on payments of interest on the notes and (for dispositions after December 31, 2018) of proceeds of sales or redemptions of the notes to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities (whether such foreign financial institutions or other non-U.S. entities are beneficial owners or intermediaries) unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Prospective investors should consult their tax advisers regarding the effects of FATCA on their investment in the notes.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable, as of the date hereof, to a purchaser who acquires, as beneficial owner, notes, including entitlement to all payments (including any interest and principal) thereunder, pursuant to this offering memorandum and who, for the purposes of the Income Tax Act (Canada) and the regulations thereunder (collectively, the "Tax Act") and at all relevant times, deals at arm's length with the Issuer, each Note Guarantor and the Initial Purchasers (a "holder").

This summary is based upon the current provisions of the Tax Act, and the Issuer's Canadian legal counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative practices or assessing policies, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account other federal, provincial, territorial or foreign tax considerations which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. This summary is not exhaustive of all federal income tax considerations that may be relevant to a particular holder. Accordingly, prospective purchasers of notes should consult their own tax advisors with respect to their particular circumstances.

Canadian Resident Holders

The following portion of this summary is generally applicable only to a holder who, at all relevant times, for purposes of the Tax Act, is or is deemed to be a resident of Canada, is not affiliated with the Issuer, any Note Guarantor or the Initial Purchasers and holds the notes as capital property (a "Canadian Resident Holder"). Generally, the notes will be capital property to a holder provided the holder does not use or hold the notes in the course of carrying on a business and has not acquired or held them as part of an adventure or concern in the nature of trade. The notes will not be "Canadian securities" for the purpose of the irrevocable election under subsection 39(4) of the Tax Act to treat all "Canadian securities," as defined in the Tax Act, owned by a holder as capital property, and therefore no such election will apply to the notes. Holders who do not hold notes as capital property should consult their own tax advisors regarding their particular circumstances.

The following portion of this summary is not applicable to a Canadian Resident Holder (i) an interest in which is a "tax shelter investment", as defined in the Tax Act, (ii) that is a "financial institution", as defined in the Tax Act for purposes of certain rules in the Tax Act, referred to as the "mark-to-market" rules, (iii) that reports its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency or (iv) that has entered or will enter into a "derivative forward agreement," as such term is defined in the Tax Act, in respect of the notes. Any such Canadian Resident Holder should consult its own tax advisors with respect to the tax consequences of acquiring, holding and disposing of the notes.

Currency Conversion

The notes are denominated in U.S. dollars. For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the notes must be converted into Canadian dollars based on exchange rates determined in accordance with the Tax Act. The amount of interest required to be included in the income of, and capital gains or capital losses realized by, a Canadian Resident Holder may be affected by currency fluctuations.

Taxation of Interest and Other Amounts

A Canadian Resident Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on a note that accrues or is deemed to accrue to such Canadian Resident Holder to the end of that taxation year, or that becomes receivable or is received by such Canadian Resident Holder before the end of that taxation year (including amounts, if any, withheld or deducted therefrom on account of U.S. withholding tax), to the extent that such amount was not otherwise included in computing the Canadian Resident Holder's income for a preceding taxation year.

Any other Canadian Resident Holder, including an individual or a trust (other than a trust described in the preceding paragraph), will be required to include in computing its income for a taxation year any interest that is received or receivable in respect of a note by such Canadian Resident Holder in that taxation year (depending upon the method regularly followed by the Canadian Resident Holder in computing income) (including amounts, if any, withheld or deducted therefrom on account of U.S. withholding tax), to the extent that such interest was not otherwise included in computing the Canadian Resident Holder's income for a preceding taxation year.

Any amount paid by the Issuer to a Canadian Resident Holder as a penalty or bonus because of the redemption or repurchase by it of a note before the maturity thereof will be deemed to be interest received on the note by the Canadian Resident Holder at the time of payment to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of redemption or repurchase of, the interest that would have been paid or payable by the Issuer on the note for a taxation year of the Issuer ending after the redemption or repurchase. Such interest (including amounts, if any, withheld or deducted therefrom on account of U.S. withholding tax) will be required to be included in computing the Canadian Resident Holder's income in the manner described above.

To the extent that U.S. withholding tax is payable by a Canadian Resident Holder in respect of any interest received on the notes, the Canadian Resident Holder may be eligible for a foreign tax credit or deduction under the Tax Act to the extent and under the circumstances described in the Tax Act. Canadian Resident Holders should consult their own tax advisors regarding the availability of a foreign tax credit or deduction, having regard to their particular circumstances.

Dispositions

On a disposition or a deemed disposition of a note, including a repurchase or redemption by the Issuer prior to maturity, or a repayment by the Issuer upon maturity, a Canadian Resident Holder generally will be required to include in computing its income for the taxation year in which the disposition occurs all interest that has accrued or that is deemed to have accrued on the note from the date of the last interest payment to the date of disposition, except to the extent that such interest has otherwise been included in the Canadian Resident Holder's income for that taxation year or a preceding taxation year.

In addition, the disposition or deemed disposition of a note generally will result in a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, which do not include any amount included in the Canadian Resident Holder's income as interest, and net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the note to the Canadian Resident Holder immediately before the disposition. Generally, a Canadian Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any such capital gain (a "taxable capital gain"). Subject to and in accordance with the provisions of the Tax Act, a Canadian Resident Holder is required to deduct one-half of the amount of any such capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Canadian Resident Holder in the year and allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years. A capital gain realized by an individual or by most trusts may give rise to liability for alternative minimum tax.

U.S. tax, if any, levied on any gain realized on a disposition of notes may be eligible for a foreign tax credit under the Tax Act to the extent and under the circumstances described in the Tax Act. Canadian Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit, having regard to their particular circumstances.

Additional Refundable Tax

A Canadian Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including interest and taxable capital gains earned or received in respect of the notes.

Foreign Property Information Reporting

In general, a Canadian Resident Holder that is a "specified Canadian entity" (as defined in the Tax Act) for a taxation year or a fiscal period and whose total "cost amount" (as defined in the Tax Act) of "specified foreign property" (as defined in the Tax Act) at any time in the year or fiscal period exceeds C$100,000 will be required to file an information return with the Canada Revenue Agency for the taxation year or fiscal period disclosing certain prescribed information in respect of such property. Subject to certain exceptions, a taxpayer resident in Canada, other than a corporation or trust exempt from tax under Part I of the Tax Act, will be a "specified Canadian entity," as will certain partnerships. The notes will be "specified foreign property" to a Canadian Resident Holder. Penalties may apply where a Canadian Resident Holder fails to file the required information return in respect of such Canadian Resident Holder's "specified foreign property" on a timely basis in accordance with the Tax Act.

The reporting rules in the Tax Act relating to "specified foreign property" are complex and this summary does not purport to address all circumstances in which reporting may be required by a Canadian Resident Holder. Canadian Resident Holders should consult their own tax advisors regarding the reporting rules contained in the Tax Act.

Non-Canadian Resident Holders

The following portion of this summary is generally applicable to a holder who, at all relevant times, for purposes of the Tax Act, (i) is not, and is not deemed to be, a resident of Canada and (ii) does not use or hold and is not deemed to use or hold the notes in the course of a business carried on or deemed to be carried on in Canada. In addition, special rules, which are

not discussed in this summary, may apply to a Non-Canadian Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere.

A Non-Canadian Resident Holder will not be subject to Canadian withholding tax in respect of amounts paid or credited, or deemed to be paid or credited, to the Non-Canadian Resident Holder by the Issuer or any Note Guarantor as, on account or in lieu of payment of, or in satisfaction of interest, premium, bonus or principal on the notes, including in respect of a redemption, repurchase or payment on maturity.

No other tax on income or gains will be payable by a Non-Canadian Resident Holder on interest, principal, bonus or premium on the notes or on the proceeds received by Non-Canadian Resident Holder on the disposition of a note including a redemption, repurchase or payment on maturity.

TRANSFER RESTRICTIONS

The notes have not been and will not be registered under the Securities Act and they may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, the notes have not been and will not be qualified for sale to the public by prospectus under the securities laws of the Province of Quebec or any other province or territory of Canada, and may not be offered or sold except pursuant to an exemption from the prospectus requirements of the Securities Act (Quebec) and other applicable provincial securities laws. Accordingly, the notes are being offered and sold only (A) to QIBs in compliance with Rule 144A and (B) outside the U.S. to persons other than U.S. persons ("non-U.S. purchasers", which term shall include dealers or other professional fiduciaries in the U.S. acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)) in reliance upon Regulation S under the Securities Act ("Regulation S").

As used herein, the terms "U.S." and "U.S. person" have the meanings given to them in Regulation S.

Each purchaser or transferee of notes will be deemed to have represented and agreed as follows:

1. It is purchasing the notes as a principal for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a QIB, and is aware that the sale to it is being made in reliance on Rule 144A or (B) a non-U.S. purchaser that is outside the U.S. (or a non-U.S. purchaser that is a dealer or other fiduciary as referred to above).

2. It acknowledges that the notes have not been and will not be registered under the Securities Act, or qualified for sale to the public by prospectus under the Securities Act (Quebec) or the securities laws of any other province or territory of Canada (together, "Canadian Securities Laws") and may not be offered or sold except as set forth below.

3. It shall not resell or otherwise transfer any of such notes prior to (i) the first anniversary of the last date of original issuance of the notes (or such shorter period of time as permitted by Rule 144(d) under the Securities Act) and (ii) such later date, if any, as may be required by applicable laws, except (A) to the Issuer or any of its subsidiaries, (B) inside the U.S. to a QIB in a transaction complying with Rule 144A, (C) inside the U.S. to institutional "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the notes (the form of which letter can be obtained from such trustee), (D) outside the U.S. in compliance with Rule 904 under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (F) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if the Issuer so requests), or (G) pursuant to an effective registration statement under the Securities Act. Further, it shall not resell or otherwise transfer any of such notes except pursuant to an exemption from the prospectus requirements of Canadian Securities Laws, or in a transaction that otherwise complies with or is not subject to the prospectus requirements of Canadian Securities Laws.

4. It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.

5. It acknowledges that prior to any proposed transfer of notes in certificated form or of beneficial interests in a Global Note (in each case other than pursuant to an effective registration statement) the holder of notes or the holder of beneficial interests in a Global Note, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the indenture.

6. It understands that all of the notes will bear a legend substantially to the following effect unless otherwise agreed by the Issuer and the holder thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT OR (C) IT IS AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1), (2), (3), OR (7) UNDER THE SECURITIES ACT (AN "ACCREDITED INVESTOR")), (2) AGREES THAT IT WILL NOT PRIOR TO THE FIRST ANNIVERSARY OF THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE FOR THIS SECURITY), (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, IF THE PROPOSED TRANSFEREE IS AN ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

7. Either (a) no portion of the assets used by it to acquire and hold the notes, or any interest therein, constitutes assets of any (i) employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) plan or account subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), (iii) entity deemed to hold "plan assets" of any such employee benefit plan, plan or account (any plan, account or arrangement described in (i), (ii) or (iii), a "Plan") or (iv) governmental, church or non-U.S. plan

that is not subject to Section 406 of ERISA or Section 4975 of the Code but may be subject to other laws or regulations that are substantially similar to those provisions ("Similar Laws") or (b) the purchase, holding and subsequent disposition of the notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violate any Similar Law.

8. If it is a Plan, a fiduciary acting on its behalf is causing it to purchase the notes and such fiduciary:

a) 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 as specified in 29 CFR Section 2510.3-21(c)(1)(i) (excluding an individual retirement account ("IRA") owner if the purchaser is an IRA);

b) Is independent (for purposes of 29 CFR Section 2510.3-21(c)(1)) of the Issuer, the Initial Purchasers and their respective affiliates (the "Transaction Parties");

c) Is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies, including the purchaser's transactions with the Transaction Parties hereunder;

d) Has been advised that none of the Transaction Parties has undertaken or will undertake to provide impartial investment advice, or has given or will give advice in a fiduciary capacity, in connection with the purchaser's transactions with the Transaction Parties contemplated hereby;

e) Is a "fiduciary" under Section 3(21)(A) of ERISA or Section 4975(e)(3) of the Code, or both, as applicable, with respect to, and is responsible for exercising independent judgment in evaluating, the purchaser's transactions with the Transaction Parties contemplated hereby; and

f) Understands and acknowledges the existence and nature of the underwriting discounts, commissions and fees, and any other related fees, compensation arrangements or financial interests, described in this offering memorandum; and understands, acknowledges and agrees that no such fee or other compensation is a fee or other compensation for the provision of investment advice, and that none of the Transaction Parties, nor any of their respective directors, officers, members, partners, employees, principals or agents has received or will receive a fee or other compensation from the purchaser or such fiduciary for the provision of investment advice (rather than other services) in connection with the purchaser's transactions with the Transaction Parties contemplated hereby.

