SUBJECT TO COMPLETION, DATED FEBRUARY 1, 2024

PRELIMINARY OFFERING MEMORANDUM CONFIDENTIAL

The information in this preliminary offering memorandum is not complete and may be changed. The issuers may not sell the securities until the offering memorandum is delivered in final form. This preliminary offering memorandum is not an offer to sell these securities and the issuers are not soliciting an offer to buy these securities in any jurisdiction where the offer, sale or solicitation is not permitted.

Allied Universal Holdco LLC

Allied Universal Finance Corporation

$500,000,000 % Senior Secured Notes due 2031

Allied Universal Holdco LLC (the "issuer"), a Delaware limited liability company, and Allied Universal Finance Corporation, a Delaware corporation (the "co-issuer" and, together with the issuer, the "issuers"), are offering $500,000,000 in aggregate principal amount of % senior secured notes due 2031 (the "notes"). The notes will bear interest at a rate of % per annum. The issuers will pay interest on the notes semi-annually in cash in arrears on and of each year, beginning on , 2024. The notes will mature on , 2031.

We intend to use the net proceeds from this offering, together with cash on hand, to repurchase a portion of our outstanding 6.625% senior secured notes due 2026 (the "Secured Notes due 2026") and pay fees and expenses in connection with this offering, the Tender Offer and the Bank Amendments (as defined herein). See "Summary—Recent Developments" and "Use of Proceeds."

The notes may be redeemed, in whole or in part, on or after , 2027 at the redemption prices specified under "Description of Notes—Optional Redemption," together with accrued and unpaid interest and Additional Amounts (as defined under "Description of Notes"), if any, thereon to, but excluding, the redemption date. At any time prior to , 2027, the issuers may redeem the notes, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount thereof plus a make-whole premium, together with accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. At any time prior to , 2027, the issuers may redeem up to 40% of the aggregate principal amount of the notes with an amount not to exceed the net cash proceeds from certain equity offerings at a redemption price equal to % of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. In addition, on or before , 2027, the issuers may redeem up to 10% of the then outstanding aggregate principal amount of notes during each of the twelve-month periods ending after the issue date, at a redemption price equal to 103% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. See "Description of Notes—Optional Redemption." If we sell certain of our assets or experience specific kinds of changes of control, the issuers must offer to purchase the notes at the prices set forth in this offering memorandum plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date of purchase. The issuers may also redeem the notes, in whole, but not in part, upon giving proper notice if changes in tax laws impose certain withholding taxes or other deductions, at a redemption price of 100% of the principal amount of notes, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

From and after the issue date, the obligations under the notes will be guaranteed (the "guarantees"), jointly and severally, by each of the entities that guarantees the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes (each, as defined herein), other than Allied Universal Topco LLC ("Topco"), which guarantees the Senior Secured Credit Facilities and the ABL Credit Facility but not the Existing Notes (such entities, collectively, the "guarantors"), subject to release as provided in "Description of Notes." Following the issue date, subsidiaries of the issuer will be required to guarantee the notes to the extent described in "Description of Notes—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries." The notes and the related guarantees will be secured on a first lien basis by substantially all assets of the issuers and the guarantors (other than any Excluded Assets or ABL Collateral (each, as defined herein)) (the "Notes Collateral"), which assets also secure the issuers' and the guarantors' obligations under the Senior Secured Credit Facilities and the Existing Secured Notes (as defined herein) ratably on a *pari passu* basis, subject to permitted liens. The notes and the related guarantees will also be secured on a second lien basis, ratably on a *pari passu* basis with the Senior Secured Credit Facilities and the Existing Secured Notes, subject to permitted liens, by certain assets of the issuers and the guarantors that secure obligations under the ABL Credit Facility on a first lien basis (the "ABL Collateral"). See "Description of Notes—Security," "Description of Notes—ABL Intercreditor Agreement" and "Description of Notes—Pari Passu Intercreditor Arrangements." The notes and the related guarantees will (i) be senior secured obligations, (ii) rank equally in right of payment with all of the issuers' and the guarantors' existing and future senior indebtedness, including the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes, (iii) be senior in right of payment to any future subordinated indebtedness, (iv) be effectively senior to any of the issuers' and the guarantors' existing and future unsecured indebtedness, including the Existing Unsecured Notes (as defined herein), and junior lien indebtedness to the extent of the value of the assets securing the notes on a senior priority basis and (v) be effectively junior to any of the issuers' and the guarantors' existing and future obligations secured on a first lien basis on the Excluded Assets or ABL Collateral, including obligations under the ABL Credit Facility to the extent of the value of such assets and (vi) be structurally subordinated to any existing and future indebtedness, claims of holders of preferred stock and other liabilities of any subsidiary of the issuers that is not the co-issuer or a guarantor.

Investing in the notes involves a high degree of risk. See "Risk Factors" beginning on page 30.

Offering price of the notes: % plus accrued interest, if any, from , 2024.

The notes and the guarantees have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. The notes are being offered and sold only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act ("Rule 144A") and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the notes may be relying on the exemption from Section 5 of the Securities Act pursuant to Rule 144A. For a description of certain information about eligible offerees and restrictions on transfers of the notes, see "Transfer Restrictions" and "Plan of Distribution."

There is currently no public market for the notes. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated dealer quotation system.

The notes and the guarantees will not be entitled to any registration rights and we will not be required to complete a registered exchange offer or file a shelf registration statement for resale of the notes and the guarantees.

The notes will initially be issued in the form of registered global notes. The notes will be issued in registered form in minimum denominations of $2,000 and in integral multiples of $1,000 in excess thereof. The notes are expected to be delivered to investors in book entry form through The Depository Trust Company ("DTC") for the benefit of its participants, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream") on or about , 2024.

Joint Book-Running Managers

Morgan Stanley	UBS Investment Bank	Citigroup	BNP PARIBAS	Deutsche Bank Securities
HSBC	MUFG	SOCIETE GENERALE	ING	PNC Capital Markets LLC

US Bancorp	Wells Fargo Securities	Goldman Sachs & Co. LLC	Mizuho	Truist Securities
BMO Capital Markets		Santander		KeyBanc Capital Markets

Offering Memorandum dated , 2024.

Table of Contents

The issuers and the guarantors have not, and the initial purchasers (as defined herein) and their affiliates and agents have not, authorized any person to provide any information or represent anything about us other than what is contained in this offering memorandum. The issuers and the guarantors do not, and the initial purchasers and their affiliates and agents do not, take any responsibility for, and can provide no assurance as

to the reliability of, any information that others may provide to you. None of the issuers, the guarantors or the initial purchasers is making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. The information contained in this offering memorandum speaks only as of the date of this offering memorandum, unless otherwise stated. Our business, financial condition, liquidity, results of operations and prospects may have changed subsequent to any such date.

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. SEE "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS." INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT.

You should rely only on, and base your decision to invest in the notes solely on, the information contained in this offering memorandum. None of the issuers, the guarantors, or the firms listed on the cover page of this offering memorandum (collectively, the "initial purchasers") have authorized anyone to provide prospective investors with any information that is not contained in this offering memorandum. The issuers, the guarantors and the initial purchasers take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. You should assume that the information contained in this offering memorandum is accurate only as of the date on the front of this offering memorandum or otherwise as of the date specifically referred to in connection with the particular information.

It is expected that delivery of the notes will be made against payment therefor on or about , 2024, which is the business day following the date of the pricing of the notes (such settlement cycle being referred to as "T+ "). Under Rule 15c6-1 of the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the date that is two business days preceding the settlement date will be required, by virtue of the fact that the notes initially will settle on a delayed basis, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade the notes during such period should consult their own advisors.

This offering memorandum is highly confidential and has been prepared by us solely for use in connection with the proposed offering of the notes described herein, and solely for use in connection with the offer of the notes to persons reasonably believed to be qualified institutional buyers under Rule 144A and to persons outside the United States under Regulation S. This offering memorandum is confidential and personal to each offeree and does not constitute an offer to sell or an invitation to subscribe for or purchase any of the notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the notes may not be offered or sold, directly or indirectly, and this offering memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. We have provided the information contained in this offering memorandum. The initial purchasers named herein make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained 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. Distribution of this offering memorandum to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. You must comply with all laws that apply to you in any place in which you buy, offer or sell any notes or possess this offering memorandum. You must also obtain any consents or approvals that you need in order to purchase any notes. Neither the issuers, the guarantors, nor any of the initial purchasers are responsible for your compliance with these legal requirements. Each offeree, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum.

The notes are subject to restrictions on resale and transfer as described under the section entitled "Transfer Restrictions" in this offering memorandum. By possessing this offering memorandum or purchasing any notes, you will be deemed to have represented and agreed to all of the provisions contained in that section of this offering memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. None of the issuers, the guarantors or the initial purchasers are making an offer to sell the notes in any jurisdiction where the offer and sale of the notes is prohibited. Neither the issuers nor any guarantor makes any representation to you that the notes are a legal investment for you.

This offering memorandum summarizes documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of the information we discuss in this offering memorandum. Copies of those documents (excluding certain exhibits thereto) will be made available to you upon request to us or the initial purchasers. In making an investment decision, you must rely on your own examination of such documents, our business and the terms of the offering and the notes, including the merits and risks involved.

By accepting delivery of this offering memorandum, you agree to the foregoing and acknowledge that (i) you have been afforded an opportunity to request and to review all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum, (ii) you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with the investigation of the accuracy of such information or your investment decision, (iii) this offering memorandum relates to an offering that is exempt from registration under the Securities Act, (iv) no person has been authorized to give information or to make any representations concerning us, this offering or the notes described in this offering memorandum, other than as contained in this offering memorandum and information given by our duly authorized officers and employees in connection with an investor's examination of us and the terms of the offering of the notes and (v) 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.

The information contained in this offering memorandum is accurate as of the date hereof. The issuers' and the guarantors' business, financial condition or other information contained in this offering memorandum may change after the date hereof. Neither the delivery of this offering memorandum at any time after the date of publication nor any subsequent commitment to purchase the notes shall, under any circumstances, create an implication that there has been no change in the information set out in this offering memorandum or in our business since the date of this offering memorandum.

We make no representation to you that the notes are a legal investment for you. You should not consider any information in this offering memorandum to be legal, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, business, tax or other advice regarding an investment in the notes. Neither the delivery of this offering memorandum nor any sale made pursuant to this offering memorandum implies that any information set forth in this offering memorandum is correct as of any date after the date of this offering memorandum.

Each prospective purchaser of the notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the initial purchasers shall have any responsibility therefor. We and the initial purchasers are not responsible for your compliance with these legal requirements. We are not making any representation to you regarding the legality of your investment in the notes under any legal investment or similar law or regulation.

The information set out in relation to sections of this offering memorandum describing clearing and settlement arrangements, including the section entitled "Book Entry, Delivery and Form," is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of DTC or its participants under the rules and procedures governing its operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

The notes will be available in book-entry form only and will be issued in the form of one or more registered global notes. The issuers expect that the notes offered and sold in the United States to qualified institutional buyers in reliance upon Rule 144A will initially be represented by beneficial interests in one or more permanent global notes in registered form without interest coupons attached. The issuers expect that the notes offered and sold outside the United States to non-U.S. persons pursuant to Regulation S will initially be represented by beneficial interests in one or more global notes in registered form without interest coupons attached. The global notes representing the notes will be deposited with Wilmington Trust, National Association, as trustee (the "Trustee"), as custodian for DTC as depositary, and registered in the name of Cede & Co. or another nominee of such depositary. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by DTC and its participants. After the initial issuance of the global notes, certificated notes will be issued in exchange for global notes only in the limited circumstances set forth in the indenture that will govern the notes. See "Book Entry, Delivery and Form."

There is currently no public market for the notes. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated dealer quotation system. You should contact the initial purchasers with any questions about this offering.

We reserve the right to withdraw this offering of the notes at any time. We and the initial purchasers also reserve the right to reject any offer to purchase the notes in whole or in part for any reason and to allot to any prospective investor less than the full amount of notes sought by such investor.

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. THERE ARE NO REGISTRATION RIGHTS ASSOCIATED WITH THE NOTES OR THE GUARANTEES AND WE HAVE NO PRESENT INTENTION TO OFFER TO EXCHANGE THE NOTES AND THE GUARANTEES FOR NOTES AND GUARANTEES REGISTERED UNDER THE SECURITIES ACT OR TO FILE A REGISTRATION STATEMENT WITH RESPECT TO THE NOTES AND GUARANTEES. THE INDENTURE THAT WILL GOVERN THE NOTES WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED (THE "TRUST INDENTURE ACT").

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.

PRESENTATION OF FINANCIAL DATA

Historical Financial Information

This offering memorandum contains the audited consolidated and combined financial statements of Atlas Ontario LP and its subsidiaries as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021, and 2020. This offering memorandum also contains the unaudited condensed consolidated financial statements of Atlas Ontario LP and its subsidiaries as of September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022. This financial information has been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The financial statements of Atlas Ontario LP are presented on a consolidated basis inclusive of the results of the issuers and the guarantors. Atlas Ontario LP is the indirect parent company of each of the issuers and does not conduct any business or operations other than its ownership of the equity interests of the issuers, the guarantors and their respective subsidiaries. As a result, this offering memorandum does not contain standalone financial statements for the issuers or the guarantors. Unless otherwise indicated or the context otherwise requires, all financial statements and financial information included in this offering memorandum are the financial statements and financial information of Atlas Ontario LP and its consolidated subsidiaries.

Rounding

Certain numerical figures set out in this offering memorandum, including financial data presented in millions or in thousands, have been subject to rounding adjustments and, as a result, the totals of the data in this offering memorandum, may vary slightly from the actual arithmetic totals of such information. In addition, as a result of such rounding, the totals of certain financial information presented in tabular form may differ from the information that would have appeared in such totals using the unrounded financial information.

NON-GAAP FINANCIAL MEASURES

In addition to the financial information presented in this offering memorandum prepared in accordance with GAAP, this offering memorandum contains "non-GAAP financial measures," that is, financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with GAAP. We present Pro Forma Revenue, Adjusted EBITDA, Pro Forma Adjusted EBITDA and Free Cash Flow Before Debt Service as supplemental measures of our performance that are not required by or presented in accordance with GAAP. We calculate Pro Forma Revenue by giving effect to the G4S acquisition as if it occurred on January 1, 2020, and giving effect to our other acquisitions completed during a period as if such acquisition occurred on January 1 of such period. We define Adjusted EBITDA as net income (loss) before interest expense, net, income tax provision (benefit) and depreciation and amortization, as further adjusted to reflect transaction, integration and restructuring costs, sponsor and director fees, non-cash equity-based compensation, legal settlements and related fees, loss (gain) on disposal of property and equipment, foreign exchange loss (gain), hedging losses (gains), loss on early extinguishment of debt and miscellaneous non-recurring costs, which are described in the section entitled "Summary—Summary Historical Consolidated and Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Q3 Pro Forma Adjusted EBITDA Update." We define Pro Forma Adjusted EBITDA as Adjusted EBITDA which has been further adjusted to give effect to start up costs, lease costs, profit improvement initiatives, unrealized acquisition synergies, pre-acquisition acquired EBITDA and other non-recurring adjustments, which are described in the section entitled "Summary—Summary Historical Consolidated and Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Q3 Pro Forma Adjusted EBITDA Update." See "Summary—Recent Developments—Preliminary Estimated Financial Information" for how we calculate Free Cash Flow Before Debt Service. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating these non-GAAP financial measures, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present these non-GAAP financial measures because we believe they assist management and investors when analyzing our performance by providing information that facilitates the comparability of underlying business results from period to period. We recognize these measures are not measurements of financial performance under GAAP and there are limitations associated with the use of non-GAAP financial measures. Some of these limitations are:

- other companies, including companies in our industry, may use different methods to calculate similar non-GAAP financial measures, and the measures we present may not be directly comparable with the measures presented by these other companies as a result, limiting their usefulness as comparative measures;

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

- such measures do not reflect changes in, or cash requirements for, our working capital needs;

- such measures do not reflect the significant interest expense, or the cash requirements necessary to service interest payments, on our debts;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements;

- non-cash equity-based compensation is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period; and

- such measures do not reflect the impact of certain cash charges resulting from matters we consider as not being indicative of our ongoing operations.

Pro Forma Adjusted EBITDA is adjusted to reflect certain acquisitions and certain unrealized acquisition synergies anticipated to be achieved in connection therewith. We present these adjustments as they will be permitted as adjustments to “EBITDA” under the indenture that will govern the notes, and to enable investors to understand the covenants that will apply to us, and not as a projection of future results. We will be required to make cash expenditures to achieve such cost savings, and these cash costs are not reflected in Pro Forma Adjusted EBITDA. In addition, we will not fully realize such cost savings within 12 months of the completion of such transactions, and may not do so at all. Accordingly, you should not view our presentation of this adjustment as a projection that we will achieve these acquisition synergies. Our ability to realize these acquisition synergies is subject to significant uncertainties and you should not place undue reliance on the adjustments in evaluating our anticipated results. See “Risk Factors—Risks Related to Our Business and Industries—We may not realize the expected benefits, revenue or cost synergies related to recently completed or future acquisitions.”