The Issuer is not, and has no intention of becoming, a "reporting issuer," as such term is defined under Canadian securities laws, in any province or territory of Canada. Under no circumstances will the Issuer be required to file a prospectus or similar document with any securities regulator in Canada qualifying the resale of the notes to the public. Accordingly, the resale provisions of section 2.5 of National Instrument 45-102—*Resale of Securities* will not be available to holders of the notes.

PLAN OF DISTRIBUTION

Upon the terms and subject to the conditions contained in the purchase agreement among the Issuer, the guarantors party thereto and the Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers, subject to certain conditions, have severally agreed to purchase, the principal amount of the notes offered hereby.

Initial Purchasers	Principal Amount of Notes
Deutsche Bank Securities Inc.	
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
DNB Markets, Inc.	
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
Morgan Stanley & Co. LLC	
RBC Capital Markets, LLC	
HSBC Securities (USA) Inc.	
TD Securities (USA) LLC	
Total	$1,250,000,000

The Initial Purchasers are committed to take and pay for all of the notes being offered, if any are taken. The offering price for the notes is set forth on the cover page of this offering memorandum. After the notes are released for sale, the Initial Purchasers may change the offering price and other selling terms with respect to the notes. The offering of the notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers' right to reject any order in whole or in part.

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 memorandum.

The Initial Purchasers have agreed that they will only offer or sell the notes (A) to persons they reasonably believe to be QIBs in reliance on Rule 144A under the Securities Act, and (B) outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

In connection with sales outside the U.S., 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. The Initial Purchasers will send to each dealer to whom they sell 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 U.S. or to, or for the account or benefit of, U.S. persons.

In addition, with respect to notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the notes are originally issued, 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.

One or more of the Initial Purchasers may use affiliates or other appropriately licensed entities for sales of the notes in jurisdictions in which such Initial Purchasers are not otherwise permitted to make such sales.

The notes are a new issue of securities with no established trading market. The Issuer has been advised by the Initial Purchasers that certain of the Initial Purchasers intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

In connection with the offering, the Initial Purchasers may purchase and sell notes 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 than they are required to purchase in the offering. 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.

These activities by the Initial Purchasers, as well as other purchases by the Initial Purchasers for their own respective accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes 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.

PRIIPs Regulation / Prohibition of Sales to European Economic Area Retail Investors

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Offering Memorandum has been prepared on the basis that any offer of notes in any 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. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Directive.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons in (i) and (ii) above together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes 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 in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes 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.

Where the notes 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 of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offer and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each Initial Purchaser has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in

compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

We have agreed with Deutsche Bank Securities Inc., for 30 days after the date hereof, not to offer, sell contract to sell or otherwise dispose of any securities that are substantially similar to the notes without Deutsche Bank Securities Inc.'s prior written consent, other than the Additional Notes.

We have agreed to indemnify the several Initial Purchasers against certain liabilities, including liabilities under the Securities Act.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

If any of the Initial Purchasers or their respective affiliates has a lending relationship with us, certain of those Initial Purchasers or their respective affiliates may hedge, and certain of those Initial Purchasers or their respective affiliates are likely to hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their respective 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.

We expect that delivery of the notes will be made to investors on or about , 2018, which will be the tenth business day following the date of this offering memorandum. Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the delivery of the notes hereunder will be required, by virtue of the fact that the notes will not initially settle in T+2, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their advisors.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of its customers. Such investment and securities activities may involve securities and instruments of the Issuer and Valeant. The Initial Purchasers and their respective 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 and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment banking and commercial banking services for the Issuer, and its affiliates, for which they received or will receive customary fees and expenses. Affiliates of certain of the Initial Purchasers are lenders and/or agents under the Credit Agreement. Additionally, certain of the Initial Purchasers and/or their respective affiliates may hold the Tender Offer Notes, and such Initial Purchasers or their respective affiliates may therefore receive a portion of the proceeds of this offering. In connection with acting as an underwriter and/or an initial purchaser in various prior transactions for us, certain of the Initial Purchasers or their respective affiliates are named as defendants in litigation relating to those prior transactions and may seek indemnification from us under the applicable purchase agreement for any liability and expenses arising from such litigation.

VALIDITY OF THE NOTES

The validity of the notes offered hereby will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York, and for the Initial Purchasers by Cahill Gordon & Reindel LLP, New York, New York. Certain legal matters relating to Canadian law will be passed upon for us by Norton Rose Fulbright. Cahill Gordon & Reindel LLP has represented the Company in the past and continues to represent the Company on certain litigation matters.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements incorporated in this offering memorandum by reference to the Annual Report on Form 10-K for the year ended December 31, 2017, and the effectiveness of internal control over financial reporting as of December 31, 2017, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report incorporated by reference herein.

ANNEX A
CERTAIN INSOLVENCY CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES

The following is an overview of certain insolvency considerations and limitations on the validity and enforceability of the guarantees in certain jurisdictions outside of the United States and Canada.

France

Bausch & Lomb France S.A.S., BCF S.A.S. and Laboratoire Chauvin S.A.S., Guarantors of the Notes (the "French Guarantors"), are incorporated under the laws of France and, as such, any insolvency proceedings applicable to the French Guarantors may be governed by French insolvency law.

French courts may also have jurisdiction to commence insolvency proceedings with respect to other companies of the group if the conditions provided for under the Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (the "EU Insolvency Regulation") (if applicable) are met, or, if not applicable, in accordance with traditional French private international law.

The following is a brief description of certain aspects of insolvency law in France.

Grace Periods

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 or payment obligations over a maximum period of two years. In addition, pursuant to Article 1343-5, if a debtor specifically initiates proceedings thereunder, 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) 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.

When the debtor is subject to conciliation proceeding, these provisions shall be read in combination with Article L. 611-7 of the French Commercial Code, see "—Conciliation Proceedings (Procédure de Conciliation)."

Insolvency—Cessation des Paiements

Under French law, a company is deemed insolvent (in cessation des paiements) when it is not able to pay its debts as they fall due out of its available and liquid assets, taking into account any moratorium which its creditors may have granted as well as any available liquidity reserves.

The debtor is required to petition for insolvency proceedings (either judicial reorganization or judicial liquidation) within 45 days of becoming insolvent unless it has initiated conciliation proceedings within the same period. If it does not, directors and, as the case may be, de facto managers, may be subject to civil liability. Insolvency proceedings may also be initiated upon the initiative of a creditor or of the State prosecutor, provided that the debtor is insolvent.

Court-Assisted Proceedings

Mandat ad hoc and conciliation proceedings are informal amicable proceedings carried out under the supervision of the President of the commercial court. A trustee (as the case may be, a mandataire ad hoc or a conciliateur) is appointed confidentially by the President of the commercial court in order to help the debtor reach an agreement with its creditors in particular by reducing or rescheduling its indebtedness. The debtor may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as trustee.

Mandat Ad Hoc Proceedings (Mandat Ad Hoc)

Mandat ad hoc proceedings are confidential proceedings available to solvent debtors. The process is voluntary, the legal representative of the company being the only one entitled to file a request with the President of the commercial court for the appointment of a *mandataire ad hoc*. A restructuring agreement may be negotiated between the company and its main creditors on a consensual basis—those creditors not willing to take part cannot be bound by the arrangement. In the event an agreement is reached, the President of the commercial court may acknowledge (*constater*) it but the acknowledged agreement will have no binding effect upon third parties and will not benefit from any statutory protections. There is no time limit for the duration of *mandat ad hoc* proceedings.

Conciliation Proceedings (Procédure de Conciliation)

A company may, in its sole discretion, request the commencement of conciliation proceedings (*procédure de conciliation*) with respect to itself, provided it (i) is not insolvent or has not been insolvent for more than 45 days, and (ii) experiences legal, economic or financial difficulties. The competent commercial court will appoint a conciliator (*conciliateur*) to help the company reach an agreement with its creditors for reducing or rescheduling its indebtedness. Such agreement may be either confidentially acknowledged (*constaté*) by the President of the commercial court (in which case the agreement becomes immediately enforceable (*exécutoire*)) or approved (*homologué*) by the commercial court. The main consequences of the approval (homologation) by the commercial court will be the following:

- 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) will enjoy a preferential treatment in the event of subsequent insolvency proceedings; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements*, which is the starting date of the "hardening period" preceding the opening of insolvency proceedings (see below), cannot be fixed by the commercial court as of a date earlier than the date of the approval of the agreement.

Conciliation proceedings are also confidential, but, in case of approval by the commercial court, third parties are informed that such an agreement has been entered into, through a publication. Conciliation proceedings may last up to five months.

If a creditor seeks payment during conciliation proceedings, then pursuant to Article L. 611-7 of the French Commercial Code, the judge having opened the conciliation proceedings has jurisdiction to grant a grace period to the debtor, in accordance with article 1343-5 et seq. of the French Civil Code, provided that the debtor has received a formal notice requesting payment or faces enforcement measures, in which case the decision would be taken after having heard

the conciliator. This judge also has jurisdiction to grant such a grace period during the implementation of the conciliation agreement (i.e., after the end of the conciliation proceedings), in relation to claims of non-consenting creditors (other than public creditors), provided that this agreement has been either recognized or sanctioned by a court decision, as discussed below.

Conciliation proceedings may also be the first step of:

- Either a so-called "prepack" sale of business to be implemented in subsequent judicial reorganization or judicial liquidation proceedings. Potential purchasers of the business are sought during the conciliation proceedings, and the sale of the company's business is then implemented very quickly after the opening of insolvency proceedings; or
- Accelerated safeguard or accelerated financial safeguard proceedings, see "—Safeguard Proceedings (Procédure de Sauvegarde)" and "—Accelerated Safeguard Proceedings (Procédure de Sauvegarde Accélérée)."

Safeguard Proceedings (Procédure de Sauvegarde)

The safeguard proceedings allows for the establishment of a restructuring plan under commercial court supervision before the company becomes insolvent. It is available only at the request of a debtor company. The objectives of safeguard proceedings are, in order of priority, to safeguard the debtor's activity, to safeguard jobs and to pay creditors. French insolvency proceedings are safeguard proceedings (including accelerated safeguard and accelerated financial safeguard proceedings), judicial reorganization proceedings and judicial liquidation. The debtor must be solvent (i.e., not unable to pay its due debts out of its available assets) but experiencing difficulties that cannot be overcome. Safeguard proceedings are public and include an automatic stay of all actions against the debtor for up to six months, renewable for an additional six months with commercial court approval and which can be extended to a maximum of 18 months upon request of the state prosecutor. During this period (the "observation period"), the debtor and the insolvency officers try to elaborate a viable restructuring plan (including a debt restructuring) called the "safeguard plan," and to have it adopted by the court.

During the observation period, payments by the debtor of any debts incurred prior to the commencement of the proceedings are prohibited, subject to limited exceptions. The supervising judge (*juge-commissaire*) can authorize payments for prepetition 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 proceedings will be given priority over debts incurred prior to the commencement of the safeguard proceedings if they relate to expenses necessary for the business's ordinary activities or are for the requirements of the proceedings.

One of the main features of the safeguard proceedings 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 credit institutions and "assimilated entities" (including not only credit institutions but also any entity having granted credit facilities to the debtor, and any assignees of such receivables) and the other of the main trade creditors (creditors whose claim is equal to more than 3% of the company's total debt to its trade creditors), and a general meeting of noteholders (comprising all holders of all notes issued by the Company even they relate to different issues and no matter what the applicable law of those notes is) in the event the relevant debtor has issued bonds, to which the debtor submits a draft safeguard plan. Any member of the creditors' committees (but not of the general meeting of noteholders) is also entitled to submit a draft safeguard plan.

The plan is approved where members of each committee voting in favor 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 relevant French company, the plan, if approved by the committees, is then submitted to the general meeting of noteholders (majority of two thirds of the outstanding claims of the noteholders expressing a vote). Each member of a committee or of the general meeting of noteholders must inform the court-appointed administrator of any agreement subjecting its vote to certain conditions or providing for the total or partial payment of its claim by a third-party or any subordination agreement. The court-appointed administrator can then modulate the voting rights of such a creditor, and submit to such creditor the conditions of calculation of its voting rights. In case of disagreement on this calculation, the creditor or the court-appointed administrator may seize the president of the court in summary proceedings. Those creditors or bondholders whose repayment terms are not affected by the draft plan or for which the draft plan provides for a full repayment in cash upon approval of the plan will not take part in the vote. The committees and the general meeting of noteholders, if any, shall vote on the plan within six months of the date of the judgment commencing the proceedings (subject to a potential court decision to postpone this deadline).

Creditors which are not members of committees and which are not noteholders are consulted on an individual basis on debt rescheduling, write-offs and/or debt-for-equity swaps. Creditors are deemed to have accepted the debt rescheduling or write-offs proposals if they fail to respond within 30 days from the receipt of the debtor's proposal. However, in respect to debt-for-equity swap proposals, the creditors' representative must obtain the agreement of each creditor in writing.

The plan submitted to the committees and the noteholders, if any, may include not only rescheduling of debts but also cancellation of debts and debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent). The plan may provide for a different treatment of creditors if their differences of situation so justify. The plan must "take into account" intercreditor subordination agreements entered into prior to the opening of the proceedings (which does not mean that the plan must necessarily be totally compliant with such agreements). Following approval by the creditors' committees and the general meeting of noteholders, if any, and subject to verification by the commercial court that creditors' interests are adequately preserved, the commercial court can approve the plan, in which case the plan will be binding also on dissenting members of the committees and on noteholders (if any). For those individual creditors which have not accepted the debtor's proposals, the commercial court can reschedule repayment of their claims over a maximum period of 10 years, except for debts with maturity dates of more than 10 years, in which case the maturity date may remain the same. The commercial court cannot oblige such creditors to waive part of their claim. The first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be of at least 5% of the total admitted pre-filing liabilities).

The commercial court can also adopt a safeguard plan in the absence of creditors' committees (e.g., because such committees were not created or because they were dissolved following their failure to vote within the specified period or following their decision to reject the draft plan). In such a case, all creditors are consulted on an individual basis, as explained above (in particular, with respect to creditors rejecting the debtor's proposals, the commercial court can only impose a rescheduling of the repayment of the debts over a maximum period of 10 years, except for debts with maturity dates of more than 10 years, in which case the maturity date may remain the same).

Accelerated Safeguard Proceedings (Procédure de Sauvegarde Accélérée)

A company in the course of conciliation proceedings may request commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) if (i) while not being *en cessation des paiements* (i.e., being unable to pay its debts as they fall due out of its available assets) for more than 45 days when it initially requested the opening of conciliation, it is facing difficulties that it cannot overcome, (ii) it (x) has its accounts certified by a statutory auditor (*commissaire aux comptes*) or established by certified public accountant (*expert comptable*) and has (A) more than 20 employees or (B) a turnover greater than € 3 million excluding any applicable taxes or (C) total assets in its balance sheet greater than € 1.5 million or (y) establishes consolidated financial statements in accordance with Article L. 233-16 of the French Commercial Code and (iii) it has prepared, in the context of conciliation proceedings, a draft safeguard plan that aims to protect its operations in the long run and which is likely to be supported by a sufficiently large majority of the creditors to allow the adoption of the plan by the creditors' committees and the noteholders' general meeting within the duration of the procedure (i.e., three months from the opening judgment of the accelerated safeguard procedure).

The accelerated safeguard proceedings have been designed to "fast track" the safeguard proceedings for large companies. The regime applicable to accelerated safeguard proceedings is roughly similar to the regular safeguard proceedings, to the extent compatible with the accelerated timing in accelerated safeguard proceedings. Therefore, some provisions relating in particular to ongoing contracts and restitution claims made by owners benefiting from retention of title clauses are, for instance, excluded by law.

Trade creditors are involved in the accelerated safeguard proceedings. Where accelerated safeguard proceedings are opened, the credit institutions committee, the trade creditors' committee and the general meeting of noteholders are convened and are required to vote on the proposed accelerated safeguard plan within the minimum period of 15 days from delivery of the proposed plan (as applicable in safeguard proceedings).

As with traditional safeguard proceedings, the plan adopted in the context of accelerated safeguard proceedings may notably provide for rescheduling of debts, debt cancellation or debt-for-equity swaps (requiring the relevant shareholder consent).

The maximum duration of the accelerated safeguard proceedings is three months. If, during this period, no plan is adopted by the required majorities of the creditors' committee and the general meeting of noteholders, the commercial court shall terminate the accelerated safeguard proceedings.

Accelerated Financial Safeguard Proceedings (Procédure de Sauvegarde Financière Accélérée)

A company in the course of conciliation proceedings may request commencement of accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*). The regime applicable to accelerated financial safeguard proceedings is similar to that applicable to accelerated safeguard proceedings but it is designed to "fast-track" safeguard proceedings dealing with purely financial difficulties. The key difference between accelerated safeguard proceedings and accelerated financial safeguard proceedings is that the latter relate only to debts owed to so-called "financial debts" (i.e., debts towards entities that are eligible members of the credit institutions' committee and debts towards noteholders which are eligible members of the general meeting of noteholders described above), which are subjected to an automatic stay and dealt with under the safeguard plan. Other classes of creditors, such as

suppliers or public creditors, are not affected by the proceedings. The company therefore continues to trade normally while the proceedings are pending, thus reducing significantly the impact of such safeguard proceedings on operational companies.

The same conditions mentioned above for the opening of accelerated safeguard proceedings also apply to a debtor eligible for accelerated financial safeguard proceedings, provided that the accounts of the debtor offer evidence that a plan prepared in the context of conciliation proceedings is supported by a large majority of those financial creditors who will be affected by the accelerated financial safeguard proceedings (as indicated in the preceding paragraph), and is likely to be adopted within the duration of the procedure.

The content of the safeguard plan and conditions of its adoption are the same as in accelerated safeguard proceedings, except that the credit institutions' committee and the general meeting of noteholders are required to vote on the proposed safeguard plan within a shortened minimum period of eight days of being notified of the proposed plan.

The duration of the accelerated financial safeguard proceedings must not exceed one month, unless the commercial court decides to extend it by one additional month. If, during this period, no plan is adopted by the required majorities of the financial creditors and noteholders (the same majority rules apply as in committees in regular safeguard proceedings), the commercial court shall terminate the accelerated financial safeguard proceedings and may not impose any uniform debt rescheduling on creditors.

Judicial Reorganization (Procédure de Redressement Judiciaire)

A judicial reorganization may be initiated with respect to a company incorporated in France (or a foreign company whose center of main interest is situated in France) if it cannot pay its due debts out of its available assets (i.e., if it is in *cessation des paiements*) provided that its financial situation is capable of improving.

Such proceedings may be initiated by the company, a creditor, the commercial court or the State prosecutor. The debtor is required to petition for insolvency proceedings within 45 days of becoming in *cessation des paiements* unless it has initiated a conciliation proceeding within the same period. If it does not, directors and, as the case may be, de facto managers, may be subject to civil liability.

The objectives of judicial reorganization proceedings are the same as those of safeguard proceedings. Most of the rules applicable to safeguard proceedings apply to judicial reorganization proceedings. In particular, the commencement of judicial reorganization proceedings triggers an automatic stay of proceedings against the debtor during the observation period (subject to the same limited exceptions). As with safeguard proceedings, the restructuring plan (the "reorganization plan") may be adopted by 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 credit institutions and "assimilated entities" and the other of the main trade creditors (creditors whose claim is equal to more than 3% of the company's total debt to its trade creditors), and a general meeting of noteholders (comprising all holders of all notes issued by the company even they relate to different issues and no matter what the applicable law of those notes is).

The reorganization plan can combine all of the following: a debt restructuring, a recapitalization of the company, a debt-for-equity swap (always with the relevant shareholder approval) and the sale of certain assets or of portions of the business.

In addition, Law No. 2015-990 dated August 6, 2015 (known as "*loi Macron*") has introduced a new provision (Article L. 631-19-2 of the French Commercial Code) applicable to judicial reorganization proceedings opened as from August 7, 2015 in the cases where (i) a debtor (a) employs more than 150 employees or (b) controls one or more companies employing 150 employees, (ii) the disappearance of such debtor is likely to cause serious disturbance to the national or local economy and to local employment, and (iii) a share capital modification appears, after review of total or partial disposal plan solutions, the only credible solution to avoid such a disturbance and to allow the debtor's business activities to continue. In summary, if, in such event, a reorganization plan provides for a modification of the share capital in favor of one or more person(s) who undertake to execute the plan (e.g., the new majority shareholders) and the existing shareholders refuse to vote in favor of such share capital modification, the commercial court may, under certain procedural and substantial conditions (e.g., the payment to the evicted shareholders of an amount corresponding to the value of their shares, as determined by a commercial court-appointed expert if no agreement as to such value is reached among the parties) and upon request of the commercial court-appointed administrator or the State prosecutor, either (a) appoint a trustee (*mandataire de justice*) to vote in favor of a share capital increase in place of the dissenting shareholders or (b) order, in favor of the person(s) who have undertaken to execute the plan, the transfer of all or part of the shares owned by the dissenting shareholders who own a majority of voting rights or hold a blocking minority in the company. Any approval clause included in the company's constitutional documents is deemed null and void.

If no reorganization plan is drafted or if the draft reorganization plan appears obviously incapable of restoring the debtor's viability, the court may decide to adopt a sale plan (*plan de cession*), i.e., a plan whereby all or part of the business is sold to a third party which can cherry-pick the assets, contracts and employees, without (subject to certain exceptions) the need to obtain the consent of either the debtor, the creditors or the other party to certain contracts (such as lease-back agreements or supply agreements of goods and services). Any third party may make a bid to that effect as from the opening of judicial reorganization proceedings. If such a sale plan is adopted, the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of their claims. The sale price is generally significantly lower than the aggregate value of the assets, bearing in mind that the courts would endorse the most credible offer that would best ensure the preservation of jobs.

Judicial Liquidation (Procédure de Liquidation Judiciaire)

Such proceedings may be initiated by the company, a creditor or the State prosecutor if the debtor is cannot pay its due debts out of its available assets (i.e., if it is in "*cessation des paiement*") and its recovery is not possible. The aim of these proceedings is to liquidate a company and end its activities, by selling its business, either as a whole or per branch of activity or asset by asset. The activity is ended from the opening of proceedings, except if a sale of all or part of the business is feasible. In such a case, the court authorizes the company to continue its activity during a maximum period of three months (renewable once) to implement such a sale.

Liquidation proceedings trigger an automatic stay of proceedings against the company. However, secured creditors benefiting from a pledge are, where the applicable security arrangements so contemplate, entitled to enforce their security interest through a court-monitored allocation process (*attribution judiciaire*) (i.e., request the court to transfer ownership of the pledged asset(s)). In any case, secured creditors benefiting from a pledge or a mortgage are entitled to enforce their security interest if the liquidator has not commenced selling the asset subject to the pledge or mortgage within three months from the judgment opening the liquidation proceedings.

The commercial court will end the proceedings when either no due liabilities remain, the liquidator having sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

Void and Voidable Transactions

The date of insolvency (cessation des paiements) is generally deemed to be the date of the court decision commencing the judicial reorganization or judicial liquidation proceedings. However, in the decision commencing judicial reorganization or judicial liquidation proceedings or in a subsequent decision, a court may set the date on which the debtor became insolvent at an earlier date, up to 18 months prior to the court decision commencing the proceedings. This date is important because it marks the beginning of the "hardening period," which lasts until the opening of the insolvency proceedings. Certain transactions entered into by the debtor during the suspect period are, by law, automatically void or voidable by the court.

Automatically void transactions include in particular transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. Such transactions or payments must be set aside by the court if a claimant (the judicial administrator, the liquidator, the creditors' representative or the court-appointed trustee in charge of overseeing the implementation of the restructuring plan, or the State prosecutor) so requests. These include, notably, transfers of assets for no consideration, contracts under which the reciprocal obligations of the debtor 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, provisional measures (unless the right of attachment or seizure predates the date of insolvency), share options granted or sold during the suspect period, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as a security for debt incurred at the same time), and any amendment to a trust arrangement (*fiducie*) that dedicates assets or rights as a guaranty of pre-existing debts.

Voidable transactions include, (i) transactions for consideration, (ii) payments of due and payable debts or (iii) notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions, in each case, if such actions are taken after the debtor was in *cessation des paiements* and the party dealing with the debtor knew that the debtor was in *cessation des paiements* at that time. In addition, transactions relating to transfers of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the suspect period. Unlike void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable."