Because of these limitations, non-GAAP financial measures should not be considered in isolation or as substitutes for, or as superior to, the presentation of results determined in accordance with GAAP. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, see “Summary—Summary Historical Consolidated and Other Financial Information—Non-GAAP Financial Measures”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Q3 Pro Forma Adjusted EBITDA Update” and “Summary—Recent Developments—Preliminary Estimated Financial Information.”

INDUSTRY AND MARKET DATA

The market data and other statistical information used throughout this offering memorandum are based on industry publications and surveys, public filings and our internal sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position and market estimates (including estimates of the sizes and future growth rates of our markets) are based on independent industry publications, government publications, third-party forecasts and management's good faith estimates and assumptions about our markets and our internal research. We have not independently verified such third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and neither we nor the initial purchasers can assure you of the accuracy or completeness of such information contained in this offering memorandum. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the sections entitled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" in this offering memorandum.

TRADEMARKS AND COPYRIGHTS

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, we have trademark and service mark rights to our names, logos and website names and addresses. Other trademarks, service marks and trade names referred to in this offering memorandum are the property of their respective owners. Solely for convenience, in some cases, the trademarks, service marks and trade names referred to in this offering memorandum may appear without the ® symbol and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks or trade names.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements within the meaning of Section 21E of the Exchange Act, Section 27A of the Securities Act and the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this offering memorandum regarding our strategy, future operations, financial position, future revenue, projected costs, prospects, plans and objectives of management, other than statements of historical facts, are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "appears," "intends," "may," "plans," "projects," "would," "could," "should," "targets" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we actually will achieve the plans, intentions or expectations expressed or implied in our forward-looking statements. There are a number of important factors that could cause actual results, levels of activity, performance or events to differ materially from those expressed or implied in the forward-looking statements we make including, but not limited to:

- our ability to successfully compete with providers of products and services similar to ours;
- our ability to develop new or sufficiently differentiated, high-quality products and services;
- our ability to respond to trends in the market and enhance and improve our products and services;
- compliance costs associated with changes in regulations or other requirements affecting our business;
- adverse changes in general economic conditions;
- our ability to obtain and to retain security officer service contracts with customers;
- damage to our reputation;
- increasing operating costs, including labor costs, and inflation risk and our ability to pass through these increases to our customers;
- our ability to attract and retain our senior management team and to attract, retain, train and manage other key employees in a labor intensive business;
- risks and costs associated with our ability to comply with city, county, state, federal or international laws and regulations;

- changes in technology that may decrease the demand for our products and services and our ability to keep up with such changes to meet customer demands;

- violations of the U.S. Foreign Corrupt Practices Act (the "FCPA") and other applicable anti-bribery laws or violations of competition laws or economic and trade sanctions laws;

- our exposure to liability, particularly to the extent not covered by insurance;

- our ability to find suitable acquisition opportunities and to integrate them successfully, as well as previously acquired companies, and to realize the expected benefits thereof;

- our inability to fully control our joint ventures;

- the effects of work stoppages and other labor disturbances;

- adverse events as a result of criminal acts, such as robberies, terrorist attacks, identity theft, breach of security data and other potential security breaches;

- any significant or prolonged disruption of our operations;

- disruptions to our information technology system, breaches or compromises of data, including data protected by privacy laws;

- unauthorized use of or disputes involving our proprietary technology;

- risks and costs associated with legal proceedings and tax audits;

- the interruption of supply or the receipt of faulty products from our suppliers;

- our ability to accurately price contracts;

- risks and costs associated with our international operations, including geopolitical and political risks;

- impairment of goodwill, intangible assets and other long-lived assets;

- volatility associated with pension deficits and employer contributions;

- our ability to implement our cost-saving initiatives as anticipated, or at all;

- risks related to our substantial indebtedness; and

- the other factors described under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this offering memorandum.

In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed herein may not occur and our actual performance and results may vary from those anticipated or otherwise suggested by such statements. You are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this offering memorandum speak only as of the date of this offering memorandum or as of the date they are made, as applicable. We disclaim any intent or obligation to update any "forward-looking statement" made in this offering memorandum to reflect changed assumptions or expectations, the occurrence of unanticipated events or changes to future operating results over time.

SUMMARY

This summary highlights information appearing elsewhere in this offering memorandum. This summary is not complete and does not contain all of the information that you should consider before investing in the notes. You should carefully read this entire offering memorandum, including our financial statements and related notes contained in this offering memorandum and the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unless the context otherwise requires, references in this offering memorandum to "Allied Universal," the "Company," "we," "us" and "our" refer to Atlas Ontario LP and its consolidated subsidiaries. The term "issuer" refers to Allied Universal Holdco LLC and not to any of its subsidiaries. The term "co-issuer" refers to Allied Universal Finance Corporation and not to any of its subsidiaries. The term "issuers" refers to the issuer and the co-issuer together and not to any of their subsidiaries.

Our Company

Business Overview

Allied Universal is a leading global security and facility services provider. With approximately 750,000 security professionals and more than 1,100 offices worldwide, Allied Universal serves over 100,000 customers covering a highly diversified blue-chip customer base, including over 400 Fortune 500 companies. Allied Universal services an array of industry verticals including industrial, aerospace and defense, technology, higher education, healthcare, retail, commercial real estate, financial institutions, logistics and distribution, government, oil, gas, energy and other regulated facilities – as well as corporate campuses. Allied Universal's offerings include comprehensive staffed security services, integrated technology and integration services, as well as various facilities management and consulting services.

We are responsible for providing comprehensive technology-enabled, best-in-class staffed security services that allow clients to completely outsource the recruiting, screening, hiring, training, uniforming, scheduling and supervision of security officers. Our security officers work on-location at customer sites and are responsible for observing, detecting, deterring, reporting and responding to perceived, potential or actual security threats, as well as providing consulting and investigation solutions. We also provide specialized security services such as event services, vehicle patrol, visitor management, canine security services, and security professionals with specialized credentials and qualifications. We have strong operating scale, with a presence in all 50 U.S. states, the District of Columbia and Puerto Rico, and more than 100 countries worldwide. Our national and international scale makes us the prime choice for multi-national businesses looking for consolidated security solutions across various geographies.

In addition to providing staffed guarding services, we provide comprehensive security technology solutions to our customers, including video surveillance, image capture and monitoring, security robot patrols, GPS-based patrol and reporting, management of access control points, centralized security operations, consulting and investigation solutions, and AI-driven operator assistance services. We also offer systems integration services to design, install and service fully integrated technology-based security systems, along with digital solutions and remote monitoring through our Monitoring and Response Center. We seek to utilize our staffed guarding customer base and service platform to cross-sell these additional technology solutions and systems integration services. We also offer comprehensive, technology-enabled cash management solutions, including automated cash management and forecasting tools for retail cash operations.

We also offer a range of ancillary facility management services, including temporary and permanent staffing and janitorial services.

Allied Universal was formed in August 2016 through the combination of AlliedBarton Security Services ("AlliedBarton") and Universal Services of America ("Universal"), which brought together two leading providers in the security services industry. AlliedBarton, founded in 1957, and Universal, founded in 1965, were leaders in the North America security industry in customer service, organic growth, customer and employee retention and accretive mergers and acquisitions ("M&A"). The two companies had a highly complementary and diverse set of blue-chip customers. The combined company became the largest provider of security officer services in North America and has continued to grow since, both organically and through M&A. Since 2008, we have successfully executed more than 100 M&A transactions, including small and large tuck-ins and transformational M&A. In 2018, Allied Universal acquired U.S. Security Associates Holdings, Inc. ("USSA"), a leading North American provider of security solutions, including staffed security, consulting, investigations and disaster and emergency response services. In 2019, Allied Universal acquired SOS Security LLC ("SOS Security"), which brought a complementary approach and further scale.

In the second quarter of 2021, Allied Universal acquired a leading global provider, G4S plc ("G4S"), for approximately $8.3 billion, including purchase price and assumption of debt. The acquisition of G4S approximately doubled our revenue and enabled us to significantly increase our global footprint and diversify our operations while simultaneously increasing our operating scale in the U.S. The acquisition also represented significant opportunities to leverage G4S's position in markets worldwide as a platform for further international expansion and operational improvement by applying Allied Universal's highly successful operating methods to G4S's international footprint. We completed the integration of G4S in the second quarter of 2023. As of June 30, 2023, we have realized approximately $163 million in run-rate cost synergies from the G4S acquisition, representing 105% of our initial $155 million annual cost savings target.

Today, Allied Universal is a leader in the highly-fragmented global staffed guarding security services market (including outsourced and in-house guarding), with approximately $20 billion in Pro Forma Revenue, as compared to $13 billion in revenue for Securitas AB ("Securitas"), and $4 billion in revenue for each of Prosegur Compañía de Seguridad, S.A. ("Prosegur") and GardaWorld ("Garda"),[1] in each instance, for the 2022 fiscal year, with a track record of growth, both organically and through M&A.

For the twelve months ended September 30, 2023, our Pro Forma Adjusted EBITDA, giving effect to all M&A transactions completed in 2023, was $1,848 million. See "—Summary Historical Consolidated and Other Financial Information—Non-GAAP Financial Measures" for additional information.

Industry Overview

Market Overview

The global contract security services market is large and has been stable and is expected to continue to grow supported by numerous favorable trends. According to Technavio's Global Manned Security Services Market report, dated November 2021, the global staffed security services market (including outsourced and in-house guarding) was estimated to generate approximately $155.5 billion in revenue in 2022, and is expected to reach over $200 billion in aggregate revenue by 2026, reflecting a compound annual growth rate ("CAGR") of approximately 6.7% from 2022 through 2026. Additionally, revenues for the U.S. security technology market were estimated at approximately $16 billion in 2021 with a near-term growth rate exceeding that of the overall U.S. security services market. From 2014 to 2022, the U.S. staffed guarding market grew steadily at approximately 4-5% per annum.

A heightened focus on security, both in the U.S. and globally, has been driven by high profile incidents of violent crime, underfunded and understaffed law enforcement, terrorism events, workplace violence incidents, and both peaceful and violent civil disturbances fueled by 24/7 media and social media coverage, which have led to increased spending on security and a perceived need to supplement public sector security resources. Our service offerings represent an important first line of defense against potential security threats. Alongside the security threat megatrends occurring around the world, positive growth tailwinds in the distribution, manufacturing, healthcare and education sectors also support demand for increasing security. In addition, organizations continue to outsource their security services to alleviate administrative burdens and achieve cost savings, as well as to address increasingly complex security needs. The compelling value proposition delivered through scaled, broad service offerings and

[1] According to Robert H. Perry & Associates' U.S. Contract Security Market White Paper, dated August 2023. Information for Securitas, Prosegur and Garda for fiscal year 2022.

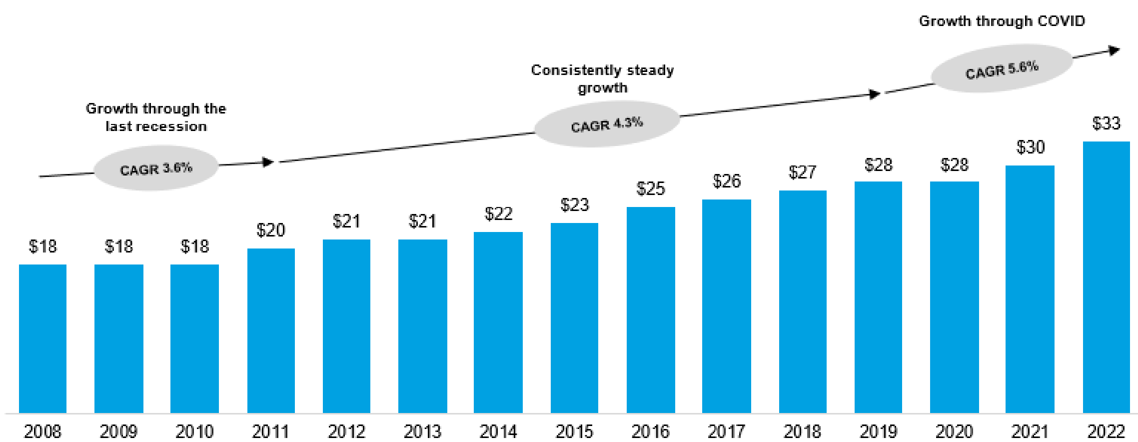
robust technological infrastructure further drives organizations to shift toward highly professionalized outsourced providers.

Given the high risk of inadequate security, we believe that customers make purchasing decisions based on service quality, reliability and reputation, rather than price alone. While customers in the industry can be sensitive to price, it has been our experience that many customers seek out and maintain long-term relationships with quality providers. For example, industry retention rates have historically been between 85% and 90% on average, but revenue retention rates are higher for large sophisticated customers served under enterprise accounts, according to a third-party consulting study. Allied Universal experienced above industry average annual revenue retention rates of approximately 95% between 2020 and September 2023.

We believe the industry's stability is underpinned by the recession-resilient nature of security services, resulting in limited cyclicality and customer churn. From 2012 to 2022, industry growth has been consistent and recession-resistant. The impact of economic downturns on labor markets – including higher employee retention and subsequently, lower non-billed overtime, recruiting and training costs – has historically led to EBITDA margin expansion that is sustained during a return to economic expansion. Our experience during 2020 demonstrates the resiliency of our business model. Despite lockdowns and office closures during COVID-19, security services remained an essential part of real estate management and asset protection. During that period, we also experienced a temporary shift in demand away from security services in connection with retail, travel and leisure toward grocery, healthcare and other essential businesses. We also experienced a temporary increase in demand for higher value-add services such as temperature screening. During the summer of 2020, protests and other civil disturbances drove demand for our staffed guarding services, providing further diversification and resiliency against office closings during that period.

U.S. Security Guard Industry

($ in billions)



Source: *Robert H. Perry & Associates U.S. Contract Security Market White Paper, 2009-2023 Report.*

Market Drivers

Globally, demand for security guarding services has generally increased steadily and is expected to grow at a CAGR of 6.7% from 2022 through 2026. In the U.S., several positive trends support this growth, including: (i) baseline expansion from building stock growth, guard penetration in existing buildings and persistent wage rate growth which is passed on to customers in bill rates; (ii) heightened focus on security, driven by increased acts of violence and media coverage which spur regulatory and insurance scrutiny for our customers; and (iii) increased outsourcing rate for security services. Furthermore, there is a trend toward the centralization of security programs and integration of staffed guarding with technology solutions, both of which favor scaled providers. As the largest U.S. player with vertical segment expertise and differentiated integrated security and technology solutions, we are well-positioned to benefit from favorable industry tailwinds.

Global demand is catalyzed by similar factors as in the U.S., in addition to safety and security concerns driven by geopolitical events (such as refugee crises and political protests), increased wealth driven by urbanization, and global GDP growth. Furthermore, rising labor costs support rising demand for higher-value, technology-enabled, integrated security solutions – and demand for higher-value service lines is also driven by more advanced technology capabilities on an international scale.

COVID-19 demonstrated our industry's resilience, as the global security services market continued to grow despite lockdowns throughout much of the world.

Baseline Industry Growth

Baseline industry growth is driven by underlying economic growth, growing wage rates and increasing building stock, as each new building creates incremental demand for the security services industry. While building stock growth provides strong underlying support for the security services market, it is not necessary to sustain growth within our existing customer bases. A growing economy drives up overall wage rates, increases statutory minimum wages and provides union-based increases, all of which are typically passed on to customers. Higher wage rates are expected to continue driving further expansion of the staffed guarding market and increase revenue generation from existing clients.

Growing Demand for Security Services

Security services remain critical and non-discretionary as customers value the role of security officers in deterring criminal activity and other incidents as well as providing assurance against real or perceived security threats. In cases of security incidents, customers value the officers' ability to provide immediate response. Technology can enhance and significantly improve security, but we believe there is no substitute for the physical presence of well-trained and dedicated security personnel who can respond to threats on-the-ground, in real-time.

The demand for security services continues to increase due to heightened security concerns stemming from the ongoing threats of terrorism, high-profile gun violence and civil unrest – in addition to the heightened emphasis on public and workplace safety, refugee crises and the growing need to supplement services provided by the public sector. Increased media coverage of security lapses, underfunded and understaffed police departments in major cities, growing costs of disruption and stricter security requirements by government institutions and private insurers have forced organizations to take greater responsibility for their own security.

Increased Outsourcing to Third-party Providers with National and Global Scale

In 2021, approximately 60-65% of security services in the U.S. were outsourced to professional security services firms, and this outsourcing rate is expected to increase. The trend toward outsourcing is expected to continue driving growth in the industry due to the strong value proposition of contract security service providers.

Due to the growing complexity of security-related issues and increased demand for vertical segment expertise and customized guarding services, outsourcing security services to best-in-class providers continues to be an attractive option for customers. Contract security services firms offer customers improved security, reduced non-core administrative burden and competitive pricing through operating leverage, each of which are compelling reasons to outsource various business services. Outsourcing of non-core functions has not only become a private-sector best practice, but also a function of the public sector as governments look to minimize cost. Outsourcing allows companies and governments to reduce labor costs and shift the administrative burden of non-core functions to third-party vendors with more experience, operating leverage and functional industry expertise.

As one of the few security and facility services providers with our geographic presence and variety of service offerings, we believe Allied Universal is well-positioned to benefit from the trend toward outsourcing security services. For example, we are well-equipped to address customers' increasingly complex security needs and their preference for best-in-class providers with strong reputations and vertical markets expertise. In addition, as customers seek portfolio-wide vendor partnerships, they build relationships with well-resourced partners that can reliably and consistently serve their diverse security needs. Finally, the increased centralization of procurement continues to drive the shift in customer decision-making from a local level to a multi-regional level, providing an opportunity for scaled providers to increase customer penetration.

Security Services Technology

Due to the importance of physically present security officers to deter and quickly respond to incidents, technology has been used primarily to enhance staffed security services. Security services providers like us continue to broaden their services portfolios by combining value-added offerings like access controls, ID verification, video monitoring and communications systems with traditional security officer and patrol services. Customers seek integration between staffed guarding services and complementary technology solutions to improve and reduce the complexity of their security operations. Existing customer relationships enable the cross-selling of services for the installation, integration and maintenance of physical technology systems that augment traditional staffed guarding services. Integrated technology solutions enhance the value delivered to customers and foster customer retention, ultimately creating a recurring revenue model for providers, as they involve regular system services and maintenance.

Industry Consolidation

Over the past several years, increased M&A activity has caused consolidation in the contract security services industry. However, the industry remains highly-fragmented with further consolidation expected to continue. Reflecting the strong customer preference for sophisticated providers of multi-regional services, and the operational advantages of having local density, scaled contract security services providers continue to gain market share. Allied Universal holds a leading market position, and we expect to further grow our security portfolio – both in the U.S. and globally.

Competitive Strengths

Largest Security Services Provider Worldwide, Well-Positioned to Take Advantage of Market Growth Tailwinds

Today, Allied Universal is a global leader in security services and holds a leading position in North America. We serve over 400 Fortune 500 companies and generated Pro Forma Revenue of $20,344 million and Pro Forma Adjusted EBITDA of $1,848 million in the twelve months ended September 30, 2023. See "—Summary Historical Consolidated and Other Financial Information—Non-GAAP Financial Measures" for additional information. We employ approximately 750,000 security professionals and operate in all 50 U.S. states, the District of Columbia and Puerto Rico – and more than 100 countries worldwide.

Allied Universal's leadership in the staffed security services market is highlighted by its share of the global market, with approximately $20 billion in Pro Forma Revenue, as compared to $13 billion in revenue for Securitas and $4 billion in revenue for each of Prosegur and Garda, in each instance, for the 2022 fiscal year, with a track record of growth, both organically and through M&A. This makes our scaled platform highly distinct and uniquely positions our business to take advantage of the growth in the staffed security services market.

The critical and non-discretionary nature of security services to customers is driving stable and consistent growth. Worldwide, the staffed guarding security services market is expected to reach over $200 billion in aggregate revenue by 2026, reflecting a CAGR of approximately 6.7% from 2022 through 2026.

Demand for high-quality security services continues to grow through heightened focus on security, increasing public safety awareness and the growing need to supplement services provided by the public sector. As media focus on perceived violence and disorder has grown, so has the desire for heightened security. As security complexity increases, employers are more likely to outsource to experienced providers. The compelling value proposition, increasing security complexity and centralization of security programs will continue to support the trend of outsourcing to high-quality providers such as Allied Universal. There is a low risk of technology disruption, as only staffed security is considered an active deterrent to perceived security threats. Further, technology solutions enhance (rather than displace) staffed guarding, and Allied Universal provides customers with a best-in-class technology integrated service offering. As the need for centralized security programs rises, our position as a leading market participant makes us well-poised to expand services to existing customers and take advantage of the growth in the security services market stemming from these trends.

Broad Geographic Reach and Local Market Density

Allied Universal's unique combination of scale and local market density enables us to deliver consistent, high-quality services across our operations infrastructure. Our approach is to establish strong leadership positions across our operational footprint, and "infill" client locations in each region, driving strong market density and economies of scale. Through our high geographic concentration, we are able to minimize our operating costs and consistently deliver industry-leading margins. Minimal overhead and capital expenditures are required for organic and inorganic growth. For example, our operating model requires only one office per region, and increased density in any given region fosters operating leverage at the branch level by driving down our operational costs as a percent of revenue. Moreover, strong density allows for the transfer of personnel between customer locations when required to fulfill business needs. Our operational expertise and technology-enabled processes further enhance these benefits of market density. We have a sophisticated set of proprietary technology-enabled internal business intelligence tools – see "—Sophisticated and Technology-Driven Operations Enable Operational Optimization" below – that automate staffing and scheduling, allowing us to efficiently spot potential staffing gaps and leverage our network of personnel in the region to identify available employees who can serve as replacements. This system reduces non-billed overtime and ensures efficient use of personnel resources, leading to higher margins than would be available to a less-dense competitor.

Our geographic scale makes us distinctly equipped to act as a central provider for large organizations with offices across multiple regions in the U.S. and globally. Our presence in local markets throughout the U.S. as well as regional markets worldwide creates a competitive advantage in serving our customers, providing a location-specific approach with the benefits of a global platform. Large-scale customers are able to turn to Allied Universal as a "one-stop-shop" for all their security needs, simplifying security procurement and creating a convenient and trusted solution. This is a highly attractive proposition to strategic industry verticals, including high-rise offices, aerospace and defense, higher education and healthcare. Recent industry trends, such as increased security complexity, tightening regulations and growing insurance liabilities, also favor scaled, experienced and proven security service providers. Allied Universal is well-positioned to fulfill these client needs, allowing us to acquire customers at a faster rate and consequently accelerate our top-line growth.

Sophisticated and Technology-Driven Operations Enable Operational Optimization

Allied Universal is an industry leader in developing and leveraging proprietary technology to generate operational efficiencies, driving down administrative costs and non-billed overtime, and enhancing customer satisfaction, along with improving other key performance indicators ("KPIs"). In January 2024, we embarked on a two-year journey to transform certain key aspects of our business and use artificial intelligence ("AI") to digitize and automate certain of our core operations at the branch administration level. With this initiative, we believe we can drive significant efficiencies associated with recruiting, hiring, onboarding, training, licensing and related tasks, as well as more fully deploying our technology for scheduling and managing our frontline workforce. Our ultimate goal for our business is to automate as many of the transactional and administrative elements of our operations as possible so local managers spend more of their time focusing on service delivery for our customers, managing and supporting our employees, and exploring opportunities to expand our service offerings with customers.

Our current proprietary technology includes tools that aid our local managers in doing their jobs, help them make the right decisions and give management visibility into KPIs.

Business Intelligence Platform: A key element of our technology-enabled strategy is our business intelligence platform, the backbone of our operations. The decisions that our local managers make every day drive our operational performance. This includes setting hourly bill and pay rates for our customers and employees, managing staffing and hiring needs, and deploying our resources across our accounts, among many other decisions. Our business intelligence platform allows us to guide our distributed workforce in these decisions, ensuring our operating teams are making the right decisions at the branch and account levels. Our business intelligence platform also gives our management team at all levels the ability to easily identify areas of improvement and opportunity and the visibility for local managers to make corrections. Our business intelligence platform is fully operational in our North America staffed guarding businesses. As of December 31, 2023, we had rolled out our business intelligence platform across approximately 60% of our international business and expect to be more fully deployed internationally throughout 2024.

These tools are important to Allied Universal's ability to drive down non-billed overtime (measured as a percentage of total paid hours) and realize significant cost-efficiencies. While we faced a challenged labor market environment in 2021 and 2022, leading to an increase in non-billed overtime in North America (from 4.8% in 2020 to 7.5% in 2021 and further to 8% in 2022), our business intelligence platform allowed us to improve our KPIs and manage costs. In the quarter ended September 30, 2023, we saw non-billed overtime in North America fall to 5.8%, which demonstrates our ability to improve operational efficiency and our resiliency in difficult macro-economic environments. For every 100 basis points of improvement in North American non-billed overtime, Allied Universal expects to be able to realize approximately $38 million in incremental annual Adjusted EBITDA. We believe we have a significant continued opportunity to drive down non-billed overtime and drive up operating margin.

HELIAUS®: In 2019, Allied Universal introduced HELIAUS®. HELIAUS® is our proprietary, award-winning AI-Powered workforce management solution. It improves security operations by bringing post-orders to life and acting as a "virtual coach" to front-line security professionals, helping ensure they are in the right place, at the right time, doing the right things. Using AI, HELIAUS makes predictions about security incidents that a security professional is likely to encounter at their assigned work site and then offers recommendations to help drive better outcomes. Sites using the HELIAUS AI realize, on average, more than a 20% reduction in security and safety incidents compared to sites that are not. The HELIAUS® solution is an additional technology-enabled feature of our integrated security service offering only sold to Allied Universal customers.

AU HireSmart®: To aid in security professional hiring, we have implemented a streamlined hiring and recruiting process, AU HireSmart, which includes an artificial intelligence enhanced interview process and progresses applicants on a 24-7-365 basis. We trained an AI model, using our current top security professionals, that qualifies and screens candidates. As we receive over two million employment applications per year in North America, this technology-forward system is key to our ability to efficiently and cost-effectively screen candidates, ensuring that we accurately identify the best candidates and provide offers before they are hired elsewhere. We believe we have further opportunities to automate and optimize elements and processes, which will further free up our local operators for more value-added activities.

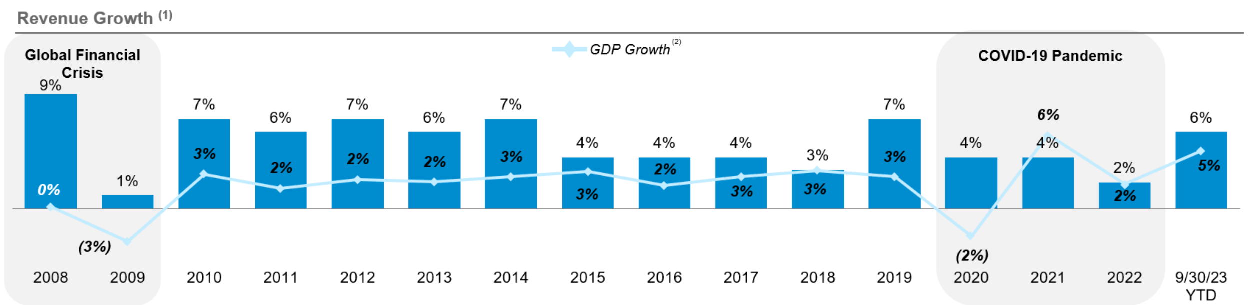
LISA: LISA is Allied Universal's Live Interactive Support AI. LISA was rolled out to our US staffed guarding operations in 2022. She is available 24/7 to Allied Universal staff through both a web portal and text messaging. LISA makes branch employees more efficient while making front line security professionals feel more supported and connected. She helps security professionals with their schedule, finding additional shifts if they want them, processing requests for days off, reporting timekeeping discrepancies, correcting paycheck issues, and answering common questions. In select markets and for select credentials, LISA will also remind security professionals when it is time to renew required licensing and offer information about how to renew. For operations managers, she helps with scheduling, handles call-offs 24-7-365, handles various administrative tasks, and provides daily roundups of operational work requiring action. In select markets, she also verifies guard licenses with state agencies, removing the manual work of such tasks and improving our compliance.

Mercury™: The vast majority of our security professionals work at clients' sites, rather than at Allied Universal facilities where there are corporate networks, phones, company computers and other equipment. This makes efficient and secure communication challenging. Through proprietary software running on mobile devices at client sites, Mercury solves this problem by enabling Allied Universal to reach out to front-line security professionals personally and securely. In addition to enabling geo-fenced timekeeping, it supports employee interactions through tasks, messages and chats related to safety, employee engagement, training, compliance, workforce management automation and more. Mercury has enabled Allied Universal to drive better safety and compliance outcomes while helping make front line security professionals feel more connected.

Consistent and Economically Resilient Business

Allied Universal's results during the last two major economic downturns demonstrate the recession-resilient profile of our business. COVID-19 reaffirmed the essential nature of services provided by Allied Universal. Early in the pandemic, security professionals were generally deemed essential workers by health authorities and continued to deliver security services to a range of customers. Even as many employers transitioned to work-from-home, security services personnel continued to work on-site to guard office buildings during a turbulent period. Throughout the COVID-19 period, Allied Universal successfully managed the pandemic and demonstrated highly resilient performance in top-line growth and margin profile, growing revenue at 4% in 2020 when compared to 2019, relative to negative 2% U.S. GDP growth in the same period. These results are not anomalous to the specificities of COVID-19. During the global financial crisis, Allied Universal consistently grew at rates significantly higher than U.S. GDP growth, including 9% revenue growth in 2008 when compared to 2007, relative to 0% U.S. GDP growth in the same period.

This financial resiliency is driven by Allied Universal's contractual revenue streams with daily recurrence of services, the critical nature of security to operations and the low cost of security services relative to the high cost of a security failure. We typically benefit from rising wages as increases are passed on to clients who generally expect a 2-5% annual increase in billing rates, which is in line with wage growth. Tightening labor markets result in stable margins, while softer labor markets typically drive margin expansion, as the increased supply of labor reduces the spread between bill rates and employee pay rates. Historically, from 2008 to 2021, pricing has grown at over 2% CAGR from markup wage increases, at or above wage growth, enabling us to maintain and grow margins.

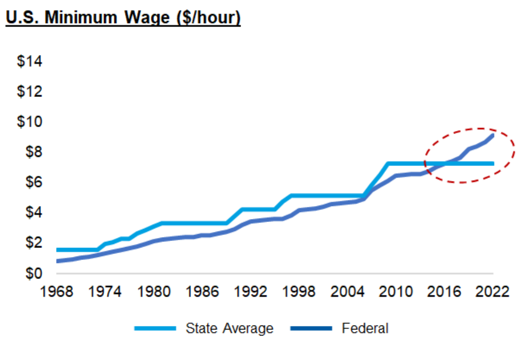


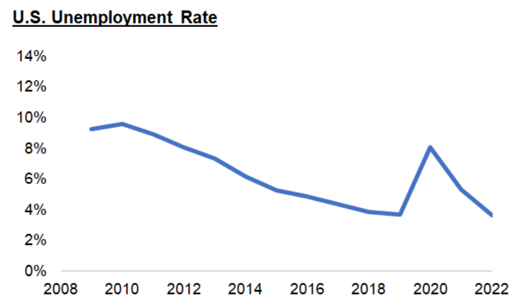
Sources: *U.S. Bureau of Economic Analysis; Management Data*.

(1) 2008-2015 represents year-over-year revenue growth of AlliedBarton and Universal on a combined basis. 2016-2020 represents year-over-year revenue growth of Allied Universal (excluding G4S). 2021-2022 represents year-over-year revenue growth of Allied Universal (including G4S). 9/30/23 YTD represents revenue growth of Allied Universal (including G4S) for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

(2) Represents seasonally adjusted U.S. GDP growth at annual rates from 2008 to 9/30/23 YTD. 9/30/23 YTD growth based on the fourth quarter of 2022 and the third quarter of 2023 U.S. GDP.

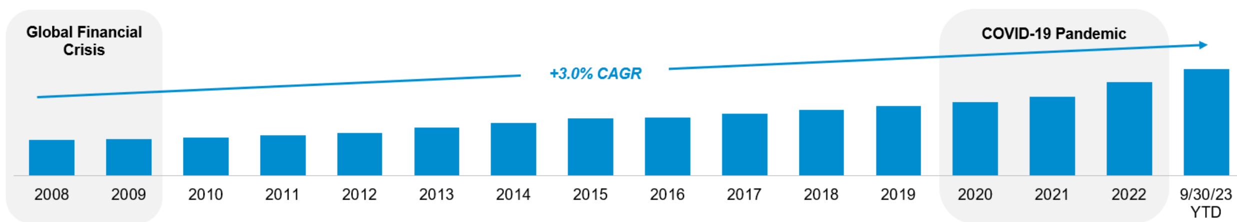
U.S. Minimum Wage ($/hour) and U.S. Unemployment Rate





Sources: *Federal Reserve Bank of St. Louis*.