There is no hardening period prior to the opening of safeguard proceedings, since the condition required to commence such proceedings is that the company is not insolvent (*en état de cessation des paiements*) within the meaning of French law.

Article L. 650-1 of the French commercial code also provides that when safeguard, accelerated financial safeguard, judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings are initiated, creditors cannot be held liable for damages resulting from facilities that they granted, unless they acted fraudulently or deliberately interfered with the management of the debtor or if security interests granted to secure such facilities (which may include bonds) were out of proportion with the latter. Case law has recently set out that this liability would also require that the granting of the facility be

deemed to be wrongful. If the creditors are held liable, the security interests granted to secure the facility may be held void or reduced by a commercial court. The date at which the proportion should be analyzed is the date when the security interests were granted, not the date when they were enforced. With regard to the extent by which the security interests must exceed the amount of the facility to be considered "out of proportion" this is a question which is reviewed by French courts on a case-by-case basis.

Status of Creditors

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of the proceedings must file a proof of claim with the creditors' representative within two months of the publication of the commercial court commencing the proceedings in the *Bulletin Officiel des Annonces Civiles et Commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, barred from receiving distributions made in connection with the proceedings and their unasserted claims are unenforceable (*inopposables*) during the safeguard or reorganization plan and even after the plan if the obligations under the plan have been complied with. Employees are not subject to such limits and are preferential creditors under French law.

Contractual provisions that would accelerate the payment of the company's obligations upon the opening of insolvency proceedings or the occurrence of a state of *cessation des paiements* are not enforceable under French law. The commencement of liquidation proceedings, however, automatically accelerates the maturity of the company's obligations. If, however, the court authorizes the company to continue its activity because a sale of all of the business is feasible, the company's obligations which have not yet matured shall only mature as at the date of the judgment ordering such total sale of the business. The administrator may opt for the continuation (or not) of on-going contracts (*contrats en cours*) (except for employment contracts). The continuation of on-going contracts requires that the company fully performs its contractual obligations arising after the commencement of the insolvency proceedings. French insolvency law assigns priority to the payment of certain preferential creditors, including employees, the commercial court, officials appointed by the commercial court as required by the insolvency proceedings, certain post-petition creditors, certain secured creditors and the French tax authorities.

As from the commencement of insolvency proceedings:

- accrual of interest is suspended (except in respect of loans providing for an initial term of at least one year, or contracts providing for a payment which is differed by at least one year; even in such a case, accrued interest cannot bear themselves interest, notwithstanding Article 1343-2 of the French Civil Code (as it currently stands));
- the debtor is prohibited from paying debts incurred prior to the date of the court decision commencing the insolvency proceedings, subject to specified exceptions which essentially cover the set-off of related debts (*compensation pour dettes connexes*), payments authorized by the supervising judge (*juge- commissaire*) to recover assets for which recovery is justified by the continued operation of the business; and
- creditors may not initiate or pursue any individual legal action against the debtor with respect to any claim arising prior to the court decision commencing the insolvency 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 or cancel a contract for non-payment of pre-opening amounts owed to the creditor; or
- to enforce the creditor's rights against any assets of the debtor (subject to limited exceptions).

French insolvency law assigns priority to the payment of certain preferential creditors, including in particular employees, the commercial court, officials appointed by the commercial court as required by the insolvency proceedings, certain creditors whose claims arose after the commencement of the insolvency proceedings, secured creditors and the French tax authorities. Some creditors may nevertheless bypass this order of priority, e.g., if they benefit from a retention right over certain assets.

Corporate Benefit Rules—Limitation on Enforcement of the Guarantee

The grant of a guarantee by a French Guarantor for the obligations of the Issuer under the Notes must be for the corporate benefit of such French Guarantor. Under Articles L.242-6 and L.244-1 of the French Commercial Code, directors and managers of a company incorporated as a *société par actions simplifiée* (simplified joint- stock company) such as the French Guarantors, may be prosecuted for misappropriation of corporate funds and/ or credit if they are determined to have, in bad faith, used the company's property or credit in a manner which they knew to be contrary to the company's interests for personal ends or for the benefit of another company in which they have a direct or indirect interest.

Furthermore, under French corporate benefit rules, a court could declare any guarantee unenforceable and void, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that the French Guarantor did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole. Existence of corporate benefit is a factual matter which must be determined on a case-by-case basis.

The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

However, based on current case law certain inter-group transactions (including up-stream guarantees) can be in the corporate interest of the relevant company, in particular, where the following four criteria are fulfilled:

- existence of a genuine group of companies to which the guarantor and the person whose obligations are being guaranteed belong operating under a common strategy aimed at a common objective and the guarantee, and the transaction to which they relate, must be entered into in furtherance of the common economic interest of the group as a whole and the liability under the guarantee should be commensurate with such group benefit;
- the risk assumed by a French Guarantor must be proportionate to the benefit;
- the French Guarantor must receive an actual and adequate benefit, consideration or advantage from the transaction involving the granting by it of the guarantee which is commensurate with the liability which it takes on under the guarantee; and
- the obligations of the French Guarantor under the guarantee must not exceed its financial capability.

However, such criteria being subject to interpretation and depending on factual matters, the prudent approach prevailing in the French market is to create a strict correlation between the risk assumed and the benefit received by a French Guarantor without relying on the corporate benefit of the group (*intérêt social de groupe*) and applying the conditions listed above and therefore, limiting the amounts of the guarantee to the amounts on-lent to the French Guarantors as set out below.

Each Guarantee provided by a French Guarantor will apply only insofar as required to:

(i) guarantee the payment obligations under the Indenture and the notes of its direct or indirect subsidiaries which are or become Issuer or Note Guarantor from time to time under the Indenture and the notes and incurred by those subsidiaries as Issuer and Note Guarantors (without double counting). However, where such subsidiary is itself a Note Guarantor which guarantees the obligations of a member of the Group which is not a subsidiary of the relevant French Guarantor, the amounts payable by such French Guarantor under this paragraph (i) in respect of the obligations of this subsidiary as Note Guarantor shall be limited as set out in paragraph (ii) below; and

(ii) guarantee the payment obligations under the Indenture and the notes of each other Issuer or Note Guarantor which is not a direct or indirect subsidiary of that French Guarantor, provided that in each case such guarantee shall be limited to the payment obligations of such other Issuer or Note Guarantor under the Indenture and the notes provided that these shall not exceed an amount equal to the aggregate of all amounts made available (directly or indirectly) to such other Issuer or Note Guarantor under the Indenture and the notes and on-lent (directly or indirectly by way of intra-group loans) to such French Guarantor and outstanding from time to time (such amount being the "French Maximum Guaranteed Amount").

It being specified that any payment made by such French Guarantor in accordance with paragraph (ii) above in respect of the obligations of any other Issuer or Note Guarantor shall reduce pro tanto the outstanding amount of the intercompany loans (if any) due by such French Guarantor to that Issuer or Note Guarantor under the intercompany loan arrangements referred to above. For the avoidance of doubt, any payment made by a French Guarantor in respect of the payment obligations of an Issuer or a Note Guarantor referred to in paragraph (ii) above shall reduce the French Maximum Guaranteed Amount.

No French Guarantor will secure liabilities under the Indenture and the notes which would result in such French Guarantor not complying with French financial assistance rules as set out in Article L. 225-216 of the French Commercial Code (Code de commerce) and/or would constitute a misuse of corporate assets within the meaning of Article L. 242-6 or L. 244-1 of the French Commercial Code (Code de commerce) or any other law or regulations having the same effect, as interpreted by French courts.

No French Guarantor will be acting jointly and severally with the Issuer and/or the other Note Guarantors and no French Guarantor shall be deemed to be a "*co-débiteur solidaire*" as to its obligations arising under or in connection with any such guarantee given in accordance with the Indenture and the notes. By virtue of this limitation, each French Guarantor's obligations under the Note Guarantees could be significantly less than amounts payable with respect to the notes or a French Guarantor may have effectively no obligation under the Note Guarantee should the balance of the portion of the proceeds of the notes made available to a French Guarantor directly or indirectly be equal to or reduced to zero.

In addition, if a French Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Guarantor would obtain in a

transaction entered into on an arms' length basis, the difference between the actual economic benefit and that in a comparable arms' length transaction could be taxable under certain circumstances.

The rights of the holders of the notes under the Note Guarantee are also subject to the Intercreditor Agreement. See "Description of the Notes—Security—Intercreditor Agreement."

The Note Guarantee is also contractually adjusted so that such guarantee (together with the guarantee granted under the Credit Facilities) does not result in interest payments not being deductible for corporate income tax purposes when compared to the position that would have been applicable in the absence of such guarantee and indemnity obligations. By virtue of this limitation, a Note Guarantor's obligations under the Note Guarantee may be less than the amount that a noteholder could have claimed in the absence of such limitation.

Recognition of Intercreditor Arrangements by French Courts

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for Article L.626-30-2 of the French Commercial Code which states that, in the context of safeguard proceedings (applicable in judicial reorganization proceedings), the safeguard plan which is put to the vote of the creditors' committees takes into consideration (*prend en compte*) the provisions of subordination agreements between creditors which were entered into prior to the commencement of the safeguard proceedings. As a consequence, except to the extent referred to above (which, as at the date of this offering memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the First Lien Intercreditor Agreement.

Fraudulent Conveyance

French law contains specific provisions dealing with fraudulent conveyance both in and outside of insolvency proceedings, called action paulienne provisions. The action paulienne offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such person's or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant person by, as the case may be, the creditors' representative or the trustee in charge of overseeing the implementation of the restructuring plan (*commissaire à l'exécution du plan*) of the relevant debtor, or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the debtor's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of such person's creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the notes, the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the notes, the granting of such guarantee could be declared unenforceable against third parties or

declared unenforceable against the creditor that lodged the claim in relation to the relevant act. As a result of such successful challenges, the noteholders may not enjoy the benefit of the notes, the guarantees and the value of any consideration that the noteholders received with respect to the notes, the guarantees could also be subject to recovery from the noteholders and, possibly, from subsequent transferees. In addition, under such circumstances, the noteholders might be held liable for any damages incurred by prejudiced creditors of the Issuer or the Note Guarantors as a result of the fraudulent conveyance.

Germany

Insolvency

Several of the Note Guarantors are organized under the laws of Germany and have their registered office in Germany. There is a rebuttable presumption that the "centre of main interest" as defined in the Council of the European Union Regulation No 1346/2000 on Insolvency Proceedings is the jurisdiction where the registered office is situated. Consequently, any insolvency proceedings with regard to such Note Guarantors (together, the "German Guarantors"), is likely to be initiated in Germany and, if the German Guarantors were held to have its centre of main interest within the territory of Germany at the time the application for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed, German insolvency law would most likely govern such proceedings. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may not be as favorable to creditors as the insolvency laws of other jurisdictions, including, inter alia, in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit the ability of the recovery of payments due on the notes to an extent exceeding the limitations arising under other insolvency laws. However, pursuant to the EU Insolvency Regulation, the jurisdiction of the German courts may be limited if the company's "centre of main interests" is found to be in a Member State other than Germany. This issue is to be determined at the time when the competent court decides on the commencement of the relevant insolvency proceedings.

The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German insolvency law, there is no group insolvency concept, which generally means that, despite the economic ties between various entities within one group of companies, there will be one separate insolvency proceeding for each of the entities if and to the extent there exists an insolvency reason on the part of the relevant entity. Each of these insolvency proceedings will be legally independent from all other insolvency proceedings (if any) within the group. In particular, there is no consolidation of assets and liabilities of a group of companies in the event of insolvency and no pooling of claims among the respective entities of a group. A draft act to facilitate the mastering of group insolvencies (*Entwurf eines Gesetzes zur Erleichterung der Bewältigung von Konzerninsolvenzen*) is currently under discussion in Germany. However, according to this draft act it is mainly intended to provide for coordination of and cooperation between insolvency proceedings of group companies. The draft act does not provide for a consolidation of the insolvency proceedings of the insolvent group companies, or a consolidation of the assets and liabilities of a group of companies or pooling of claims amongst the respective entities of a group, but rather stipulates four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may be competent for each group entity insolvency proceedings; (ii) the appointment of a single person as insolvency administrator for all group companies is facilitated; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for "coordination

proceedings" (*Koordinationsverfahren*) and the appointment of a "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*). It is currently unclear if and when, and whether in its current or modified form, this bill might be adopted by the German parliament.