Allied Universal Markup $ per hour (1)



Source: *Management Data*.

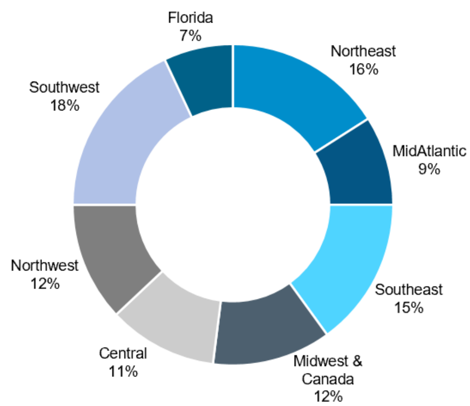
(1) Markup $ per hour is calculated as bill rates per hour less wage rates per hour; 2008-2015 represents AlliedBarton only, 2016-2022 and 9/30/23 YTD represent Allied Universal (excluding G4S).

Highly Diversified Revenue Mix Across Blue-Chip Customer Base with High Retention

In North America, Allied Universal has a highly diversified revenue mix across all major geographic regions, metropolitan hubs, end markets and customers. We have limited customer concentration, as our top five customers account for approximately 5% of revenue for the twelve months ended September 30, 2023. Our top ten customers for the twelve months ended September 30, 2023 had an average tenure of more than 10 years. We also have a diversified revenue mix across North America, Asia Pacific, Europe, and Africa and Middle East. Finally, we serve a variety of distinct verticals in North America, none of which account for more than approximately 12% of revenue. The largest customer type by revenue in North America is government, which accounted for approximately 12% of revenue, followed by healthcare and technology, media & telecommunication, both with approximately 11% of revenue, corporate & industrials and commercial real estate, both with approximately 10% of revenue, financial institutions, with approximately 9% of revenue, retail, with approximately 7% of revenue, culture & education, along with residential & other real estate, both with approximately 5% of revenue, logistics & distribution, with approximately 4% of revenue, chemicals & energy, and aerospace & defense, both with approximately 3% of revenue, and transportation, with approximately 2% of revenue, in each case, for the twelve months ended September 30, 2023.

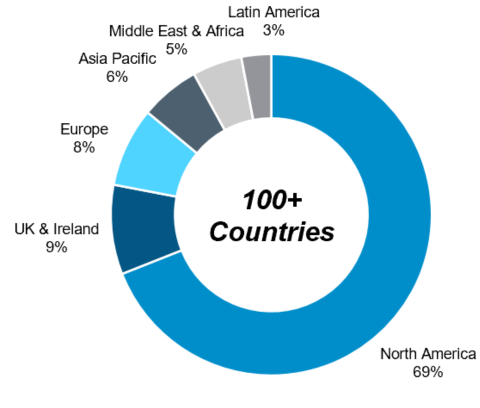
This geographic and end-market diversification provides us mobility to continue growing revenue through multiple channels. It also shields us from industry- or region-specific shocks and allows us to provide vertical-specific solutions necessitated by the increasing complexity of security issues in different end markets. We also benefit from the diverse tenant base of our commercial real estate customers and the “Class A” nature of many of our mall clients (“Class A” representing high sales per square foot), which signifies steady foot traffic and high guard penetration.

Significant Geographic Diversity Across North America



Complementary geographic footprints

Highly Diverse, Long Tenured, Global Customer Base (1)



Worldwide geographic footprint

(1) Geographic breakout based on twelve months ended September 30, 2023 revenue figures. End market data estimated based on consolidated North American core staffed guarding revenues.

Broad Array of North American Customers Served

We serve a diverse base of blue-chip clients across a variety of industries and regions. Our client portfolio includes over 400 Fortune 500 companies and is characterized by long-term relationships and high retention rates.

Select Blue-Chip Clients

AIG, amazon, Applied Materials, AT&T, AVIS, Budget, Bank of America, Bayer, Berkshire Hathaway Inc., BNY Mellon
bxp Boston Properties, Brookfield, CBRE, Chevron, CK Childress Klein, The Cigna Group, CityMD, Cleveland Clinic, Coca-Cola, Credit Suisse Part of UBS Group
NYC DCAS Citywide Administrative Services, Homeland Security, Disney, ExxonMobil, FedEx, Ford, General Dynamics, GGP, Goldman Sachs, Google
Johns Hopkins University, JLL, JPMorgan Chase & Co., KIA, KOHLER, Lockheed Martin, Meta, Morgan Stanley, Pinterest
Qualcomm, Shell, Sheraton, SIMON, SONY, Starbucks, T Mobile, T. Rowe Price, Takeda
The Home Depot, TRUIST, UPS, VANS, Walgreens, Walmart, Wells Fargo, Westfield, XPO Logistics

We have historically fostered long-term client relationships through our commitment to providing high-quality, responsive services through active client service, sales and marketing efforts, wide geographic scope, client-centric approach, and consistent service offerings.

These characteristics are responsible for the highly recurring nature of Allied Universal's client base, which has exhibited an average of approximately 95% revenue retention for each of 2020, 2021, 2022 and the nine months ended September 30, 2023.

Our retention strategy is bolstered by our platform for serving enterprise account customers in the U.S., a category that we define as customers who have annual revenue greater than $5 million across multiple regions and a centralized process for purchasing security services. As of December 2023, we had more than 200 such enterprise accounts globally. Our large geographic footprint and operational scale with local density across the U.S. positions us to meet the needs of premier customers and global accounts. We have a contractual revenue base, typically with three- to five-year contracts for large customer accounts and one-year "evergreen" contracts for smaller accounts. We use a data-driven sales and account management process to proactively expand and renew these contracts well ahead of their expiration.

Stable Financial Performance Coupled with Strong Free Cash Flow Generation

Consistent history of growth: Allied Universal has repeatedly demonstrated the ability to deliver consistent growth, thereby improving profitability and strong cash flow. The nature of our customer contracts fosters a highly visible financial model. Our recurring revenue base is supported by an above-average revenue retention rate. To drive revenue growth, we target new client wins, expansion of Allied Universal's enterprise customers portfolio, broadened scope of work and customer penetration with existing clients, added complementary technology solutions and consistent increases in price that are in line with or exceed wage rate growth and improvements in high-quality services. These organic growth drivers, coupled with our ability to execute accretive acquisitions, have contributed to strong revenue and Adjusted EBITDA growth. From 2011 to September 30, 2023, Allied Universal's revenue CAGR was approximately 41%, reflecting organic and inorganic revenue growth. From 2008 to September 30, 2023, Allied Universal consistently grew the mark-up spread between bill rates per hour and wage rates per hour by approximately 3.0% CAGR. Our disciplined M&A strategy combined with strong organic growth has allowed us to become the fastest growing security services company in the industry while maintaining strong free cash flow generation.

Highly variable cost structure drives consistent margins: Bill rate, the price we charge to our customers per hour of security officer time, is priced as a mark-up on security officer pay rates, the hourly wage we pay to security guards. From 2019 to 2023, Allied Universal's mark-up has remained constant at approximately 1.5x. This stable mark-up reflects our strong track record of passing on cost increases to clients and expanding margins. Our ability to pass through labor costs and other variable expenses to our clients allows us to generate consistent profitability and produce cash flows with low volatility. This consistency helps us maintain stable operating margins and provides a baseline level of profitability from which further margin expansion can be achieved as we seek to increase our operating leverage and scale while reducing general and administrative expenses.

Capital-light business model supports strong cash flow: Our minimal capital requirements and strong working capital management support our strong cash flow profile. From 2021 to September 30, 2023, capital expenditures were approximately 1.5-2% of revenue (inclusive of finance leases) on average, with cash capital expenditures representing about half of such capital expenditures and the remaining portion funded through capital leases.

Acquiror of Choice with Proven Platform for M&A Integration

We have demonstrated a strong track record of applying a disciplined approach to sourcing, executing and integrating both tuck-in and transformative M&A. We have a dedicated M&A team focused on identifying and evaluating potential M&A targets, which enables us to move quickly and decisively when we identify an attractive target. Given our position in the industry, greater ability to realize synergies (and thus ability to pay more) and demonstrated track record of M&A, we believe we are an acquiror of choice for companies considering exit, resulting in our high visibility into the security services industry M&A pipeline.

Through acquisitions, we have achieved meaningful cost synergies as well as customer, end market and geographic diversity. We have completed more than 100 M&A transactions since 2008 with a majority being bilaterally negotiated opportunities acquired for mid-single digit multiples of EBITDA. We maintain a proprietary pipeline of potential targets as we continue to execute our roll-up strategy.

We have also demonstrated our ability to execute large-scale M&A through the merger of AlliedBarton and Universal, the acquisitions of USSA and SOS Security, and most recently our acquisition of G4S. As of June 30, 2023, we have realized approximately $163 million in run-rate cost synergies from the G4S acquisition, greater than our initial target of $155 million in annual cost savings.

Highly Experienced Management Team

We have a highly-experienced and well-respected management team with a proven track record of value creation. Our management was responsible for developing and implementing the expansion strategy that has led to our industry-leading growth and position as the largest security services company globally. Our management team has a strong history of continuously evolving and growing the business through both organic and M&A strategies and is experienced in integrating accretive M&A, including the successful integration of G4S. The management team has demonstrated its ability to navigate the company through economic cycles, including COVID-19 and current inflationary period. Outside of the management team, there is a deep bench of leadership and operational talent throughout the organization, the result of the selection of the best management talent in connection with the merger of AlliedBarton and Universal in 2016 and the acquisition of G4S in 2021.

Global Growth Strategy

Proven Ability to Win New Clients and Grow with Existing Clients

Our organic growth has been driven historically by a combination of hours growth and pricing growth. Our hours growth is attributable to: (i) developing a world-class sales and marketing organization, (ii) leveraging our service capabilities to win new customers, including enterprise account customers, (iii) expanding customer penetration and leveraging cross-selling opportunities with clients by delivering customized service offerings specific to customer needs and (iv) maintaining steady underlying revenue retention rates, which was approximately 95% between 2020 and September 2023. Our pricing growth has been driven by the ability to pass through wage increases to customers. To drive new customer wins, our sales organization is divided into specialized categories: global sales professionals focused on enterprise customers, sales professionals focused on regional and local accounts, vertical market specialists and regional specialists. Our sales pipeline is robust, typically representing a multiple of the annual new starts target. Enterprise customers sales efforts target customers who have facilities in multiple locations throughout the U.S. and globally and increasingly desire consistency of service, fewer points of contact and alignment with a national partner providing a full suite of capabilities. As we have expanded our geographical footprint and adapted sales and client service capabilities, we have become well-positioned to be a leading provider to enterprise customers. Within our existing client base, we seek to grow customer penetration by increasing the number of customer sites served (and thus the number of hours covered by our security officers) in addition to adding on auxiliary security services. Our organic growth is supported by revenue retention rates of approximately 95% between 2020 and September 2023. Given the multi-year terms of many of our large contracts, we have visibility into a significant portion of our future revenue. We proactively manage contracts in advance of renewal, rebid or expiration. Finally, organic growth has been driven by our ability to increase prices in line with security officer pay rate increases.

We have grown revenue at a CAGR of approximately 41% between 2011 and September 30, 2023, reflecting organic and inorganic revenue growth. We believe we are well-positioned to continue achieving measured growth by capitalizing on our strong reputation, enhanced operational capabilities, vertical-specific service expertise and premier customer platform. In addition to increasing hours by adding new accounts and benefiting from increased outsourcing, we will continue to leverage our significant experience in managing pricing dynamics to remain competitive in our markets.

Service Line Expansion

Allied Universal's scale enables significant cross-selling opportunities for adjacent security services products. Our combined comprehensive offering of security solutions across a global platform makes us a one-stop-shop for existing customers, as well as new clients looking for a global provider to serve their security needs. This provides an opportunity to serve global clients across a range of industries by providing a host of complimentary services beyond our core staffed guarding offering.

Our industry-leading services provide a platform for additional service offerings, particularly technology-driven solutions. Customer surveys suggest that around 65-70% of U.S. and U.K. customers are currently using, or would plan to use, their staffed guarding vendor as a supplier of technology-driven security services. To take advantage of this underserved market, we have used our platform to offer services such as physical technology systems (including video surveillance, CCTV picture capture and monitoring, security robot patrols, GPS-based patrol and reporting, online threat monitoring, remote access control point management and centralized security operation). Additionally, we offer integration services to design, install and service fully integrated technology-based monitoring systems. Finally, we provide digital solutions and remote monitoring through MaRC. In all, our service line is bolstered by a continuous expansion into services supported by advanced technological capabilities.

Our acquisition of Securadyne Systems ("Securadyne") in April 2019 further strengthened our ability to consult, design, deploy, integrate and maintain electronic security systems for our customers. We believe the Securadyne acquisition provided us with the footprint and scalable infrastructure to deliver complementary security integration services to a significantly larger portion of client sites that use our staffed guarding services today.

Beyond our technology offerings, we intend to continue growing our janitorial and staffing services, which include a diverse set of offerings, ranging from traditional janitorial functions to biohazard disposal, IT room cleaning and recycling programs.

International Expansion

The acquisition of G4S has given Allied Universal a strong presence in various international regions, particularly Europe, where we have the opportunity for significant additional growth. We are now able to apply our North America operational "playbook" to international regions to improve organic and inorganic topline growth as well as yield margin improvements. We have leveraged our sales force to apply our go-to-market strategy in new regions, generating a sales pipeline outside of North America worth $2.8 billion as of October 2023 and a sales pipeline in North America worth $3.3 billion. Our sales pipeline in North America represents the annual contract value of qualified opportunities that are being pursued and have a start date within the next 12 months for our manned guarding business only, and in the rest of the world, the annual contract value of qualified international opportunities that are being pursued and have a start date within the next 12 months. Sales pipeline includes uncontracted services with both existing and new customers. Our pipeline is an internal metric calculated using our data that is not prepared in accordance with U.S. GAAP, and has not been independently verified by third parties. We cannot guarantee that our sales pipeline will result in meaningful revenue or profitability.

Additionally, our existing presence in international regions makes growth through acquisitions attractive, as we are able to capture synergies in international locations that we were not able to capture prior to the G4S acquisition. In 2022 and 2023, we completed 19 acquisitions, with 13 acquisitions in North America and 6 acquisitions across the rest of the world.

Proven Platform for Disciplined M&A

We benefit from our significant experience in successfully integrating acquisitions, realizing substantial synergies while maintaining relationships with both existing and acquired customers. The largely fragmented security services industry has historically provided opportunities to supplement our strong organic growth with a disciplined acquisition strategy. A large and fragmented international market, as well as our ability to provide relevant adjacent services, provide additional opportunity for targeted expansion. Our approach to acquisitions has been highly methodical with a focus on scale-building and infill acquisitions through an in-place dedicated team responsible for evaluating potential acquisition targets. Integration occurs quickly, generally within 30 days for a typical tuck-in acquisition, resulting in a seamless transition for customers.

Allied Universal has proven experience in executing all types of transactions, including over 100 small tuck-ins and large transformational M&A transactions since 2008. On average, these acquisitions were completed at credit accretive, mid-single digit multiples. In addition to many small and medium tuck-ins, we have a proven track record of successfully executing and integrating transformative acquisitions, as evidenced by the combinations of Allied Universal and G4S in April 2021 and AlliedBarton and Universal in August 2016, as well as the large tuck-in acquisition of USSA, formerly the fourth-largest staffed guarding provider in the U.S. in 2018.

We believe we are an acquiror of choice due to our strong reputation and track record, which makes Allied Universal a well-positioned consolidator in a highly-fragmented market. In fact, we have completed more than 100 M&A transactions since 2008. Additionally, we believe there is a large opportunity for further accretive consolidation. We benefit from significant industrial logic from onboarding sub-scale providers onto our scalable platform, which drives our ability to expand the margins of acquired companies and realize significant synergies.

Recent Developments

Tender Offer

Concurrently with the commencement of this offering, we commenced a cash tender offer to purchase up to $500 million in aggregate principal amount of our Secured Notes due 2026 (the “Tender Offer”). The total consideration offered for each $1,000 principal amount of the Secured Notes due 2026 validly tendered pursuant to the Tender Offer and not validly withdrawn prior to 5:00 p.m., on February 14, 2024 (the “Early Tender Date”) is $1,000.00, which amount includes an early tender payment of $30.00 per $1,000 principal amount of Secured Notes due 2026 validly tendered. Holders who validly tender their Secured Notes due 2026 in the Tender Offer after the Early Tender Date but prior to the expiration time of the Tender Offer will be eligible to receive $970.00 per $1,000 principal amount of Secured Notes due 2026, which amount represents the total consideration offered less the early tender payment, as described above. The applicable consideration being offered in the Tender Offer will be paid together with accrued and unpaid interest with respect to the Secured Notes due 2026 purchased in the Tender Offer from and including the last interest payment date for the Secured Notes due 2026 to, but excluding, the applicable settlement date.

The Tender Offer is scheduled to expire one minute after 11:59 p.m., New York City time, on February 29, 2024, unless extended or earlier terminated as described in the Offer to Purchase (as defined herein) for the Tender Offer. The Tender Offer is conditioned upon, among other things, the closing of this offering, but this offering is not conditioned upon the closing of the Tender Offer. Nothing in this offering memorandum should be construed as an offer to purchase any outstanding Secured Notes due 2026, and the Tender Offer is being made solely pursuant to an Offer to Purchase, dated February 1, 2024 (the “Offer to Purchase”), upon the terms and subject to the conditions set forth therein. See “Use of Proceeds.”

Bank Amendments

Substantially concurrently with the closing of this offering, we intend to enter into an amendment to our Euro Revolving Credit Facility (as defined herein) (as amended, the “Amended Euro Revolving Credit Facility”) and an amendment to our ABL Credit Facility (as amended, the “Amended ABL Credit Facility” and, together with the Amended Euro Revolving Credit Facility, the “Bank Amendments”). The Bank Amendments, among other things, are expected to extend these facilities’ respective maturity dates to February 2029, with springing maturity to 91 days in advance of the maturity date of the First Lien Term Loan Facilities (as defined herein) and the Existing Notes (such date the “Euro Revolving Credit Facility Springing Maturity Date” and the “ABL Credit Facility Springing Maturity Date,” respectively), solely to the extent more than $75.0 million in aggregate principal amount of the First Lien Term Loan Facilities or the Existing Notes, as applicable, outstanding on the effective date of the Amended Euro Revolving Credit Facility and Amended ABL Credit Facility remains outstanding on the Euro Revolving Credit Facility Springing Maturity Date or the ABL Credit Facility Springing Maturity Date, respectively. The amendment to the ABL Credit Facility is also expected to increase the revolving credit commitments under the ABL Credit Facility by $100.0 million.

There can be no assurance that the closing of the Amended Euro Revolving Credit Facility or the Amended ABL Credit Facility will occur on the terms described herein or at all.

Preliminary Estimated Financial Information

The following table sets forth certain preliminary estimated unaudited financial information of Allied Universal for the three months and year ended December 31, 2023. The preliminary estimated unaudited financial information is not a comprehensive statement of our financial condition or results for the three months and year ended December 31, 2023. We have not yet finalized our financial statement closing process for the three months and year ended December 31, 2023. In connection with the finalization process, we may identify items that would require us to make adjustments to our preliminary estimates, which may be material. Our audited consolidated financial statements for the year ended December 31, 2023 will not be available until after this offering is completed, and consequently, will not be available to you prior to investing in the notes. Accordingly, the preliminary estimated unaudited financial information is subject to the completion of our financial closing procedures, the completion of the preparation of our financial statements for such period, the completion of other operational procedures, as well as our audit. The preliminary estimates set forth below have been prepared by and are the responsibility of our management and represent estimates and expectations based on the most current information available. Our independent registered public accounting firm, Deloitte & Touche LLP, has not audited, reviewed, compiled or performed any procedures with respect to this preliminary financial information and, accordingly, Deloitte & Touche LLP does not express an opinion or any other form of assurance with respect thereto. Our actual financial results could be different from those set forth below and those differences could be material. There can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. Accordingly, you should not place undue reliance on such estimates. We do not undertake any obligation to update these preliminary estimates. See "Special Note Regarding Forward-Looking Statements." The preliminary estimates should be read together with "Risk Factors," "—Summary Historical Consolidated and Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31, 2023	Three Months Ended December 31, 2023
(in millions, unaudited)		
Revenue	$ 20,648	$ 5,342
Gross Profit(1)	$ 3,347	$ 904
Pro Forma Adjusted EBITDA(2)(4)	$ 1,892	$ 501
Free Cash Flow Before Debt Service(3)(4)	$ 1,045	$ 429

(1) Gross profit is calculated as revenue less cost of revenue (including the impact of direct depreciation and amortization expense).

(2) Includes $60 million and $15 million of addbacks in connection with the new profit improvement initiatives related to the North America technology initiatives and international deployment of our shared services offices platform in the year ended and the three months ended December 31, 2023, respectively. See footnote (l) of "Summary—Summary Historical Consolidated and Other Financial Information" for additional information.

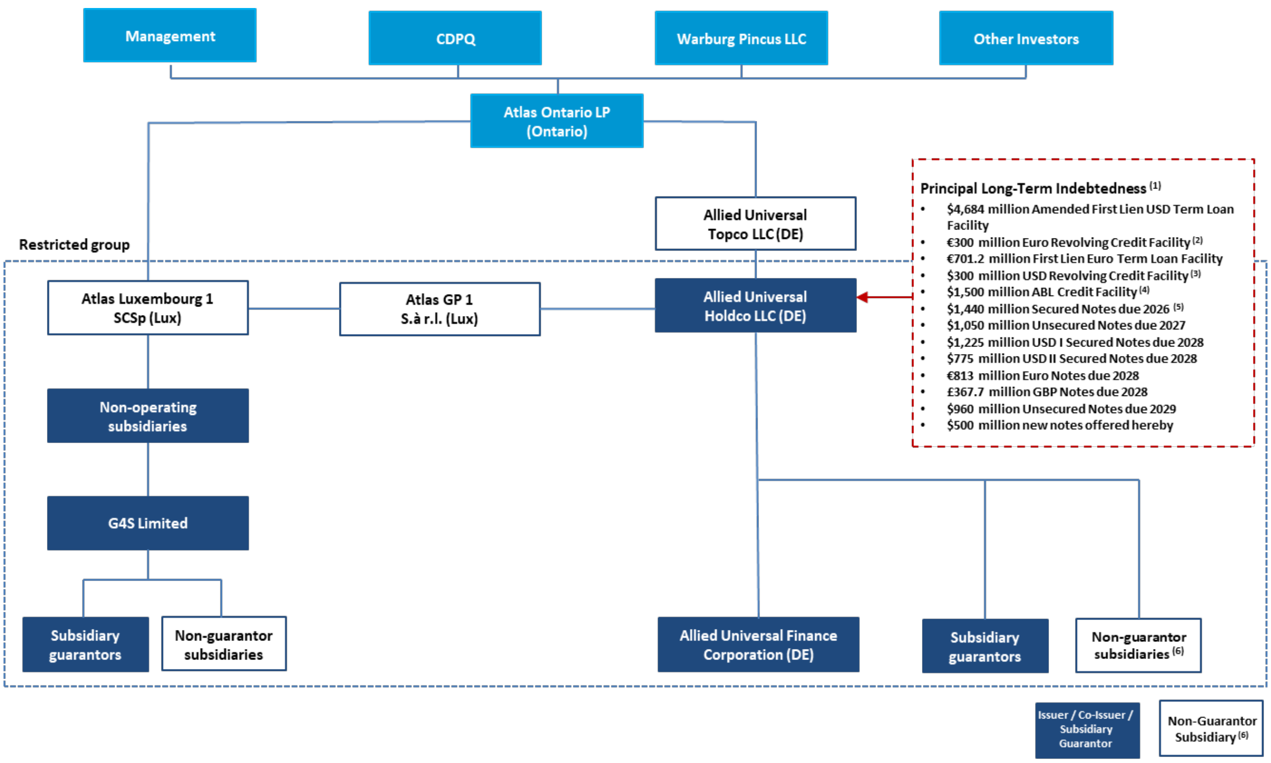
(3) Free Cash Flow Before Debt Service is calculated as Adjusted EBITDA less cash tax payments by the Company, cash capital expenditures, payments in connection with the UK pension plans, changes in working capital and certain non-recurring items (including integration costs, acquisition-related professional & legal fees and severance).

(4) Pro Forma Adjusted EBITDA and Free Cash Flow Before Debt Service are not measures of financial performance under GAAP and there are limitations associated with the use of non-GAAP financial measures. For more information on the use of non-GAAP financial information, see "Non-GAAP Financial Measures," "Summary—Summary Historical Consolidated and Other Financial Information" and "Management's

Discussion and Analysis of Financial Condition and Results of Operations—Q3 Pro Forma Adjusted EBITDA Update.”

Our Structure

The following chart summarizes our organizational structure, giving effect to this offering and the Tender Offer (assuming it is fully subscribed). This chart is for illustrative purposes only and does not represent all legal entities of the Company or all obligations of such entities. See “—The Offering,” “Description of Certain Other Indebtedness” and “Description of Notes” for more information regarding the terms of the notes offered hereby and our other indebtedness following this offering.



(1) The Senior Secured Credit Facilities, the ABL Credit Facility, the Existing Notes and the notes offered hereby, when issued, will have the same obligors, except that Topco guarantees the Senior Secured Credit Facilities and the ABL Credit Facility but does not guarantee the Existing Notes and will not guarantee the notes offered hereby.

(2) As of September 30, 2023, $26.4 million was available for borrowing under the Euro Revolving Credit Facility (as defined herein) and there were no outstanding letters of credit.

(3) As of September 30, 2023, $300.0 million was available for borrowing under the USD Revolving Credit Facility (as defined herein) and there were no outstanding letters of credit.

(4) As of September 30, 2023, we had $559.9 million (subject to a borrowing base) of availability to incur additional secured indebtedness under the ABL Credit Facility (after giving effect to approximately $410.1 million of outstanding letters of credit). The foregoing does not give effect to the Bank Amendments, which are described in more detail above.

(5) Assumes the Tender Offer is fully subscribed and we repurchase and cancel $500 million in aggregate principal amount of Secured Notes due 2026 pursuant to the Tender Offer. See “Use of Proceeds.”

(6) As of and for the twelve months ended September 30, 2023, the issuers and the guarantors accounted for substantially all of our total revenues, total assets and total liabilities, after excluding intercompany transactions and balances.

Our Investor Group

Our major equity investors include the following:

Warburg Pincus LLC

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than $84 billion in private equity assets under management. The firm's active portfolio of more than 250 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has invested more than $113 billion in over 1,000 companies in more than 40 countries across its private equity, real estate, and capital solutions strategies. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai and Singapore.

CDPQ

CDPQ was created in 1965 and is one of Canada's leading institutional asset managers and a mandatary of the Government of Québec. Pursuant to its constituting act, CDPQ's mission is to receive moneys on deposit as provided by law and manage them with a view to achieving optimal return on capital within the framework of depositors' investment policies while at the same time contributing to Québec's economic development. As of December 31, 2022, CDPQ had 48 depositors primarily consisting of Québec public and parapublic pension and insurance plans. As of June 30, 2023, CDPQ's net assets totaled C$424 billion. As one of Canada's leading institutional fund managers, CDPQ invests globally in a wide range of asset classes, including major financial markets, private equity, infrastructure, real estate and private debt. In private equity, CDPQ has approximately C$81 billion in net assets under management and invests in a broad range of sectors worldwide, with a focus on Canada, the United States and Europe. It seeks to partner with and invest in unique companies to drive performance and sustainable impact.

Partners Group AG

Partners Group is a leading global private markets firm. Since 1996, the firm has invested $200 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. Partners Group seeks to generate attractive returns through capitalizing on thematic growth trends and transforming attractive businesses and assets into market leaders. The firm is a committed, responsible investor and aims to create sustainable returns with lasting, positive impact for all its stakeholders. With $142 billion in assets under management as of June 30, 2023, Partners Group provides an innovative range of bespoke client solutions to institutional investors, sovereign wealth funds, family offices and private individuals globally. The firm employs more than 1,800 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN).

J. Safra Group

The J. Safra Group ("Safra" and, collectively with Warburg Pincus LLC, CDPQ and Partners Group, the "Investor Group"), with total assets under management of over $300 billion, consists of privately-owned banks under the Safra name and investment holdings in asset-based business sectors such as real estate and agribusiness. Safra's banking interests in 160 locations globally, are: J. Safra Sarasin, headquartered in Basel, Switzerland; Banco Safra, headquartered in Sao Paulo, Brazil; and Safra National Bank of New York, headquartered in New York City, USA; all independent from one another from a consolidated supervision standpoint. Safra's real estate holdings consist of more than 200 premier commercial, residential, retail and farmland properties worldwide, such as New

York City’s 660 Madison Avenue office complex and London’s iconic Gherkin Building. Its investments in other sectors include, among others, agribusiness holdings in Brazil and Chiquita Brands International Inc. With deep relationships in markets worldwide, Safra is able to greatly enhance the value of businesses which are part of it. There are more than 34,000 employees associated with Safra (excluding Allied Universal).

Corporate Information

Allied Universal Holdco LLC is a limited liability company organized under the laws of the State of Delaware in 2015. Allied Universal Finance Corporation is a corporation incorporated in Delaware in 2019. Our principal executive offices are located at 450 Exchange, Irvine, CA 92602. We also maintain a website at www.aus.com. **The information on, or accessible through, our website is not part of this offering memorandum, and you should rely only on the information contained in this offering memorandum when making a decision as to whether to invest in the notes offered hereby.**

THE OFFERING

The summary below describes the principal terms of the notes and the guarantees. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled "Description of Notes" in this offering memorandum contains a more detailed description of the terms and conditions of the notes and the guarantees.

Issuers..	Allied Universal Holdco LLC, a Delaware limited liability company, and Allied Universal Finance Corporation, a Delaware corporation.
Securities offered.......................................	$500,000,000 aggregate principal amount of % Senior Secured Notes due 2031.
Maturity date	, 2031.
Interest..	Interest on the notes will accrue at a rate of % per annum from , 2024. Interest on the notes will be payable semi-annually in cash in arrears on and of each year, beginning on , 2024.
Guarantees..	From and after the issue date, the obligations under the notes will be fully and unconditionally guaranteed, jointly and severally, by each of the entities that guarantees the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes, other than Topco, which guarantees the Senior Secured Credit Facilities and the ABL Credit Facility, but does not guarantee the Existing Notes and will not guarantee the notes. Following the issue date, subsidiaries of the issuer will be required to guarantee the notes to the extent described in "Description of Notes—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries." The guarantees are subject to contractual and legal limitations and may be released under certain circumstances. See "Description of Notes—Guarantees" and "Risk Factors—Risks Related to Our Indebtedness and the Notes." As of and for the twelve months ended September 30, 2023, the issuers and the guarantors accounted for substantially all of our total revenues, total assets and total liabilities, after excluding intercompany transactions and balances.
Ranking	The notes will be the issuers' and the related guarantees will be the guarantors' senior secured obligations and will: • rank equally in right of payment with all of the issuers' and the guarantors' existing and future senior indebtedness, including the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes; • be senior in right of payment to any future subordinated indebtedness; • be effectively senior to any of the issuers' and the guarantors' existing and future unsecured indebtedness,

including the Existing Unsecured Notes and junior lien indebtedness to the extent of the value of the assets securing the notes on a senior priority basis;

- be effectively junior to any of the issuers' and the guarantors' existing and future obligations secured on a first lien basis on the Excluded Assets or ABL Collateral, including obligations under the ABL Credit Facility to the extent of the value of such assets; and

- be structurally subordinated to any existing and future indebtedness, claims of holders of preferred stock and other liabilities of any subsidiary of the issuers that is not the co-issuer or a guarantor.

Security .... The notes and the related guarantees will be secured on a first lien basis by substantially all assets of the issuers and the guarantors (subject to certain agreed security principles and other than any Excluded Assets or ABL Collateral), which assets also secure the issuers' and the guarantors' obligations under the Senior Secured Credit Facilities and Existing Secured Notes, ratably on a *pari passu* basis, subject to permitted liens. The notes and the related guarantees will also be secured on a second lien basis, ratably on a *pari passu* basis with the Senior Secured Credit Facilities and Existing Secured Notes, subject to permitted liens, by the ABL Collateral that secures obligations under the ABL Credit Facility on a first lien basis. See "Description of Notes—Security."

Intercreditor Agreements........................... The relative rights and priorities in the Notes Collateral as among (i) the notes, (ii) the Existing Secured Notes and (iii) the Senior Secured Credit Facilities, will be set forth in the Pari Passu Intercreditor Agreement, dated as of July 12, 2019 (as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed from time to time), among Credit Suisse AG, Cayman Islands Branch, as collateral agent under the Credit Agreements, Wilmington Trust, National Association, as the initial additional collateral agent, the initial additional authorized representative, and the other parties party thereto (the "Pari Passu Intercreditor Agreement"), to which the notes collateral agent will join as an additional collateral agent.