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court ex officio, but require that the debtor or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or if the debtor is unable to pay its debts as and when they fall due (*Zahlungsunfähigkeit*). According to the relevant provision of the German Insolvency Code (Insolvenzordnung), a debtor is over-indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor's business as a going concern is predominantly likely (*positive Fortführungsprognose*). As a guideline, the debtor is deemed illiquid if it is unable to pay 10% or more of its due and payable liabilities during the subsequent three weeks, unless it is virtually certain that the company can close the liquidity gap shortly thereafter (*demnächst*) and it can be deemed acceptable to the creditor to continue to wait for the payments owed by such debtor. If a stock corporation (*Aktiengesellschaft*—AG), a European law stock corporation based in Germany (Societas Europaea—SE) or a limited liability company (*Gesellschaft mit beschränkter Haftung*—GmbH) or any company not having an individual as personally liable shareholder becomes illiquid and/or over-indebted, the management of such company and, under certain circumstances, its shareholders are obliged to file for the opening of insolvency proceedings without undue delay, however, at the latest within three weeks after the mandatory insolvency reason (i.e., illiquidity and/or over-indebtedness) occurred. Non-compliance with these obligations exposes management to both severe damage claims as well as sanctions under criminal law. In addition, imminent illiquidity (*drohende Zahlungsunfähigkeit*) is a valid insolvency reason under German law which exists if the company currently is able to service its payments obligations, but will presumably not be able to continue to do so at some point in time within a certain prognosis period. However, only the debtor, but not the creditors, is entitled (but not obliged) to file for the opening of insolvency proceedings in the event of an imminent illiquidity of the debtor.

The insolvency proceedings are controlled by the competent insolvency court which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary measures (*vorläufige Maßnahmen*) to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsantrag*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's moveable assets during these preliminary proceedings. In addition, the court will generally also appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), unless the debtor has petitioned for debtor-in-possession status (*Eigenverwaltung*)—an insolvency proceeding in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a custodian (*Sachwalter*). The order for opening an insolvency proceeding as debtor-in-possession proceeding requires that (i) it has been requested by the debtor and (ii) no circumstances are known which lead to the expectation that the order will place the creditors at a disadvantage. If the debtor's request for debtor-in-possession proceeding does not manifestly lack the prospect of success, the court shall in the opening proceedings refrain from (i) imposing on the debtor a general prohibition on making dispositions or (ii) ordering that all of the debtor's dispositions are effective only with the consent of a preliminary insolvency administrator. In this case, instead of a preliminary insolvency administrator, a preliminary custodian (*vorläufiger Sachwalter*) shall be appointed who shall supervise the management of the debtor in the preliminary insolvency proceeding (*vorläufige Eigenverwaltung*).

If the debtor has filed a petition for the opening of insolvency proceedings based on an insolvency reason other than illiquidity (i.e., imminent illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in-possession status and can prove (by way of a certification provided by a tax advisor, accountant or lawyer with experience in insolvency matters) that a restructuring of its business is not obviously futile (*offensichtlich aussichtslos*), the court shall, upon the request of the debtor, set a deadline of up to three months for submission of an insolvency plan (*Schutzschirm*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court has to appoint a preliminary custodian (*vorläufiger Sachwalter*) to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (i.e., is obviously not competent or impartial).

Depending on the size of the debtor's business operations and several other circumstances, the insolvency court must or may appoint a preliminary creditors' committee (*vorläufiger Gläubigerausschuss*). The preliminary creditors' committee will be asked for their view on a petition for debtor-in-possession status, or on the profile of the (preliminary) insolvency administrator to be appointed or to suggest a particular individual to be appointed by the court. In case the members of the preliminary creditors' committee unanimously agree on an individual, such suggestion is binding on the court (unless the suggested individual is not eligible; i.e., not competent and/or not impartial). To ensure that the preliminary creditors' committee reflects the interests of all creditor constituencies, it shall comprise a representative of the secured creditors, one for the large creditors and one for the small creditors as well as one for the employees.

The duties of the preliminary insolvency administrator are, in particular, to safeguard and to preserve the debtor's assets (which, depending on the circumstances, includes the continuation of the business carried out by the debtor), to verify the existence of an insolvency reason and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. The court orders the opening of formal insolvency proceedings (*Eröffnung des Insolvenzverfahrens*) if certain requirements are met, in particular if there are sufficient assets (*Insolvenzmasse*) to cover at least the costs of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties (e.g., creditors) advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings will be dismissed for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of formal insolvency proceedings, an insolvency administrator (*Insolvenzverwalter*) (usually, but not necessarily, the same person who acted as preliminary insolvency administrator) is appointed by the insolvency court unless a debtor-in-possession status (*Eigenverwaltung*) is ordered. In case the court orders for a debtor-in-possession status, the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a custodian (*Sachwalter*). In the absence of a debtor-in-possession status, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator with the insolvency creditors (*Insolvenzgläubiger*) only being entitled to request the change of the individual appointed as insolvency administrator at the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by head count and amount of insolvency claims) has voted in favor of the proposed individual becoming the new insolvency administrator and (ii) the proposed individual be eligible as officeholder (i.e., sufficiently qualified, business-experienced and impartial). The insolvency

administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's business. These new liabilities incurred by the insolvency administrator qualify as preferential claims against the estate (*Masseverbindlichkeiten*) which are preferred to any insolvency claim of an unsecured creditor (with the residual claim of a secured insolvency creditor remaining after realization of the available collateral (if any) also qualifying as unsecured insolvency claim).

From the perspective of the holders of the notes, among others, some important consequences of such opening of formal insolvency proceedings against any German Guarantor or any of their relevant subsidiaries that are subject to the German insolvency regime would be the following:

- the right to administer and dispose of the assets of the insolvent entity would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate, unless the court orders debtor-in-possession proceedings (*Eigenverwaltung*);
- if the court does not order debtor-in-possession status (*Eigenverwaltung*) with respect to such insolvent entity, disposals effected by the management of such insolvent entity, after the opening of formal insolvency proceedings, are null and void by operation of law;
- if, during the final month preceding the date of filing for insolvency proceedings or thereafter, a creditor in the insolvency proceedings has acquired through execution (e.g., attachment) a security interest in part of such insolvent entity's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings;
- claims against such insolvent entity may only be pursued in accordance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*); and
- any person that has a right for separation (*Aussonderungsrecht*) (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 separation must be enforced in the course of ordinary court proceedings against the insolvency administrator.

All creditors, whether secured or unsecured (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*) as opposed to a preferential right (*Absonderungsrecht*)), wishing to assert claims against the insolvent debtor need to participate in the insolvency proceedings. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code (*Insolvenzordnung*). Therefore, secured creditors are generally not entitled to enforce any security interest outside the insolvency proceedings. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. In this context, it should be noted that the insolvency administrator generally has the sole right to realize any moveable assets in his/the debtor's possession which are subject to preferential rights (e.g., liens over movable assets (*Mobiliarsicherungsrechte*) or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). In the case of creditors secured by pledges over shares or company interests forming part of the insolvency estate it is, in the absence of authoritative case law, uncertain whether the creditors are entitled to initiate the enforcement process in respect of the pledged shares on their own or

whether the insolvency administrator has the right to realize the pledges on behalf of and for the benefit of the secured creditors.

In case the enforcement right is vested with the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds plus VAT (if any), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. With the remaining unencumbered assets of the debtor the insolvency administrator has to satisfy the creditors of the insolvency estate (*Massegläubiger*) first (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after the opening of formal insolvency proceedings). Thereafter, all other claims (insolvency claims— *Insolvenzforderungen*), in particular claims of unsecured creditors, will be satisfied on a pro rata basis if and to the extent there is value remaining in the insolvency estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full.

The preferential right (*Absonderungsrecht*) of a creditor may not necessarily prevent the insolvency administrator from using a movable asset that is subject to this right. The insolvency administrator must, however, compensate the creditor for any loss of value resulting from such use.

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law, while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings (*Massegläubiger*) generally rank senior to the claims of regular, unsecured creditors. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied.

The following subordinated claims shall be satisfied ranking below the other unsubordinated claims of insolvency creditors in the order given herein, and in proportion to their amounts if ranking with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offense binding the debtor to pay money; (iv) claims on the debtor's gratuitous performance of a consideration; (v) claims for the restitution of shareholder loans (*Gesellschafterdarlehen*) or claims resulting from legal transactions corresponding in economic terms to such a loan; and (vi) claims which the creditor and the debtor agreed to be subordinated in insolvency proceedings.

Under certain circumstances, restrictive covenants and undertakings in finance documents may result in the relevant creditor being considered to hold a "shareholder-like position" (*gesellschafterähnliche Stellung*) in the insolvent entity. In that event, in an insolvency proceeding over the assets of such insolvent entity, the claims against that entity would be treated as a subordinated insolvency claim (*nachrangige Insolvenzforderungen*) in accordance with the rules applying to shareholder loans. A third party acquiring the claims that are subject to the rules of the treatment of shareholder loans will itself be exposed inter alia to a claw back risk with respect to repayments that have been made within the period of one year prior to the request to open insolvency proceedings or subsequent to such request (section 135 of the German Insolvency Code). Subordinated insolvency claims are not eligible to participate in the

insolvency proceedings over the assets of the debtor (or in any transaction security) unless the insolvency court handling the case has granted special permission allowing these subordinated insolvency claims to be filed which is not granted in the majority of insolvency cases governed by German law. To the extent any creditor that benefited from the transaction security was a subordinated creditor, potential sharing and equalization provisions in the finance documents could result in holders who are not subordinated suffering a shortfall on the amount they recover.

While in ordinary insolvency proceedings aiming at the liquidation of the relevant insolvent debtor, the value of the insolvent entity's assets may be realized by a piecemeal sale or, as the case may be, by a bulk sale of the entity's business as a going concern, a different approach aiming at the rehabilitation of such entities can be taken based on an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court (while a group of dissenting creditors or the debtor can—under certain circumstances—be crammed down). The insolvent entity itself may only oppose the proposed plan if the plan is detrimental to the insolvent company (in comparison to an ordinary insolvency proceeding) or if any creditor will receive a higher economic value than the amount of its claim. If the debtor is a corporate entity, also the shares or, as the case may be, the membership rights in the debtor can be included in the insolvency plan (e.g., they can be transferred to third parties, including a transfer to creditors based on a debt-to-equity swap). In this case, the adoption of the insolvency plan generally also requires the consent of the group of the shareholders. However, the group of dissenting shareholders can—under certain circumstances—also be crammed down.

Under the German Insolvency Code, the insolvency administrator (or in case of debtor-in-possession proceedings, the custodian) may void (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and which were effected prior to the commencement of formal insolvency proceedings during applicable voidable periods. Generally, if transactions, performances or other acts are successfully voided by the insolvency administrator, any amounts or other benefits derived from such challenged transaction, performance or act will have to be returned to the insolvency estate plus accrued interest. The administrator's right to void transactions can, depending on the circumstances, extend to transactions having occurred up to ten years prior to the filing for the commencement of insolvency proceedings. In the event of insolvency proceedings with respect to any insolvent entity based on and governed by the insolvency laws of Germany, the payment of any amounts to the holders as well as the granting of Collateral for or providing credit support for the benefit of the notes could be subject to potential challenges (i.e., clawback rights) by an insolvency administrator under the rules of avoidance as set out in the German Insolvency Code (I*nsolvenzordnung*). In the event such a transaction is successfully voided (*angefochten*), the holders of the notes may not be able to recover or retain any amounts under the notes or the Collateral and may participate in the insolvency proceedings as unsecured creditor only. If payments have already been made under the notes or Collateral, any amounts received from a transaction that had been voided would have to be repaid (plus accrued interest) to the insolvency estate (*Insolvenzmasse*). In this case, the holders of the notes may only have a general unsecured claim under the notes without preference in insolvency proceedings.