The relative rights and priorities in the ABL Collateral as among (i) the notes, (ii) the Existing Secured Notes, (iii) the ABL Credit Facility and (iv) the Senior Secured Credit Facilities will be set forth in the ABL Intercreditor Agreement, dated as of July 12, 2019 (as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed from time to time), among Citibank, N.A., as ABL representative, Credit Suisse AG, Cayman Islands Branch, as first lien notes collateral agent, Wilmington Trust, National Association, as first lien notes collateral agent, and the other parties party thereto (the "ABL Intercreditor Agreement" and, together with the Pari Passu Intercreditor Agreement, the "Intercreditor Agreements"), to

	which the notes collateral agent will join as an other first lien obligations agent. For a description of the Intercreditor Agreements, see "Description of Notes—ABL Intercreditor Agreement" and "Description of Notes—Pari Passu Intercreditor Arrangements."
Additional amounts; redemption for taxation reasons	If payments made by the issuer, the co-issuer or any guarantor on the notes are subject to any withholding or deduction of taxes by certain relevant tax jurisdictions (other than any U.S. federal, state or local taxes), subject to certain exceptions, the issuers and the guarantors will be required to pay the additional amounts necessary so that the net amount received by the holders of the notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See "Description of Notes—Withholding Taxes." In the event that certain changes in the tax law of any relevant jurisdiction would impose withholding taxes on payments on the notes and any additional amount is required as a result, the issuers may redeem the notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount of notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. See "Description of Notes—Redemption for Taxation Reasons."
Optional redemption..................................	At any time prior to , 2027, the issuers may redeem the notes, in whole or in part, at their option, at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium, together with accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. On or after , 2027, the issuers may redeem the notes, in whole or in part, at their option, at the redemption prices specified under "Description of Notes—Optional Redemption," together with accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. In addition, at any time prior to , 2027, the issuers may, at their option, redeem up to 40% of the aggregate principal amount of the notes with an amount not to exceed the net cash proceeds from certain equity offerings at a redemption price equal to % of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. In addition, on or before , 2027, the issuers may, at their option, redeem up to 10% of the then outstanding aggregate principal amount of notes during each of the twelve-month periods ending after the issue date, at a redemption price equal to 103% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the redemption date. See "Description of Notes—Optional Redemption."

Change of control offer	Upon the occurrence of specific kinds of changes of control, if we do not redeem the notes, the issuers will make an offer to purchase all of your notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date of purchase. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."
Certain covenants	The notes will be issued under an indenture that will contain covenants that, among other things, limit the issuers' ability and the ability of their restricted subsidiaries to: • incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock; • pay dividends and make other distributions on, or redeem or repurchase, capital stock; • make certain investments; • create or incur certain liens; • enter into transactions with affiliates; • merge, consolidate or transfer or sell all or substantially all of its assets or experience certain changes of control; • enter into restrictions affecting the ability of restricted subsidiaries that are non-guarantors to make distributions, loans or advances or transfer assets to the issuers or the guarantors; • designate restricted subsidiaries as unrestricted subsidiaries; and • transfer or sell assets. These covenants are subject to a number of important limitations and exceptions. Most of these covenants will not apply to the issuers and their restricted subsidiaries during any period in which the applicable notes are rated investment grade by two of Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P"). See "Description of Notes—Certain Covenants."
Transfer restrictions; no registration rights	The notes and the guarantees have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The notes are subject to restrictions on transfer and resale and may not be offered or sold except under an exemption from, or in a transaction not subject to, the Securities Act and applicable securities laws of any other jurisdiction. The notes and the guarantees will not be entitled to any registration rights, and we will not be required to complete a registered exchange offer or file a shelf registration statement

	for resale of the notes and the guarantees. For more details, see "Transfer Restrictions."
No prior market	The notes will be new securities for which there is currently no market. Although certain of the initial purchasers have advised us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities at any time without notice. Accordingly, there can be no assurance that an active trading market for the notes will develop or be maintained.
Book Entry Form	The notes will be issued in registered book-entry form represented by one or more global notes to be deposited with or on behalf of DTC or its nominee. Transfers of the notes will only be effected through facilities of DTC. Beneficial interests in the global notes may not be exchanged for certificated notes except in limited circumstances. See "Book Entry, Delivery and Form."
Trustee and Notes Collateral Agent	Wilmington Trust, National Association.
Use of proceeds	We intend to use the net proceeds from this offering, together with cash on hand, to repurchase a portion of our outstanding Secured Notes due 2026 and pay fees and expenses in connection with this offering, the Tender Offer and the Bank Amendments. See "Use of Proceeds."
Denominations	The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Governing law	The notes and the indenture under which they will be issued will be governed by the laws of the State of New York.
Risk factors	An investment in the notes involves a high degree of risk. You should carefully consider all of the information included in this offering memorandum before investing in the notes. In particular, you should evaluate the specific risks described in the section entitled "Risk Factors" in this offering memorandum for a discussion of certain risks relating to an investment in the notes.

SUMMARY HISTORICAL CONSOLIDATED AND OTHER FINANCIAL INFORMATION

The following tables set forth our summary historical consolidated and combined and other financial information for the periods and dates indicated. The summary historical consolidated and combined financial information for the years ended December 31, 2022, 2021 and 2020 and balance sheet data as of December 31, 2022 and 2021 have been derived from the audited consolidated and combined financial statements of Atlas Ontario LP included elsewhere in this offering memorandum. The summary historical consolidated financial information for the nine months ended September 30, 2023 and 2022 and balance sheet data as of September 30, 2023 have been derived from the unaudited condensed consolidated financial statements of Atlas Ontario LP included elsewhere in this offering memorandum. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated and combined financial statements and, in the opinion of management, include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the results for those periods. Results for the nine month period ended September 30, 2023 are not necessarily indicative of the results that may be expected for the full year or any future period and should not be used as the basis for, or prediction of, an annualized calculation.

The summary consolidated and combined financial information for the twelve months ended September 30, 2023 has been derived from the audited consolidated and combined financial information for the year ended December 31, 2022, adding the unaudited consolidated financial information for the nine months ended September 30, 2023, and subtracting the unaudited consolidated financial information for the nine months ended September 30, 2022. We present this data as we believe they are useful as supplemental measures for investors assessing the offering of the notes. Results for the twelve month period ended September 30, 2023 are not necessarily indicative of the results that may be expected for the year ended December 31, 2023 or any future period and should not be used as the basis for, or prediction of, an annualized calculation.

The following historical consolidated financial information is only a summary and should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our historical consolidated and combined financial statements and the notes thereto included elsewhere in this offering memorandum.

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2022	2021	2020	2023	2022	2023
				(unaudited)	(unaudited)	(unaudited)
Statements of Operations Data (in millions)						
Revenues	$ 19,418	$ 16,449	$ 8,501	$ 15,305	$ 14,447	$ 20,276
Costs and Expenses						
Cost of revenues (exclusive of depreciation and amortization)	16,128	13,612	6,913	12,678	12,011	16,795
Selling, general and administrative	2,000	1,850	936	1,557	1,474	2,083
Depreciation and amortization	767	664	356	548	582	733
Acquisition and related costs	23	152	26	7	21	9
Total costs and expenses	18,918	16,278	8,231	14,790	14,088	19,620
Income From Operations	500	171	270	515	359	656
Other Expense, Net						
Interest expense, net	780	597	346	749	558	971
Loss on extinguishment of debt	—	277	—	—	—	—
Other (income) expense, net	(7)	(100)	(15)	(26)	(7)	(26)
Total other expense, net	773	774	331	723	551	945
Loss Before Income Taxes	(273)	(603)	(61)	(208)	(192)	(289)
Income Tax Provision (Benefit)	81	66	20	(6)	37	38
Net Loss	(354)	(669)	(81)	(202)	(229)	(327)

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2022	2021	2020	2023	2022	2023
Net Income (Loss) Attributable to Noncontrolling Interests	7	(4)	1	(7)	6	(6)
Net Loss Attributable to Atlas Ontario LP	$ (361)	$ (665)	$ (82)	$ (195)	$ (235)	$ (321)
Statements of Cash Flows Data (in millions)						
Net cash provided by (used in)						
Operating activities	$ (215)	$ (229)	$ 589	$ 69	$ (335)	$ 189
Investing activities	$ (573)	$ (4,636)	$ (148)	$ (240)	$ (484)	$ (329)
Financing activities	$ 499	$ 5,145	$ 457	$ 233	$ 517	$ 215
Financial and Other Data (in millions, except ratios)						
Pro Forma Revenue [(1)]	$ 19,579	$ 19,356	$ 17,744	$ 15,373	$ 14,607	$ 20,344
Capital Expenditures[(2)]	$ 328	$ 263	$ 257	$ 276	$ 223	$ 381
Adjusted EBITDA[(3)]	$ 1,463	$ 1,236	$ 759	$ 1,167	$ 1,070	$ 1,559
Pro Forma Adjusted EBITDA[(3)]	$ 1,784	$ 1,874	$ 1,906	$ 1,389	$ 1,326	$ 1,848
Pro Forma Net Secured Debt[(4)]	—	—	—	—	—	$ 10,753
Pro Forma Net Total Debt[(5)]	—	—	—	—	—	$ 12,944
Ratio of Pro Forma Net Secured Debt to Pro Forma Adjusted EBITDA[(3)(4)]	—	—	—	—	—	5.8
Ratio of Pro Forma Net Total Debt to Pro Forma Adjusted EBITDA[(3)(5)]	—	—	—	—	—	7.0

	As of December 31,		As of September 30,
	2022	2021	2023
Balance Sheet Data (in millions)			
Cash and cash equivalents	$ 812	$ 1,149	$ 832
Total assets	$ 18,370	$ 18,860	$ 18,450
Total liabilities	$ 17,707	$ 17,653	$ 17,978
Total members' capital	$ 663	$ 1,207	$ 472
Working capital[(5)]	$ 1,240	$ 1,526	$ 1,751

(1) We present Pro Forma Revenue as a supplemental measure of our performance that is not required by or presented in accordance with GAAP. Pro Forma Revenue gives effect to the G4S acquisition as if it occurred on January 1, 2020, and gives effect to our other acquisitions completed during a period as if such acquisition occurred on January 1 of such period. For the years ended December 31, 2022, 2021 and 2020, this number includes $161 million, $2,907 million (of which $2,425 million was related to the G4S acquisition) and $9,243 million (of which $9,049 million was related to the G4S acquisition) and for the nine months ended September 30, 2023 and 2022, this number includes $67 million and $160 million of revenue generated by such acquired businesses prior their acquisition, respectively. We present Pro Forma Revenue because we believe it assists management and investors when analyzing our performance by providing information that facilitates the comparability of underlying business results from period to period. We recognize Pro Forma Revenue is not a measurement of financial performance under GAAP and there are limitations associated with the use of non-GAAP financial measures. Because of these limitations, Pro Forma Revenue should not be considered in isolation or as substitutes for, or as superior to, the presentation of results determined in accordance with GAAP.

(2) Capital Expenditures is comprised of maintenance capital expenditure and capital expenditure for growth and is

inclusive of financial leases.

(3) We present Adjusted EBITDA and Pro Forma Adjusted EBITDA as supplemental measures of our performance that are not required by or presented in accordance with GAAP. We define Adjusted EBITDA as net income (loss) before interest expense, net, income tax provision (benefit) and depreciation and amortization, as further adjusted to reflect transaction, integration and restructuring costs, sponsor and director fees, non-cash equity-based compensation, legal settlements and related fees, loss (gain) on disposal of property and equipment, foreign exchange loss (gain), hedging losses (gains), loss on early extinguishment of debt and miscellaneous non-recurring costs, which are described below under the section entitled "—Non-GAAP Financial Measures." We define Pro Forma Adjusted EBITDA as Adjusted EBITDA which has been further adjusted to give effect to start up costs, lease costs, profit improvement initiatives, unrealized acquisition synergies, pre-acquisition acquired EBITDA and other non-recurring adjustments, which are described below under the section entitled "—Non-GAAP Financial Measures." You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating these non-GAAP financial measures, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present these non-GAAP financial measures because we believe they assist management and investors when analyzing our performance by providing information that facilitates the comparability of underlying business results from period to period. We recognize these measures are not measurements of financial performance under GAAP and there are limitations associated with the use of non-GAAP financial measures. Some of these limitations are:

- other companies, including companies in our industry, may use different methods to calculate similar non-GAAP financial measures, and the measures we present may not be directly comparable with the measures presented by these other companies as a result, limiting their usefulness as comparative measures;

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

- such measures do not reflect changes in, or cash requirements for, our working capital needs;

- such measures do not reflect the significant interest expense, or the cash requirements necessary to service interest payments, on our debts;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements;

- non-cash equity-based compensation is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period; and

- such measures do not reflect the impact of certain cash charges resulting from matters we consider as not being indicative of our ongoing operations.

Pro Forma Adjusted EBITDA is adjusted to reflect certain acquisitions and certain unrealized acquisition synergies anticipated to be achieved in connection therewith. We present these adjustments as they will be permitted as adjustments to "EBITDA" under the indenture that will govern the notes, and to enable investors to understand the covenants that will apply to us, and not as a projection of future results. We will be required to make cash expenditures to achieve such cost savings, and these cash costs are not reflected in Pro Forma Adjusted EBITDA. In addition, we will not fully realize such cost savings within 12 months of the completion of such transactions, and may not do so at all. Accordingly, you should not view our presentation of this adjustment as a projection that we will achieve these acquisition synergies. Our ability to realize these acquisition synergies is subject to significant uncertainties and you should not place undue reliance on the adjustments in evaluating our anticipated results. See "Risk Factors—Risks Related to Our Business and Industries—We may not realize the expected benefits, revenue or cost synergies related to recently completed or future acquisitions."

Because of these limitations, non-GAAP financial measures should not be considered in isolation or as substitutes for, or as superior to, the presentation of results determined in accordance with GAAP. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, see "—Non-GAAP Financial Measures."

(4) We define Pro Forma Net Secured Debt as secured debt outstanding less cash and cash equivalents after giving effect to $75 million in bank overdrafts (as of September 30, 2023) and on an as adjusted basis after giving effect to this offering and the use of proceeds therefrom. We define Pro Forma Net Total Debt as total debt outstanding less cash and cash equivalents after giving effect to $75 million in bank overdrafts (as of September 30, 2023) and on an as adjusted basis after giving effect to this offering and the use of proceeds therefrom.

(5) Working capital is defined as total current assets minus total current liabilities.

Non-GAAP Financial Measures

The following table sets forth a reconciliation of Net Loss to Adjusted EBITDA and Pro Forma Adjusted EBITDA:

	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30, 2023
(in millions)	**2022**	**2021**	**2020**	**2023**	**2022**	
Net Loss	$ (354)	$ (669)	$ (81)	$ (202)	$ (229)	$ (327)
Interest expense, net	780	597	346	749	558	971
Income tax provision (benefit)	81	66	20	(6)	37	38
Depreciation and amortization	767	664	356	548	582	733
Transaction, integration and restructuring costs[(a)]	128	319	57	29	95	62
Sponsor and director fees[(b)]	1	1	8	1	1	1
Non-cash equity-based compensation[(c)]	58	50	28	43	44	57
Legal settlements and related fees[(d)]	13	6	14	1	9	4
Loss (gain) on disposal of property and equipment[(e)]	(2)	(1)	1	(8)	(3)	(7)
Foreign exchange loss (gain)[(f)]	9	(7)	0	14	(9)	32
Hedging losses (gains)[(g)]	(0)	(46)	(8)	0	0	(0)
Loss on early extinguishment of debt[(h)]	—	277	—	—	—	—
Miscellaneous non-recurring costs[(i)]	(18)	(24)	16	(2)	(15)	(5)
Adjusted EBITDA	1,463	1,236	759	1,167	1,070	1,559
Start-up costs[(j)]	10	21	9	8	8	11
Lease costs[(k)]	102	121	147	73	76	100
Profit improvement initiatives[(l)]	146	100	51	124	115	155
Unrealized acquisition synergies[(m)]	31	139	191	10	27	13
Pre-acquisition acquired EBITDA[(n)]	25	249	751	1	25	2
Other[(o)]	7	9	(1)	6	5	8
Pro Forma Adjusted EBITDA	$ 1,784	$ 1,874	$ 1,906	$ 1,389	$ 1,326	$ 1,848

(a) Represents transaction, integration and restructuring related costs primarily associated with professional service fees paid to third parties for pre-acquisition due diligence and post-acquisition integration services, including operational, information technology, financial and other support services, as well as costs from re-branding of uniforms, vehicles, facilities and other materials, employee retention and discretionary bonuses as well as severance payments, costs incurred to consolidate facilities, employee travel costs and other items attributable to the acquisitions. For the year ended December 31, 2022, this adjustment includes approximately $23.4 million in transaction costs associated with tuck-in acquisitions. For the year ended December 31, 2021, this adjustment includes approximately $152.2 million in transaction costs related to the G4S acquisition, as well as approximately $166.8 million in other costs associated with tuck-in acquisitions. For the year ended December 31, 2020, this adjustment includes approximately $26.0 million in transaction costs related to tuck-in acquisitions. For the nine months ended September 30, 2023 and 2022, this adjustment includes approximately $7.3 million and $21.2 million, respectively, in transaction costs associated with tuck-in acquisitions.

(b) Represents approximately $6.8 million in fees incurred from our sponsors (namely affiliates of our Investor Group) for services rendered for strategic planning, management control matters, external financing and other services in the year ended December 31, 2020. Additionally, approximately $1.4 million, $1.3 million, $1.7 million, $0.9 million and $0.9 million in director fees were paid in the years ended December 31, 2022, 2021 and 2020 and in the nine months ended September 30, 2023 and 2022, respectively.

(c) Represents non-cash equity-based compensation expense.

(d) Represents non-recurring charges related to legal settlements (including the settlement of class action lawsuits in excess of our insurance coverage and a Deferred Prosecution Agreement announced on July 10, 2020 that was entered into with the United Kingdom's Serious Fraud Office) and related fees of approximately $12.6 million, $5.6 million, $14.2 million, $0.7 million and $9.2 million in the years ended December 31, 2022, 2021 and 2020 and in the nine months ended September 30, 2023 and 2022, respectively.

(e) Represents non-recurring losses (gains) on disposal of property and equipment in the amounts of approximately $(2.1) million, $(0.7) million, $1.2 million, $(8.1) million and $(3.1) million for the years ended December 31, 2022, 2021 and 2020 and in the nine months ended September 30, 2023 and 2022, respectively.

(f) Represents foreign currency impact on transactions, translation of financial balances and hyperinflationary countries.

(g) Represents losses (gains) in connection with the cross currency derivative hedge entered into to mitigate the effects of exchange rates relating to the financing for the G4S acquisition.

(h) Represents charges related to the refinancing of certain of the Company's debt facilities in May 2021. In connection with the refinancing, the Company recognized a loss on early extinguishment of debt of $277 million, which included: (i) the write-off of $126 million of deferred financing fees, issue discounts, and third-party costs incurred associated with the extinguishment of the bridge credit facilities and the Amended First Lien USD Term Loan Facility (as defined herein); (ii) $60 million of market premiums paid and $11 million in other charges related to the redemption of G4S's Euro market term loans; and (iii) $80 million incurred for the prepayment of G4S's USD private placement notes.

(i) Represents other miscellaneous non-recurring costs. In the year ended December 31, 2022, other miscellaneous costs include severance and deferred compensation costs of approximately $21.8 million, and gains from pension plans of approximately $35.6 million. In the year ended December 31, 2021, other miscellaneous costs include severance and deferred compensation costs of approximately $15.1 million, and gains from pension plans of approximately $25.8 million. In the year ended December 31, 2020, other miscellaneous costs include severance and deferred compensation costs of approximately $3.0 million and COVID-related costs of approximately $6.2 million. In the nine months ended September 30, 2023, other miscellaneous costs include severance and deferred compensation costs of approximately $19.8 million, and gains from pension plans of approximately $16.9 million, and other costs. In the nine months ended September 30, 2022, other miscellaneous costs include severance and deferred compensation costs of approximately $14.7 million, and gains from pension plans of approximately $27.1 million, and other costs.

(j) Represents management's estimate of start-up costs incurred to onboard and train security professionals at the commencement of a new job. Start-up costs include an estimate for employees' time, recruitment, travel and other related costs. Start-up costs fluctuate based on win rates and new job characteristics (e.g., location, type of customer, service provider requirements, etc.).

(k) Represents adjustments for the estimated amortization of assets leased under operating leases based on the new lease standard adopted by the Company during the year ended December 31, 2021. For the year ended December 31, 2022, this adjustment includes approximately $65 million and $37 million in costs in connection with international leases and North American leases, respectively. For the year ended December 31, 2021, this adjustment includes approximately $70 million and $50 million in costs in connection with international leases and North American leases, respectively. For the nine months ended September 30, 2023, this adjustment includes approximately $44 million and $29 million in costs in connection with international leases and North American leases, respectively. For the nine months ended September 30, 2022, this adjustment includes approximately $51 million and $25 million in costs in connection with international leases and North American leases, respectively.

(l) Represents the unrealized portion of cost savings from profit improvement initiatives related to turnover and margin improvement, non-billable overtime, vehicle safety, North America technology initiatives relating to digitizing and automating certain core operations at the branch level, international deployment of our shared services offices platform expected to streamline the management of transactional activities that are currently handled at the individual country level and international deployment of the cloud-based business intelligence and analytics tool, Domo. See "—Competitive Strengths—Sophisticated and Technology-Driven Operations Enable Operational Optimization" for additional information about the North America technology initiatives. See also "Risk Factors—Risks Related to Our Business and Industries—We may not realize any or all of our estimated cost savings, which would have a negative effect on our results of operations" for additional information.

(m) Represents adjustments to reflect the estimated impact of unrealized cost saving synergies related to acquired businesses. Leveraging our existing infrastructure, we expect to realize cost savings primarily related to the elimination of redundant overhead personnel, consolidation of facilities, and other synergies from leveraging our scale, including lower insurance premiums and per employee benefit costs.

(n) Represents adjustments to include the impact of EBITDA, adjusted for unusual, out-of-period and certain other items, from acquired businesses generated prior to their acquisition date. Acquired businesses, and the related pre-acquisition adjustment period and amount, for the year ended December 31, 2020 was, in aggregate, $751 million (including $743 million related to G4S from January 1, 2020 to December 31, 2020). Acquired businesses, and the related pre-acquisition adjustment period and amount, for the year ended December 31, 2021 was, in aggregate, $249 million (including $186 million related to G4S from January 1, 2021 to April 6, 2021). Acquired businesses, and the related pre-acquisition adjustment period and amount, for the year ended December 31, 2022 was, in aggregate, $25 million. Acquired businesses, and the related pre-acquisition adjustment period and amount, for the nine months ended September 30, 2022 was, in aggregate, $25 million. Acquired businesses, and the related pre-acquisition adjustment period and amount, for the nine months ended September 30, 2023 was, in aggregate, $1 million.

(o) Reflects other non-recurring adjustments allowed by the Company's debt covenants for integration costs incurred by administrative and shared service personnel and other miscellaneous non-recurring items, offset by EBITDA for the non-controlling interests in our janitorial business.

RISK FACTORS

An investment in the notes involves a high degree of risk. You should carefully consider the risks described below and all of the information included in this offering memorandum before deciding whether to purchase the notes. Any of the following risks may materially and adversely affect our business, results of operations and financial condition. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially and adversely affect our business, results of operations and financial condition. In such a case, you may lose all or part of your original investment. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See "Special Note Regarding Forward-Looking Statements" in this offering memorandum.

Risks Related to Our Business and Industries

The industries in which we operate are intensely competitive and price-sensitive. If we cannot successfully compete with new or existing providers of products and services similar to ours or enhance our existing products and services, our results of operations and financial condition will be adversely affected.

The industries in which we operate are intensely competitive. We directly compete with companies that are national and international in scope. Our competitors may expand their current product and service offerings more rapidly, including by bundling the products and services they offer, adapting to new or emerging technologies more quickly, taking advantage of acquisitions or devoting greater resources to the marketing and sale of their products and services than we do. We also compete with smaller local and regional companies that may have better knowledge of the local conditions in their regions, are better known locally and are better able to gain customers in their regions. There are relatively low barriers to entry in the industries in which we operate, and we have faced and expect to continue to face additional competition from new entrants. In addition, our customers frequently select service providers through competitive bid processes intended to procure quality services at lower prices. Some of our competitors may be willing to provide services at lower prices, accept a lower profit margin or expend more capital than us in order to obtain or retain business. We may not be able to acquire or retain new customer accounts or retain existing customer accounts at historic levels in an increasingly competitive market or on terms as favorable as those previously available, and if we are unable to do so, our business, results of operations and financial condition will be adversely affected.

Rapid technological advances, changing delivery models and evolving standards in computer hardware and software development and communications infrastructure, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterize the industries in which we compete. As digital advancement develops, we may also face increased competition from technology companies. We cannot be sure that emerging alternative technologies or improvements to AI will not match or exceed the benefits of our security services and products or be more cost effective. The development of any alternative technology that can compete with or supplant our security services may materially and adversely affect our business, prospects, financial condition and operating results, including in ways we do not currently anticipate. If we are unable to develop new or sufficiently differentiated, high-quality products and services, respond to trends in the market, enhance and improve our product and service offerings in a timely manner, or at all, or position and price our products and services to meet demand, we may have difficulty retaining existing customers or growing our customer base.

As a contractor with national and local governments, public sector agencies and government regulated customers, we are subject to procurement rules and regulations, procurement delays and service criteria.

As a contractor with governments, public sector agencies and government-regulated customers, we must comply with specific procurement regulations and related requirements, which can change from time to time. We may also be subject to additional data protection and confidentiality requirements in relation to government contracts.

These requirements increase our bidding, performance and compliance costs. There is also a risk that procurement requirements or "eligibility to bid" criteria may change, which could affect our eligibility to bid for such contracts and increase the costs of bidding for, or complying with, such contracts. Failure to comply with or satisfy bid criteria, procurement rules and regulations, to meet service levels and performance obligations, or to meet data protection and confidentiality requirements, could result in debarment or reductions in the number or value of contracts to be awarded to us and in not being allowed to participate in future tenders with government, public sector and government regulated customers, or contract modifications or terminations. In addition, inaccurate billing or pricing may lead to fraud claims or contractual claims from governments.

Our inability to contract with public sector agencies at all or for a period of time could negatively impact our reputation and ability to procure public sector work in the future.

Public sector projects may also require relevant governmental or other approvals. Difficulties in obtaining such approvals may lead to projects being delayed before procurement has started, during the bid stage or during the period between being appointed as the preferred bidder and execution of final contracts. Delays in awarding public contracts may also arise from challenges to the award of the contracts by competitors. These matters are beyond our control and any resulting delays could have a material adverse effect on our business, results of operations and financial condition.

Our business is susceptible to economic downturns.

While we have a diversified customer base across multiple geographies, as well as a portfolio of blue-chip accounts, many customers are located in urban centers and major metropolitan areas. As a result, periods of economic downturn can increase our attrition rate among existing customers. In the past, our smaller customers have been particularly impacted by economic downturns and, at times, have sought to reduce their costs or become forced to close their businesses, which may continue in the future. Small businesses are more directly correlated to economic conditions. A recession or period of economic uncertainty could lead to increases in our attrition rate and could reduce the inflow of new customers purchasing our services and products. In addition, a recession or economic downturn could result in increased defaults or bankruptcies by our customers, reducing the likelihood of collecting accounts receivable from such customers. Periods of economic downturn can also negatively impact our ability to sell new products and services.

A decline in outsourcing by clients, a reversal of the trend towards globalization by large corporations, any deterioration of the current economic situation in the market segments in which we operate, or in the global economy as a whole, and major changes in market dynamics, including new technologies, government legislation, customer consolidation or changing labor market conditions as a result of the past or future pandemics could have a negative impact on our revenues and increase our financing costs, circumstances that could have a material adverse effect on our business, results of operations and financial condition.

Our standard customer contracts for security officer services are short-term, and if we are unable to retain our existing security officer service contracts or obtain new security service contracts, our business, results of operations and financial condition will be adversely affected.

Our standard customer contracts for security officer services are short-term, and if we are unable to retain our existing security officer service contracts or obtain new security service contracts, our business, results of operations and financial condition will be adversely affected. A typical customer contract has a one-year term but may be terminated by either our customer or us with 30 days' advance notice. Many of our larger contracts are multi-year but also allow for cancellation by either party with 30 to 90 days' advance notice. We serve certain of our customers under month-to-month contract extensions. If we are not able to maintain our existing security service contracts or obtain additional security service contracts, our business, results of operations and financial condition will be adversely affected.

The nature of our business exposes us to significant risks related to legal proceedings, claims, governmental inquiries and investigations, and negative press and media coverage that could have a material adverse effect on our reputation, business, results of operations and financial condition.

The nature of our business exposes us to significant risks related to legal proceedings, claims, governmental inquiries and investigations, and negative press and media coverage. In particular, the nature of the services we provide, the customers and facilities we serve and our employees' interactions with members of the public, subject us to significant inherent business, economic and reputational risks. The success of our business depends, to a large extent, on our reputation and our ability to maintain good relationships with our customers.

We have been involved in numerous incidents—including some of a sensational nature—that have resulted in lost business, reductions in revenue, legal and regulatory proceedings, governmental inquiries and investigations, fines and penalties and negative publicity. Given the nature of our ongoing business, there can be no assurances that similar or more significant events will not happen in the future, which could constrain our ability to raise capital or acquire and retain customers.

For a description of certain ongoing and past litigations, see "Business—Legal Proceedings" and "Note 7. Commitments and Contingencies—Other Claims and Contingencies" in our unaudited financial statements included in this offering memorandum.

Under the laws of many of the jurisdictions in which we operate, we may be held liable for the negligent acts or misconduct of our agents or employees performed while on duty and in the course and scope of their employment. We experience a significant volume of claims and litigation in the ordinary course of business asserting that we are liable for damages as a result of the conduct of our employees or others. From time to time, individuals bring personal injury lawsuits against us seeking substantial damages based on alleged negligence or other theories of liability in our provision of security services, including with respect to injuries not directly caused by, or within the control of, our security officers. Under principles of common law, we generally can be held liable for wrongful acts or omissions to act of our agents or employees during the course, and within the scope, of their agency or employment with us.

In addition, many of our customer contracts contain provisions whereby we are contractually obligated to defend, indemnify and hold harmless our clients. These provisions vary from indemnification for our own negligence and misconduct to providing indemnification for any claims related to our services regardless of our fault. In a limited number of situations, we may also be contractually required to indemnify our customers in cases of their own contributory negligence.

We are also subject to a significant number of wage and hour class actions and multi-plaintiff lawsuits, single-employee lawsuits, the California Private Attorneys General Act of 1940 ("Private Attorneys General Act") claims and attorney demands, in addition to wage and hour governmental audits.

We maintain insurance coverage, subject to certain self-insured retention limits, for workers' compensation, general liability, employment practices liability and healthcare claims (under employee medical benefit plans), which we believe adequately insure us. We also seek to mitigate this risk exposure through indemnification or liability limitations in our contracts, analysis of customer facilities and implementation of programs for employee screening, training, supervision and safety and anonymous reporting by our employees. We believe that we have established adequate reserves for litigation liabilities in our condensed consolidated financial statements.

Such incidents can accordingly have a negative effect on our revenues, expose us to significant litigation and regulatory risk and result in overall reputational harm, all of which individually or in the aggregate can have, and in the past have had, significant consequences for our business that could result in a material adverse effect on our business, results of operations and financial condition.

We are subject to increasing operating costs, including labor costs and inflation risk which may adversely affect our earnings.

We are subject to increasing operating costs. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs. Price increases are also associated with expenses, in particular, for labor costs and for other expenses, such as fuel costs associated with vehicle use for patrols and transporting cash. As a result, our operating costs may increase faster than our associated revenues, resulting in a material adverse effect on our business, results of operations and financial condition.

Minimum wage legislation, complex labor legislation, shortages of qualified workers, termination benefits, payroll, payroll taxes and employee related benefits may also affect our ability to control labor costs. Specifically, we believe that we have higher wages and related payroll taxes and benefits costs than many other participants in our industry due to our focus on attracting and retaining a highly qualified workforce. Furthermore, our payroll tax expenses historically are higher in the first half of the year because a significant number of employees do not reach their taxable wage limits for employer related federal and state unemployment taxes until the second half of the year. In the event that we experience a significant or material increase in labor costs and are not able to pass some or all of those costs on to our customers due to fixed hourly bill rates or fixed fee contracts, such as is the case for some of our government contracts, it could have a material adverse effect on our business, results of operations and financial condition.

Because our business is labor intensive, we rely on being able to attract and retain high-quality employees within all of the geographic regions and service areas in which we operate. As of September 30, 2023, we employed approximately 750,000 security professionals. Labor is a key component of the daily operation and continued growth of our business. While we believe that we have lower employee turnover than many of our competitors, turnover of contract security officers and administrative staff is significant in our industry, including in our Company. Any difficulties in attracting, training and retaining qualified personnel, including replacements for departing personnel, could have a material adverse effect on our business, results of operations and financial condition.

A significant portion of our employees work under collective bargaining agreements. These collective bargaining agreements may not be able to be extended or renewed on their current terms, and we may be unable to negotiate collective bargaining agreements in a favorable and timely manner. We may also become subject to additional collective bargaining agreements in the future or our non-unionized workers may unionize, any of which could have a material adverse effect on our business, results of operations and financial condition.

Our success depends on our ability to attract and retain the members of our management team, key employees and other qualified personnel.