In particular, an act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäft*) (which term includes the granting of a guarantee, the provision of security and the payment of debt)

detrimental to the creditors of the debtor may be voided according to the German Insolvency Code (*Insolvenzordnung*) in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (*Befriedigung*) if such act was taken (i) during the last three months prior to the filing of the petition for the opening of insolvency proceedings, provided that the debtor was illiquid (*zahlungsunfähig*) at the time such act was taken and the creditor knew of such illiquidity (or of circumstances that clearly suggest that the debtor was illiquid) at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings, if the creditor knew of the debtor's illiquidity or the filing of such petition (or of circumstances that clearly suggest such illiquidity or filing);
- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security 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 taken during the last month prior to the filing of the petition for the opening of insolvency proceedings or after such filing, (ii) such act was taken during the second or third month prior to the filing of the petition and the debtor was illiquid at such time or (iii) such act was taken during the second or third month prior to the filing of the petition for the opening of insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that clearly suggest such detrimental effect);
- a legal 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 a debtor is obtained or becomes enforceable, if it was entered into (i) during the three months prior to the filing of the petition for the opening of insolvency proceedings and the debtor was illiquid at the time of such transaction and the counterparty to such transaction knew of the illiquidity at such time or (ii) after the filing of the petition for the opening of insolvency proceedings and the counterparty to such transaction knew either of the debtor's illiquidity or of 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 opening of insolvency proceedings;
- any act performed by the debtor during the ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after the filing, if the debtor acted with the intention of prejudicing its insolvency creditors (*vorsätzliche Gläubigerbenachteiligung*) and the beneficiary of the act knew of such intention at the time of such act. Such intention of the debtor and the respective knowledge of the beneficiary shall be presumed if the debtor and the beneficiary knew of the debtor's imminent insolvency, and that the transaction constituted a disadvantage for the creditors;
- any non-gratuitous contract concluded between the debtor and an affiliated party that directly operates to the detriment of the creditors can be voided unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as of the time the contract was concluded; in relation to corporate entities, the term "affiliated party" includes, subject to certain limitations, members of the management board or supervisory board, general partners and

shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons who are spouses, relatives or members of the household of any of the foregoing persons;

- any act that provides security or satisfaction (*Befriedigung*) for a claim of a shareholder for repayment of a shareholder loan or a similar claim if (i) in the case of the provision of security, the act took place during the last ten years prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition or (ii) in the case of satisfaction, the act took place during the last year prior to the filing of the petition for the opening of the insolvency proceedings or after the filing of such petition; or
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the satisfaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter, and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Garant*) or provider of surety (*Bürge*) (in which case not the third party but the shareholder must compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if he or she knew of the debtor's imminent illiquidity and that the transaction prejudiced the debtor's creditors. With respect to an "affiliated party," there is a general statutory presumption that such party had "knowledge."

The granting of security concurrently with the incurrence of debt may be qualified as a "cash transaction" (*Bargeschäft*). In case of such "cash transaction", the avoidance risk can— under certain circumstances— substantially be reduced.

The German legislature is currently discussing a draft amendment concerning the statutory avoidance provisions in the German Insolvency Code (*Insolvenzordnung*). Amendments are envisaged with regards to, among others, the provisions for avoidance claims in connection with willful disadvantage of the creditors, for cash transactions (*Bargeschäfte*) and the interest rates on avoidance claims. It is currently unclear if and when, and whether in its current or modified form, this bill might be adopted by the German parliament.

Apart from the examples of an insolvency administrator voiding transactions according to the German Insolvency Code (*Insolvenzordnung*) described above, a creditor who has obtained an enforcement order (*Vollstreckungstitel*) could possibly also void any security right or payment performed under the relevant security right according to the German Law of Avoidance (*Anfechtungsgesetz*) outside formal insolvency proceedings. The prerequisites vary to a certain extent from the rules described above and the avoidance periods are calculated from the date a creditor exercises its rights of avoidance in the courts.

Limitations on Validity and Enforceability of the Guarantees

Each of the German Guarantors guaranteeing is established in the form of a German limited liability company ("GmbH") (each a "German GmbH Subsidiary Guarantor"). Consequently, the granting of a Note Guarantee by such German GmbH Subsidiary Guarantor is subject to certain

provisions relating to preservation of the statutory capital under the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "GmbHG"). These provisions would also apply to any future guarantor incorporated in the form of a GmbH or established as a limited partnership with a limited liability company as general partner ("GmbH & Co. KG"; the German GmbH Subsidiary Guarantor, any future subsidiary of the Issuer incorporated as a GmbH or established as a GmbH & Co. KG are hereinafter jointly referred to as a "German Subsidiary Guarantors" and each a "German Subsidiary Guarantor").

The enforcement of the Note Guarantee granted by a German Subsidiary Guarantor to secure the Issuer's debt will be limited if, and to the extent, payments under the Note Guarantee would cause the amount of such German Subsidiary Guarantor's (or in the case the German Subsidiary Guarantor is a GmbH & Co. KG, its general partner's) net assets (i.e., total assets less liabilities and liability reserves) in accordance with the German Commercial Code (*HGB*)) to fall below the amount of its stated share capital.

As a general rule, the provisions of the GmbHG prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbHs net assets would fall below the amount of its stated share capital (*Stammkapital*) or an already negative amount of its net assets would further be reduced and prohibit payments to shareholders which render the German Subsidiary Guarantor unable to pay its debts as they fall due. Guarantees granted by a German Subsidiary Guarantor in respect of liabilities or payments of a direct or indirect parent or sister company as well as payments under any arrangements that are not at arm's length terms are considered disbursements under the provisions of the GmbHG.

In order to enable German Subsidiary Guarantors to grant Guarantees to secure liabilities of a direct or indirect parent or sister company without the risk of violating the provisions of the GmbHG and to limit any potential personal liability of management, it is standard market practice for credit agreements, indentures, guarantees to contain so called "limitation language" in relation to subsidiaries incorporated in Germany in the legal form of a GmbH or a GmbH & Co. KG.

Pursuant to such "limitation language," the beneficiaries of the guarantees agree to enforce the guarantees against a German subsidiary which is a GmbH or GmbH & Co. KG (or to release the proceeds of an enforcement, as applicable) only if and to the extent that such enforcement does not result in the subsidiary's— or, in case of a GmbH & Co. KG, in the general partner's— net asset falling below the amount of its stated share capital or increasing such shortfall in order to avoid a violation of the applicable provisions of the German GmbHG.

Accordingly, as a matter of German corporate law, the documentation with respect to the Note Guarantee, to the extent provided by a German Subsidiary Guarantor, contains or will contain such contractual limitation language. This could lead to a situation in which the respective Note Guarantee granted by such German Subsidiary Guarantor cannot be enforced at all and the holders of the notes will lose the benefit of the Note Guarantee.

The German capital maintenance rules and the other provisions referred to above are subject to evolving case law. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of German Subsidiary Guarantors, which can negatively affect the ability of the Issuer to make payment on the notes or of a German Subsidiary Guarantors to make payments on the Note Guarantee. In addition, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so called "destructive interference" (*existenzvemichtender Eingriff*) (i.e., a situation where a shareholder deprives a German Subsidiary Guarantor of the liquidity necessary for it to meet its

own payment obligations) may be applied by courts with respect to the enforcement of the Note Guarantee granted by a German Subsidiary Guarantor. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero. According to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the distressed 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 Note Guarantee by a German Subsidiary Guarantor. Furthermore, the beneficiary of a transaction effecting a repayment of the stated share capital of the respective German Subsidiary Guarantor of the Note Guarantee could become personally liable under exceptional circumstances. The German Federal Supreme Court (*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 bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that a German Subsidiary Guarantor when granting the Note Guarantee was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Hardening Periods and Fraudulent Transfer

In the event of insolvency proceedings with respect to a German subsidiary of the Issuer based on and governed by the insolvency laws of Germany, an insolvency administrator (*Insolvenzverwalter*) (or in the event debtor-in-possession status has been granted, the preliminary trustee (*Sachwalter*) may possibly challenge (*anfechten*) under the rules of avoidance as set out in the German insolvency code (*Insolvenzordnung*) (i) a guarantee granted by that entity, (ii) payments that have been made (under the Note Guarantee), if such payments have already been made. For details of such voidance rights, see "—Insolvency."

Creditor Liability

The beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the guarantee could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*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 has been close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. Under such circumstances, the Note Guarantees may also be invalid.

Hungary

The notes will be guaranteed by VALEANT PHARMA Hungary LLC, a limited liability company incorporated under the laws of Hungary, or the "Hungarian Guarantor".

Limitation on Enforceability

In general, a Hungarian court will apply Hungarian private international law regime when determining choice of law issues in respect of private law claims. Accordingly, the enforceability of U.S. federal securities laws or judgments of U.S. courts (e.g., stay orders in moratorium) may be decided on a case by case basis.

A judgment in relation to any Note Guarantee obtained against the Hungarian Guarantor from a New York Court will not be directly recognized by the Hungarian courts in the absence of relevant reciprocity arrangement, bilateral or multilateral international agreements for the mutual enforcement of civil law judgments or local law (at present none of them are available). However, separate legal proceedings may be commenced in the Hungarian courts for an amount due under a judgment given by the New York Courts and that judgment may be deemed by the Hungarian courts in separate proceedings to be conclusive (as evidence or otherwise) in Hungary as between the parties as to all relevant issues upon which it adjudicates. The Hungarian courts have wide discretion, but recognition may be generally granted unless the judgment can be impeached pursuant to Hungarian mandatory rules (e.g., the recognition and/ or enforcement of the judgment would be contrary to the public policy of Hungary, the relevant court in the U.S. had no jurisdiction or generally accepted international procedural principals have not been complied with).

The express choice of the laws of the State of New York is subject to mandatory provisions of Hungarian law that in exceptional circumstances (e.g., breach of public policy, the choice results in illegality or the choice is not bona fide) competent Hungarian courts may change, invalidate or supplement (e.g., new terms of contract) certain provisions of the transaction documents and/or related rights and/or obligations of the contracting parties.

The enforceability of obligations assumed by the Hungarian Guarantor are subject to Hungarian corporate, bankruptcy and insolvency law that under exceptional circumstances protecting the interest of the creditors and/ or minority owners may allow for a challenge of certain obligations that may eventually lead to the nullification of agreements or certain provisions (e.g., agreement to obtain security interest or receive pre-payments in a pre-petition period with the intention to defraud or mislead other creditors, with liquidation challenge look back periods of 5 years, 2 years, 90 days and 60 days). The successful challenge may even result in the termination of registered pledges or repayment obligations or in setting aside various contractual terms.

Hungarian Insolvency Considerations

Hungarian insolvency proceedings, including bankruptcy, liquidation and winding up (voluntary liquidation) proceedings, are non-contentious proceedings and extend to all assets of the Hungarian Guarantor existing on the commencement date.

Bankruptcy

The purpose of bankruptcy proceedings is to make arrangements for the settlement of creditors' claims against a debtor. As part of bankruptcy proceedings, a debt moratorium lasting between 120-360 days could be ordered by the competent bankruptcy court and consequently any enforcement actions and most of the ordinary distributions would be suspended against the Hungarian Guarantor until negotiations are underway. This would prevent the holders of the notes from enforcing their security rights. If there is no agreement reached with the relevant majority by the creditors classes, the court will order the commencement of liquidation proceedings. The Hungarian bankruptcy regime does not support the parties reaching agreement in this phase and, in practice, the vast majority of Hungarian bankruptcy proceedings eventually turn into liquidation proceedings.

Liquidation

The purpose of liquidation proceedings is to satisfy the claims of creditors of an insolvent debtor in the course of terminating a debtor without a legal successor. Subsequent to the

commencement date of the liquidation, the ownership rights related to the Hungarian Guarantor would fall away, the liquidator would legally and effectively take over the management of the assets and activities of the company, any monetary or enforcement related claims against the Hungarian Guarantor could only be enforced as part of the liquidation proceedings and all debt of the Hungarian Guarantor would become due and payable.

Following a period of 40 days subsequent to the publication of the liquidation order, the creditors and the debtor may, at any time, enter into a composition agreement with an aim to settle and/or restructure their debt, before the submission date of the closing liquidation balance-sheet. Upon the debtor's request, the court shall hold a composition negotiation within 60 days following receipt of the petition. The debtor must prepare a schedule and an appropriate proposal for the purpose of restoring its solvency.

During the negotiation, the debtor and the creditors may agree on:

(i) the order of satisfying the debts,

(ii) the modification of the deadline for the debt payments;

(iii) the ratio and manner of the satisfaction of the debts; and

(iv) all issues which are considered necessary by the parties for the purpose of restoring the solvency of the debtor, in particular, measures increasing the revenues of the debtor.

The agreement may only be implemented if at least half of the creditors representing the various classes of creditor claims consent and the total amount of claims of such creditors reaches two thirds of the aggregate creditor claims.

In the absence of a restructuring agreement, the assets of the debtor shall be publicly disposed (generally by a public auction) by the liquidator at the highest price that can be obtained on the market. Under Hungarian insolvency law the sale proceeds of the Hungarian Guarantor's assets would be distributed in accordance with the following order of priority (the list that follows is non-exhaustive):

(i) costs of the liquidation;

(ii) claims secured by pledge or mortgage before the initial date of liquidation;

(iii) alimonies, life-annuity payments, compensation allowance, mining salary supplements payable by economic organizations, furthermore, monetary contributions granted to members of agricultural cooperatives instead of household land or crops of which the beneficiary is entitled to receive for a lifetime;

(iv) with the exception of claims based on bonds, other claims of private individuals not originating from economic activities (in particular claims resulting from insufficient performance or compensation for damages, also including the amount of the guarantee and warrantee obligations ordinarily expected in the given trade, as calculated by the liquidator), claims of small and micro companies and of agricultural primary producers and certain claims of the Common Capital Maintenance Funds of Credit Cooperatives;

(v) debts of social insurance and private pension fund membership fees, taxes—with the exception of tax debts that are classified as cost of liquidation—and public debts collectable as taxes, repayable state aids and water and sewage fees;

(vi) other claims; and

(vii) irrespective of the time and grounds of its occurrence, default interests and late charges, and debts of fines and bonuses.

The costs of liquidation are as follows:

(i) wages and other similar benefits payable by the debtor—including severance pay due at the termination of employment if the wages and other similar benefits became due prior to the initial date of liquidation were paid after the initial date of liquidation, as well as the connected tax and contribution obligations (including social security contributions and private pension fund membership fees);

(ii) costs in connection with the rational completion of the economic activities of the debtor following the initial date of liquidation, and furthermore, the costs connected to the protection and maintenance of the debtor's assets, including the costs of settling environmental damages and burdens, and those credit debts, tax and contribution payment (including social security contributions and private pension fund membership fees) and compensation obligations of the debtor that are originated from economic activities after the initial date of liquidation, with the exception of the taxes to be paid from the profits;

(iii) verified costs connected to the sale of the assets and the enforcement of claims;

(iv) aids received from the wage guarantee fund of Labour Market Fund and debited to the debtor;

(v) costs incurred during the court and official proceedings in connection with liquidation, payable by the debtor;

(vi) costs in connection with the arrangement, placement and safeguarding of the debtor's documents; (vii) liquidator's fees; and

(viii) certain costs and expenses related to funds advanced by the state to mitigate or manage environmental and other risks.

Simplified Liquidation

If the assets of the Hungarian Guarantor would not be sufficient even to cover the expected costs of liquidation, or the proceedings are technically non-executable due to inadequate books and records of the Hungarian Guarantor, upon the request of the liquidator, the court could order the direct distribution of the assets and uncollected claims of the debtor to the creditors in the above priority order prescribed by Hungarian insolvency law. Therefore, it cannot be guaranteed that any holder of the notes could obtain monetary compensation under such circumstances.

Suspect Transactions

The liquidator has wide powers to challenge certain declarations and agreements if they are deemed to be detrimental to the creditors of the debtor's bankruptcy estate and made prior and subsequent to the filing of insolvency petition.

a) In particular, the liquidator may challenge any agreements or declarations made in a five-year period prior to the petition filing if the debtor conspired with the intention to mislead its creditors and as a result the value of the debtor's assets decreased.

b) Certain transactions related to free disposal of assets, assumption of obligations without consideration or with conditions that are obviously not at arm's length can be challenged if entered into in a two-year period prior to the filing of the petition.

c) If the debtor provides preferential treatment by declaration or an agreement to any of its creditors in the last 90 days leading up to the petition, including an amendment of contract with favourable terms to a creditor or provision of collateral to an unsecured creditor, the liquidator may challenge such contract or declaration.

d) The pre-petition look back period is 60 days; if the liquidator finds that certain services or voluntary prepayments were made to a creditor and such conduct cannot be considered to be carried out in the ordinary course of business, the liquidator may reclaim these services or payments.

If agreements are entered into between companies that are connected through direct or indirect ownership, the Hungarian insolvency law operates under a legal assumption that such agreements were entered into in bad faith and without consideration.

If a challenge is successful the relevant agreements or declarations could be avoided or held unenforceable and other legal consequences of nullity would become applicable. If the provision of the guarantee or Hungarian law governed collateral by the Hungarian Guarantor would be challenged successfully, any related rights of the holders of the notes could be terminated and payment made in the suspect periods would need to be repaid.

Capital Maintenance Laws

Current capital maintenance laws limit the rights of the Hungarian Guarantor to make a distribution to its owners and basically require that such distribution be specifically authorized by law and in general cannot lead or contribute to an insolvency situation. The interaction of relevant capital maintenance and corporate benefit doctrines of the new Hungarian Civil Code have not been tested yet. Therefore, the possibility that a future judicial practice specifically addresses the collateral obligations assumed by a guarantor for the benefit of its direct or indirect parents and requires that such an obligation be limited statutorily or contractually to a level that does not endanger the liquidity of the grantor, thus effectively nullifying certain obligations hitherto assumed by the Hungarian Guarantor, cannot be excluded.

Trusts and Agents

The direct recognition and enforceability of foreign law security trust or security agency concepts in enforcement against assets held in Hungary is not possible.

Ireland

Enforceability

Certain guarantors of the notes are companies incorporated under the laws of Ireland (any such guarantor, an "Irish Guarantor").

It may not be possible to enforce court judgments obtained in the United States against any Irish Guarantor in Ireland, based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against an Irish Guarantor or its directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against an Irish Guarantor or those persons based on those laws.

Center of Main Interest

Each Irish Guarantor has its registered office in Ireland and, as a result, there is a rebuttable presumption that its center of main interest is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. If the center of main interest of an Irish Guarantor is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland. Under the EU Insolvency Regulation, territorial or secondary proceedings may be commenced in other Member States of the European Union (except Denmark) even if the center of main interests is in Ireland; provided that the company has an establishment in that other Member State. The effects of these secondary proceedings would be restricted to the assets of the relevant company situated in that other Member State.

Insolvency

Irish insolvency law may not be as favorable to investors' interests as the laws of the United States or other jurisdictions with which investors are familiar. In the event that an Irish Guarantor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Any insolvency proceedings applicable to an Irish Guarantor will be likely to be governed by Irish insolvency laws so long as the center of main interest of the Irish Guarantor is in Ireland. Irish insolvency laws and other limitations could limit the enforceability of any guarantee granted by an Irish Guarantor, irrespective of the governing law or jurisdiction of such guarantee. Where a guarantee is granted by an Irish Guarantor that is governed by the laws of another country, the Irish court should apply that foreign law to the guarantee notwithstanding that the Irish Guarantor has entered insolvency proceedings governed by Irish insolvency law.

Certain aspects of Irish insolvency law relating to limitations on a guarantee provided by a company (such as an Irish Guarantor) could adversely affect investors, their ability to enforce their rights and, therefore, may affect the validity or enforceability of such guarantee and limit the amounts that investors may receive in an insolvency of the provider of such guarantee (such as an Irish Guarantor).

Liquidation

Liquidation is a 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 Irish Companies Act (see "—Priorities of Claims on Liquidation"). A company can itself resolve to put itself into liquidation (a 'voluntary' liquidation, being either a members' voluntary liquidation if the company is solvent or a creditors' voluntary liquidation if insolvent) or a court can be petitioned by creditors or contributors of a company to put the company into liquidation, being a court liquidation. At the end of the liquidation process the company is dissolved.

In a liquidation, 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.

Priority of Claims on Liquidation

Under Irish insolvency law, the liabilities of a company such as an Irish Guarantor would be paid only after certain of its other debts which are entitled to priority under Irish law, as set out below.

The general priority of claims on insolvency is as follows (in descending order of priority):

- *First-ranking* claims: remuneration, costs and expenses of an examiner where a company goes into liquidation after a failed examinership process that are approved by a court (see "—Examinership");
- *Second-ranking* claims: holders of fixed charge security and creditors with a proprietary interest in assets of the debtor company;
- *Third-ranking* claims: expenses certified by the examiner under section 529 of the Irish Companies Act being liabilities incurred by the company during the protection period which the examiner deems necessary to allow the company to continue to operate through the protection period, which certification may be reviewed by the court;
- *Fourth-ranking* claims: costs and expenses of the winding up of the company;
- *Fifth-ranking* claims: liquidator's fees;
- *Sixth-ranking* claims: any sum which would have been deducted from the remuneration of an employee in respect of an employment contribution (as defined in the Social Welfare Consolidation Act 2005 of Ireland) for a period of employment before a winding-up had that remuneration been paid before the winding-up;
- *Seventh-ranking* claims: preferential creditors. Preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) certain pension entitlements; (ii) wages and salaries of employees for work done in a defined period before the insolvency date, up to a maximum 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. As between one another, preferential debts rank equally;
- *Eighth-ranking* claims: holders of floating charge security, according to the priority of their security;
- *Ninth-ranking* claims: unsecured creditors;
- *Tenth-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.

Examinership

Examinership is a court procedure available under the Irish Companies Act to facilitate the survival of Irish companies in financial difficulty. Examinership is a rescue mechanism which can be used by a company in financial difficulty where that company has a reasonable prospect of survival, if restructured. It allows a company a period of protection from its creditors within which time the examiner will endeavor to put together a survival plan. During this period of protection no holders of guarantees or security may take any steps to enforce such guarantees or security against the company. There are four primary pre-requisites to the appointment of an examiner: (i) that the company is, or is likely to be, unable to pay its debts; (ii) that no resolution subsists for the winding up of the company; (iii) that no order has been made for the winding up of the company; and (iv) that there is a reasonable prospect of survival of the company as a going concern.

In examinership, the scheme of arrangement can be approved involving the writing down of the level of debts due from the company to the holders of guarantees. A compromise or scheme of arrangement under an examinership may be implemented with the support of a

majority in number (also representing a majority by value) of just one class of creditors subject to confirmation by the Irish High Court that the compromise or scheme is not unfair or inequitable or unfairly prejudicial to nonconsenting classes of creditors.

The primary risks to the holders of the notes if an examiner were appointed to an Irish Guarantor are as follows:

- the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of any debt due by an Irish Guarantor;
- the potential for the examiner to seek to set aside any negative pledge in the documents pertaining to the notes prohibiting the creation of security or the incurring of borrowings by an Irish Guarantor to enable the examiner to borrow to fund an Irish Guarantor during the protection period; and
- in the event that a scheme of arrangement is not approved and an Irish Guarantor subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of an Irish Guarantor and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by an Irish Guarantor to, ultimately, the holders of the notes.

Challenges to Guarantees and Security

There are circumstances under Irish insolvency law in which transactions, including the granting by an Irish company of guarantees can be challenged. In most cases this will only arise if a liquidator is appointed to the company within a specified period of the granting of the guarantee. Therefore, if during the specified period a liquidator is appointed to a company, the liquidator may challenge the validity of the guarantee given by such company. We cannot be certain that, in the event of the onset of the insolvency of a provider of a guarantee (such as an Irish Guarantor) if the main insolvency proceedings applicable to the provider would be governed by Irish insolvency law that is within any of the requisite time periods set forth below, the grant of any guarantee will not be challenged or that a court would uphold the transaction as valid.

Fraudulent Preference

Under Irish insolvency law, a liquidator of a company could apply to the court for an order to set aside a guarantee granted or a payment made by such company (or give other relief) on the grounds such guarantee or payment constituted an unfair preference. The grant of a guarantee or making of a payment is an unfair preference if it has the effect of placing a creditor (or a surety or guarantor of the company) in a better position in the event of the company's insolvent liquidation than if the guarantee or payment had not been granted or made. For a challenge to be made, the decision to prefer must be made within the period of six months ending with the commencement of the liquidation if the beneficiary of the guarantee or payment is not a "connected person". The look back period is two years if the beneficiary is a connected person. In addition, the company must have been insolvent at the time it gave the preference or become unable to pay its debts as a result. A court will not make an order in respect of an unfair preference of a person unless it is satisfied that the dominant intention of the transaction was to prefer one creditor over other creditors. If the court determines that the transaction was an unfair preference, the court can make such order as it thinks fit to restore the position to what it would have been if that preference had not been given (which could include reducing payments under the guarantees or setting aside the guarantees). There is protection for a third party that benefits from the transaction and acted in good faith and for value.

Improper Transfer / Transaction Having the Effect of a Fraud on Creditors

Irish insolvency law provides that when a company is insolvent or near insolvency its assets are held for the benefit of its creditors. Pursuant to the Irish Companies Act, if it can be shown on the application of a liquidator, creditor or contributory of a company which is being wound up, to the satisfaction of the Irish High Court, that any property of that company was disposed of (including a disposal by way of charge, security assignment or mortgage) and the effect of such a disposal was to "perpetrate a fraud" on the company, its creditors or members, the Irish High Court may, if it deems it just and equitable to do so, order any person who appears to have "use, control or possession" of the property concerned, or of the proceeds of the sale or development of that property, to deliver it or them, or to pay a sum in respect of it to the liquidator on such terms as the High Court sees fit. There are also circumstances where a creditor or receiver could invoke this provision of Irish law where a winding-up has not taken place due to the lack of assets to fund a liquidation.

There is relatively little case law on the interpretation of these sections of the Irish Companies Act. However, it is clear that the Irish High Court can apply a very wide interpretation to the provision so as to allow virtually any kind of transaction to come within its scope. It is also clear that the Irish High Court will not require the liquidator or creditor challenging a transaction to prove intent to defraud creditors, rather they will only have to show that the effect of the transaction was to perpetrate a fraud on creditors.

Notwithstanding the lack of judicial guidance, it is considered likely that the Irish High Court would not regard a transaction as having the effect of a fraud upon creditors if the transaction was concluded on market terms and not at an undervalue so that, in effect, the balance sheet of the company concerned was not immediately adversely impacted following the completion of the transaction.

Finally, it should be noted that in order for these provisions of the Irish Companies Act to have any effect on the entry into of, or any payment under, any guarantee of the notes by the Irish Guarantor, there must first be an insolvency of the Irish Guarantor (whether by virtue of liquidation, receivership or an examinership).

Dispositions in Winding-up

Under the Irish Companies Act, any dispositions of a company's property made after the date of liquidation are void, unless the court orders otherwise.

Asset Swelling on Insolvency

Where there is a shortfall of available assets, the Irish Companies Act provides that on the application of the liquidator or any creditor or contributory of a company that is being wound up, the court, if it is satisfied that it is just and equitable to do so, may order that a company that is or has been related to the company being wound up shall pay to the liquidator of that company an amount equivalent to the whole or part of all or any of the debts provable in that winding up. Any such order may be made on such terms and conditions as the court thinks fit.

The Irish Companies Act provides that, where two or more related companies are being wound up under Irish insolvency law, and if the court is satisfied that it is just and equitable to do so, both companies may be wound up together as if they were one company (a "pooling order"). A pooling order does not affect the rights of any secured creditor of any companies which are subject to it.

Limitation on Enforcement

The grant of a guarantee by an Irish incorporated company in respect of the obligations of another group company must satisfy certain legal requirements including corporate benefit. A director of an Irish incorporated company must act in the way that he considers, in good faith, would be most likely to promote the success of an Irish incorporated company, as the case may be, for the benefit of its members as a whole. If a company enters into a transaction where there is no or insufficient commercial benefit, the transaction could be challenged as unenforceable. Furthermore, the directors of the company may be found as abusing their powers as directors.

Luxembourg

Registration in Luxembourg

If any of the notes, indentures, guarantees, transaction documents (and any document in connection therewith) is (i) voluntarily registered in Luxembourg or (ii) attached to a public deed or to any other document that requires mandatory registration in Luxembourg, a registration fee (*droit d'enregistrement*) will be due, the amount of which will depend on the nature of the document(s) to be registered.

The Luxembourg courts or the official Luxembourg authority may require that the notes, the indentures, the guarantees and the transaction documents (and any document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

Insolvency Proceedings

The notes will be guaranteed by Valeant International Luxembourg S.à r.l., Valeant Pharmaceuticals Luxembourg S.à r.l., Valeant Holdings Luxembourg S.à r.l., Valeant Finance Luxembourg S.à r.l., Biovail International S.à r.l. and Bausch & Lomb Luxembourg S.à r.l., which are all incorporated under the laws of Luxembourg (each a "Luxembourg Guarantor" and together, the "Luxembourg Guarantors")

Accordingly, Luxembourg courts should have, in principle, jurisdiction to open main insolvency proceedings with respect to the Luxembourg Guarantors, as entity having its registered office and central administration (*administration centrale*) and centre of main interest ("COMI"), as used in Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the "EU Insolvency Regulation"), in the Grand Duchy of Luxembourg, such proceedings to be governed by Luxembourg insolvency laws. According to the EU Insolvency Regulation, there is a rebuttable presumption that a company has its COMI in the jurisdiction in which it has the place of its registered office. As a result, there is a rebuttable presumption that the COMI of the Luxembourg Guarantors is in the Grand Duchy of Luxembourg and consequently that any "main insolvency proceedings" (as defined in the EU Insolvency Regulation) would be opened by a Luxembourg court and be governed by Luxembourg law.

However, the determination of where each of the Luxembourg Guarantors has its COMI is a question of fact, which may change from time to time. EU Insolvency Regulation states that the COMI of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties.

Certain privileges, such as the privileges of the Luxembourg tax authorities or social security institutions over certain specific assets, may take precedence over any security or privileges of other creditors of the Luxembourg Guarantors.

The obligations of the Luxembourg Guarantors may be limited by general principles of bankruptcy, insolvency, liquidation, reorganization, reconstruction or other laws affecting the enforcement of creditors' rights generally and, in particular:

- during a *gestion contrôlée* (controlled management) procedure under the Grand-Ducal Decree dated May 24, 1935 on the procedure of *gestion contrôlée*, the rights of secured creditors are frozen until a final decision has been taken by the court as to the petition for controlled management;
- the obligations of the Luxembourg Guarantors may be affected and, after their performance, subject to annulment by a court on the basis of Article 445 of the Luxembourg Code of Commerce, if the documents entered into by the Luxembourg Guarantors have been entered into during the hardening period (*période suspecte*) (which is the period starting on the date determined by the bankruptcy court as being the date on which the debtor is unable to pay its due and payable liabilities (the "Cessation of Payments") which cannot be earlier than 6 months before the date of the bankruptcy judgment, and ending on the date of the bankruptcy judgment) or ten days before. Such documents may come under Article 445 if they constitute or contain, or the performance of such obligations thereunder would constitute (a) a contract for the transfer of movable or immovable property done without consideration, or a contract or transaction done with notably insufficient consideration for the insolvent party, or (b) a payment, whether in cash or by transfer, assignment, sale, set-off or otherwise for debts not yet due, or a payment other than in cash or bills of exchange for debts due, or (c) a contractual or judiciary mortgage, pledge, or charge on the debtor's assets for previously contracted debts. Article 445 of the Luxembourg Code of Commerce is not applicable to valid financial collateral agreements subject to the law of 5 August 2005 on financial collateral arrangements (as amended) (the "Luxembourg Collateral Law");
- the obligations of the Luxembourg Guarantors may be affected and after their performance, subject to annulment by a bankruptcy court on the basis of Article 446 of the Luxembourg Code of Commerce, if the transaction constitute or contain, or the performance of such obligations thereunder would constitute a payment for due debts or an onerous act done by the Luxembourg Guarantors after the Cessation of Payments (such date as determined by the bankruptcy court) and prior to the judgment opening insolvency proceedings, if the counter-party that has received from or dealt with the Luxembourg Guarantors had knowledge of the Cessation of Payments. Article 446 of the Luxembourg Code of Commerce is not applicable to valid financial collateral agreements subject to the Luxembourg Collateral Law;
- regardless of the date of execution and performance, the documents entered into by the Luxembourg Guarantors may be declared null and void in relation to the Luxembourg Guarantors, if they have been entered into or issued with the fraudulent intent of the parties thereto to deprive other creditors of the insolvent party of their rights (Article 448 of the Code of Commerce);
- however the annulment of the documents entered into by the Luxembourg Guarantors on the basis of articles 445, 446 or 448 of the Luxembourg Code of Commerce may not be pronounced, according to the EU Insolvency Regulation, if the person who benefited from an act detrimental to all the creditors provides proof that (a) the said act is subject to the law of a European Union Member State other than that of Luxembourg, and (b) that law does not allow any means of challenging that act in the relevant case;
- under Luxembourg insolvency proceedings, certain creditors of the insolvent party have rights to preferred payments arising by operation of law, some of which may, under certain circumstances, supersede the rights to payment of secured creditors, and most

of which are preferences arising by operation of law. This includes in particular the rights relating to the fees and costs of the court appointed insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, the rights of the tax administration and certain assimilated parties (such as the social security organisms), as well as certain other rights, which preferences may extend to all or part of the assets of the insolvent party;

- the obligations of the Luxembourg Guarantors may be affected or limited by the rights of the receiver, liquidator or other court official appointed in the insolvency proceedings to selectively perform contracts profitable to the insolvent party's estate and renounce to the performance of contracts which are not profitable to the insolvent party's estate ("cherry-picking"), where such contracts have not been terminated automatically by the opening of the insolvency proceedings on the basis of an express contractual provision, or by operation of law; the counterparty to that agreement (a) may enter a claim for damages in the bankruptcy and such claim shall rank *pari passu* with claims of all other unsecured creditors and/or (b) seek a court order to have the relevant contract dissolved; it will, however, no longer be possible to seek injunctive relief or to require specific performance.

Continuance of On-Going Contracts

The bankruptcy receiver (*curateur*) decides whether or not to continue performance under ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *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 bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

The bankruptcy receiver 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. The counterparty to that agreement may make a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not require specific performance of the contract.

Fraudulent Conveyance

Third parties (including, without limitation, any *commissaire*, *juge-commissaire*, *liquidateur* or *curateur* or similar official) are also admitted to challenge certain acts of disposal viewed as preferential transactions made by the Luxembourg Guarantors if, among other things, they can show that the Luxembourg Guarantors have given "preference" to any person by defrauding their rights (the rights of creditors generally), under the *action paulienne* (*action pauliana*), and Luxembourg courts have the power to void the preferential transaction.

Finally, any international aspects of Luxembourg bankruptcy, controlled management and composition proceedings may be subject to the EU Insolvency Regulation.

Limitation on Validity and Enforceability of the Guarantees

Any judgment awarded in the courts of Luxembourg may be expressed in a currency other than the euro or the euro equivalent at the time of judgment or payment. However, any obligation to pay a sum or money in any currency other than the euro will be enforceable in Luxembourg in terms of the euro only. The granting of cross- or up-stream security interests and guarantees by a Luxembourg company in order to secure the obligations of other entities may raise some corporate benefit issues, in particular in relation to the corporate interest of the Luxembourg company having to provide such security interests/guarantees. The Luxembourg company law does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group. A Luxembourg company must act for its own benefit (*spécialité légale*) and in its own corporate interest.

Whether an action is in the corporate interest of a company is a matter of fact not a legal issue. The managers of a company are those who are able to assess whether such company has a corporate benefit and interest in granting cross- or up-stream guarantees.

Under Luxembourg law, a company may give a guarantee provided the giving of the guarantee is covered by the company's corporate objects and in the best interest of the company. The test regarding the guarantor's corporate interest is whether the company that provides the guarantee receives some consideration in return (such as an economic or commercial benefit) and whether the benefit is proportionate to the burden of the assistance. A guarantee that exceeds the guarantor company's ability to meet its obligations to the beneficiary of the guarantee and to its other creditors would expose its managers to personal liability. It cannot ultimately be excluded that granting of guarantee, which would be considered by a Luxembourg court as made in the absence of corporate interest, be declared void.

The Note Guarantee granted by the Luxembourg Guarantors may be limited to a certain percentage of, among other things, the company's own funds (*capitaux propres*) and intra-group indebtedness.

Finally, each of the Luxembourg Guarantors has been incorporated in the form of a private limited liability company (*société à responsabilité limitée*). Enforcement on these entities will depend on their financial situation and will only be limited to their assets. Shareholders of a private limited liability company cannot in principle be held liable for debts contracted by the private limited liability company.

$1,250,000,000

Valeant Pharmaceuticals International

% Senior Notes due 2026

Preliminary Offering Memorandum

, 2018

Joint Book-Running Managers

Deutsche Bank Securities
Barclays
Citigroup
DNB Markets
Goldman Sachs & Co. LLC
J.P. Morgan
Morgan Stanley
RBC Capital Markets

Senior Co-Manager

HSBC

Co-Manager

TD Securities

, 2018