Our success is dependent upon the continuing efforts, abilities and business generation capabilities of our management team and other key employees. We have programs in place to motivate, reward and retain our management teams and such key employees, including cash bonus and equity incentive plans. However, the loss or departure of members of our management team or other key employee could have a material adverse effect on our business, results of operations and financial condition, and we may not be able to attract and retain individuals with the same or similar levels of experience or expertise. Additionally, screening and vetting of qualified personnel is a challenge in some territories that lack supporting infrastructure from the relevant authorities. Factors, such as minimum training requirements and/or licenses for employees in certain positions in various countries and increasing levels of regulation, may limit our ability to recruit new employees and replace leaving employees effectively, thereby limiting our ability to expand our business. Any incident involving our failure to meet the expectations of our customers and other stakeholders, including the effective sourcing, supervising, training and screening of staff, or non-adherence by employees and contractors to our culture and values as designed and expected, could lead to significant reputational harm and could have a material adverse effect on our business, results of operations and financial condition. Competition for qualified senior managers and other key employees in our industry is intense, and there is limited availability of persons with the relevant experience. We could experience a delay or higher costs in order to attract, train and retain qualified senior managers and such key employees from time to time.

Our business operates in a regulated industry, and noncompliance with regulations could materially restrict our operations and expose us to fines, penalties and other liabilities and negative consequences.

Our operations and employees are subject to various laws and regulations, including a large number of city, county, state and federal or national occupational licensing laws and regulations that apply to security officers. Relevant regulation for our operations and employees includes such matters as consumer protection, wage and hour rules (or “labor laws”), fair trade, jurisdiction-specific security industry regulation (including with respect to hardware requirements, operational requirements or foreign ownership restrictions in certain jurisdictions), data privacy, occupational health and safety, marketing and competition law. Additionally, most states in the United States have laws, or legislation pending, requiring qualification, training and registration of security officers, regulating the use of identification cards, badges and uniforms, and imposing minimum bond surety or insurance standards. In order to install a security system, we generally must be licensed in the jurisdiction where we are installing the system. Additionally, we generally must obtain operating certificates or permits for our security systems and provide specified levels of training to our employees. We are also governed by regulations relating to when we can forward alarms to emergency providers and are subject to certain consequences if we forward false alarms to such emergency providers.

Any failure to comply with the laws, rules or regulations (local or otherwise) in which we operate may result in fines, penalties or a suspension or termination of our right to provide our security services in the relevant jurisdiction. Additionally, changes in laws or regulations in the jurisdictions in which we operate could cause us to incur significant costs and expenses to comply with such laws or regulations, or become unable to operate in the security market segment within the localities in which such laws or regulations are implemented, or could impact our sales channels. Such changes may also result in delays in commencement or completion of services for our customers or the need to modify completed installations. Any limitation on our ability to operate our business due to legal or regulatory reasons could have a material adverse effect on our business, results of operations and financial condition.

In addition, we are subject to applicable laws and regulations relating to economic and trade sanctions and bribery and corruption, the violation of which could have a material adverse effect on us. Our failure to comply with applicable economic and trade sanctions laws and regulations may expose us to reputational harm as well as significant penalties, including criminal fines, imprisonment, civil fines, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. We have adopted anti-corruption policies, and we train selected employees on anti-bribery compliance. However, our current policies and procedures may not address the full scope of all possible corruption-related risks, or employees or other persons acting on our behalf might act in a manner contrary to our anti-corruption policies and procedures, potentially creating liability for us under one or more anti-bribery laws, including the FCPA and the U.K. Bribery Act of 2010 (the “Bribery Act”). Any such violation, even if prohibited by our policies and procedures, could have material adverse effects on our business, results of operations and financial condition.

We could be adversely affected by violations of the FCPA and other applicable anti-bribery laws of various jurisdictions, export controls and economic and trade sanctions, and any investigation, and the outcome of any investigation, by government agencies of possible violations by us, our employees, and our business partners of these laws and regulations could have a material adverse effect on our business, results of operations and financial condition.

We operate a global business in a highly regulated industry, including in parts of the world that have experienced elevated rates of governmental corruption and have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, including state-owned entity customers and government contractors. The FCPA and other applicable anti-bribery laws prohibit companies and their intermediaries from corruptly providing, offering, promising, or authorizing, directly or indirectly, anything of value to government officials, political parties, or political candidates for the purposes of obtaining or retaining business or securing any improper business advantage. Our business must be conducted in compliance with applicable export controls and economic and trade sanctions laws and regulations, such as those administered and enforced by the U.S. Department of Treasury’s Office of Foreign Assets Control (“OFAC”), the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant governmental authorities.

The U.S. Departments of Justice, Commerce, State and Treasury, the SEC and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the FCPA and other federal statutes and regulations, including those established by the OFAC. In addition, the Bribery Act prohibits both domestic and international bribery, as well as bribery across both private and public sectors. An organization that fails to prevent bribery by anyone associated with the organization can be charged under the Bribery Act unless the organization can establish the defense of having implemented adequate procedures to prevent bribery. Under these laws and regulations, as well as other applicable anti-corruption laws, anti-money laundering laws, export control laws, customs laws, sanctions laws and other laws governing our operations, various government agencies may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities and modifications to compliance programs, which may increase compliance costs, and may subject us to substantial civil and/or criminal fines and penalties and other sanctions which could have a material adverse effect on our business, reputation, results of operations and financial condition.

We have implemented internal controls, policies, procedures, and training designed to ensure compliance by us and our directors, managers, officers, employees, representatives, consultants and agents with the FCPA, applicable economic and trade sanctions, the Bribery Act and other applicable export control, anti-corruption, anti-money-laundering and anti-terrorism laws and regulations. We cannot assure you that our internal controls, policies, and procedures will protect us from improper conduct committed by our employees or agents, nor can we assure you that our business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to us or even result in our being held liable for such conduct. Violations of these laws, or allegations of such violations, could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracts, any of which could have a materially adverse effect on our business, results of operations and financial condition. In addition, responding to any enforcement action or internal investigation related to alleged misconduct may result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

Changes in available security technology may have an adverse effect on our business, results of operations and financial condition.

Changes in technologies that provide alternatives to security officer services or that decrease the number of security officers required to effectively perform their services may decrease our customers' demand for our security officer services. In addition, if such technologies become available for use in the industry, these technologies may be proprietary in nature and not be available for use by us in servicing our customers. Even if these technologies are available for our use, we may not be able to successfully integrate such technologies into our business model or may be less successful in doing so than our competitors or new entrants in the industry. A decrease in demand for our security officer services or our inability to effectively utilize such technologies may adversely affect our business, results of operations and financial condition.

The security services we provide may subject us to liability for substantial damages not covered by insurance.

We provide security services at various customer locations both in the United States and internationally. Under the laws of many of the jurisdictions in which we operate, we may be held liable for the negligent acts or misconduct of our agents or employees performed while on duty and in the course and scope of their employment. In many cases, our security service contracts also require us to indemnify our clients or may otherwise subject us to additional liability for events occurring on client premises. We carry insurance of various types, including for claims of general liability, personal injury, death and property damage, and professional liability insurance, in amounts management considers adequate. The majority of companies in which we have management control are covered by our general liability insurance program, which provides coverage in respect of legal liability for personal injury and loss or damage to third-party property, and our "Cash-in-Transit" insurance program, which provides coverage in respect of cash, securities, bullion and precious stones or jewelry. We also maintain substantial self-insured retentions, including through captive insurance subsidiaries, in order to take advantage of the pooling of risk to obtain optimum coverage and terms as a group, while ensuring that each individual company's potential liability is proportionate to the reward afforded by its contracts. Some of our insurance policies, and the laws of some of the jurisdictions in which we operate, may limit or prohibit insurance coverage for punitive or certain other types of damages or liability arising from willful or grossly negligent conduct.

In the United States, we have certain coverages under the SAFETY Act (The Support Anti-terrorism by Fostering Effective Technologies Act of 2002) that are periodically subject to renewal or re-application. Where applicable, we and our customers are protected against certain claims for damages being awarded as a result of declared acts of terrorism. No assurance can be given in relation to the scope and extent of such protection.

We also hold claims reserves with wholly-owned captive insurance subsidiaries in Guernsey and the United States, which underwrite part of our cash solutions, general liability, workers' compensation and auto liability policies. The exposure of each captive insurance subsidiary is capped on an annual aggregate basis per risk and reinsured back to insurers.

As such, our insurance policies may be inadequate to protect us against liability from the hazards and risks, including potential claims or damages, related to our business. Additionally, we may not be able to obtain adequate insurance coverage in the future at rates we consider reasonable. The occurrence of an event not fully covered by insurance, or an event that we did not carry adequate insurance for, could result in substantial losses and could have a material adverse effect on our business, results of operations and financial condition.

In the ordinary course of business, we experience a significant volume of claims and litigation asserting that we are liable for damages as a result of the conduct of our employees or others. We may from time to time be subject to claims that our officers have harmed individuals in the course of providing these services, or members of the public may be otherwise injured by events occurring on client premises, including events that are not under the immediate control of our security officers, such as terrorist attacks. Many of our employees carry weapons, which involves risk of damage to people and property. Even though we train our employees to use weapons safely, there is a risk that they will not follow proper procedures (either negligently or intentionally), or that safety procedures turn out to be inadequate in particular instances. If so, we may face civil and potentially criminal liability. Liabilities as a result of such claims or events, including terrorist attacks, may not be covered by insurance.

Furthermore, individuals frequently bring personal injury lawsuits against us, in some cases seeking substantial damages based on alleged negligence or other theories of liability relating to our provision of security services, including with respect to injuries not directly caused by, or within the control of, our security officers or our response centers. Under principles of common law, we generally can be held liable for wrongful acts or omissions to act of our agents or employees during the course, and within the scope, of their agency or employment with us or for a duty of care imposed upon security providers. We are also subject to a significant number of wage and hour class actions and multi-plaintiff lawsuits, single-employee lawsuits, the Private Attorneys General Act claims and attorney demands, in addition to wage and hour governmental audits, and our liabilities as a result of such actions may be substantial.

Our growth strategy includes the evaluation of selective acquisition opportunities, which may place significant demands on our resources. We may not be successful in identifying suitable acquisition opportunities, obtaining acceptable financing for such acquisition opportunities, reaching agreeable terms with acquisition candidates or successfully integrating acquired businesses.

An element of our growth strategy is the acquisition and integration of businesses that are complementary in order to increase our density within certain geographic areas, capture market share in the markets in which we operate and improve profitability or expand our service offerings. Accordingly, we are presently engaged in, and at any time in the future we may be engaged in, evaluating potential acquisitions. We regularly make, and expect to continue to make, non-binding acquisition proposals, and we may enter into letters of intent, in each case allowing us to conduct due diligence on a confidential basis. The letters of intent are subject to customary conditions, including due diligence investigations, that may not be satisfied, and any such acquisition is subject to entry into definitive documentation with respect thereto. We cannot predict the timing of any contemplated acquisition and any such transaction may be entered into shortly after closing of the offering of the notes.

We will not be able to acquire other businesses if we cannot identify suitable acquisition opportunities, obtain financing on acceptable terms, obtain applicable approval from regulatory authorities for such acquisitions or reach mutually agreeable terms with acquisition candidates. In addition, to the extent that consolidation becomes more prevalent in our industry, the prices for suitable acquisition candidates may increase to unacceptable levels, thereby limiting our ability to grow.

Our growth through selective acquisitions may place significant demands on our management and our operational and financial resources. Acquisitions involve numerous risks, including the diversion of our management's attention from other business concerns, the possibility that current operating and financial systems and controls may be inadequate to deal with our growth, capital expenditures and accounting charges related to the acquisition and integration and the potential loss of key employees.

We may encounter difficulties in integrating any businesses we acquire with our existing operations. The success of these transactions depends on our ability to:

- successfully merge corporate cultures and operational, financial, information technology and internal control systems;

- integrate and retain the customer base of the acquired business;

- realize cost reduction and revenue synergies;

- integrate accounting, human resource and other administrative systems to permit effective management, and implement or remediate controls, procedures and policies; and

- as necessary, retain key management members and technical personnel of acquired companies.

When we engage in acquisitions in various countries around the world, we face additional risks, including risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with those jurisdictions.

If we fail to successfully integrate acquired businesses or to manage our growth, that failure could have a material adverse effect on our business. Further, we may be unable to maintain or enhance the profitability of any acquired business, consolidate our operations to achieve cost savings or maintain or renew any of our contracts.

In addition, there may be liabilities that we fail or are unable to discover in the course of performing due diligence investigations on any company that we may acquire or have recently acquired. Also, there may be additional costs relating to acquisitions including, but not limited to, possible purchase price adjustments. Any of our rights to indemnification from sellers to us, even if obtained, may not be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, results of operations and financial condition.

We may not realize the expected benefits, revenue or cost synergies related to recently completed or future acquisitions.

We completed 13 acquisitions during the year ended December 31, 2022, and four acquisitions during the nine months ended September 30, 2023, and we plan to continue with our acquisition strategy in the future. We may not achieve the benefits, revenue and cost synergies related to these acquisitions within the anticipated timeline or at all. These benefits, revenue and cost synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control.

Our growth strategy may fail and lead to a material adverse effect on our business, results of operations and financial condition.

Our strategic priorities include investing in our people and values, growth and innovation, customers and service excellence, productivity and operational excellence and financial and commercial discipline, with the aim of delivering sustainable, profitable growth. Our strategy includes the delivery of cost savings through systems transformation and our business portfolio program (including the disposal of certain businesses). There can be no guarantee that our strategy will not be altered or will achieve the desired outcome. Risks in key aspects of our strategy include not being able to deliver major systems implementations as expected, not being able to fully alleviate any unanticipated events that affect business performance, not being in a position to finalize the disposal of certain businesses as planned, not being able to achieve anticipated costs saving, failing to create higher value solutions that differentiate us from local commoditized competitors, failing to deliver our core services effectively and consistently, losing contracts or growth opportunities through price competition and market changes, failing to enter target markets successfully, becoming over-reliant on large customers and government legislation changes potentially impacting on our growth potential or force exit from markets and territories. Such risks or the materialization of such risks could result in management distraction, loss of key personnel or key customers or other events which could have a material adverse effect on our business, results of operations and financial condition.

We are involved in joint ventures over which we may not be able to control the decision-making process, which could have a material adverse effect on our business, results of operations and financial condition.

Some of our operations are, or will be, conducted through jointly controlled entities and associated companies where our degree of control, as well as our ability to identify and manage risks, may be reduced. Our joint venture partners may: (i) have economic or business interests or goals that are inconsistent with ours; (ii) be unable or unwilling to fulfill their obligations under the relevant joint venture or other agreements; or (iii) experience financial or other difficulties. In some instances, joint venture participants or contractual counterparties may be primarily responsible for recruitment and screening. Further, we may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners and, in some cases, we do not have, or may not have, a majority control of the joint venture. These risks may have a material adverse effect on our business, results of operations and financial condition.

Organized labor action or occupational health and safety laws and regulations could have a material adverse effect on our operations.

As of September 30, 2023, approximately 20% of our employees were unionized. Although we believe that we have good relationships with our employees, organized labor action at one or more of our facilities may occur, and any such activities, or any other labor difficulties at our facilities or the facilities of any of our customers, could materially and adversely affect us.

In addition, we are subject to, among other laws and regulations, comprehensive occupational health and safety laws and regulations and wage and hour laws, as applicable, in the various countries in which we operate. Such laws and regulations may become more stringent and result in necessary modifications to our current practices and facilities that could force us to incur additional costs that could materially affect us. Furthermore, any breach of occupational health and safety laws and regulations and wage and hour laws could disrupt our business and have a negative impact on our reputation, leading to financial and regulatory costs.

Our business is at risk of criminal acts.

Our business is subject to the threat of criminal acts of various types, such as robbery, attempted robbery and theft, for example in connection with guarding and storing of valuable property, and also destruction and damage to property, significant injury or loss of life of our employees, including as a result of terrorist attacks, armed attacks, road safety, accidents on customer sites and mishandling or mismanagement of firearms. If the proportion of assets and facilities stored or guarded by us that are lost or otherwise damaged through criminal acts increases or the amount of incidents that occur while we are performing our services increases, the costs of our insurance may increase, and it may also have a negative effect on our customers' confidence in us. Particular criminal acts could result in us becoming liable for compensation and costs, which could have a material adverse effect on our business, results of operations and financial condition. Certain criminal threats, such as the threat of terrorist attacks, could also result in us incurring additional personnel and other costs as a result of the need for enhanced security measures and compliance with expanded security rules and regulations.

Furthermore, the products and services we sell to customers, and our servers and data centers on which our data, and data of our customers, suppliers and business partners are stored, are vulnerable to cyber-attacks, data protection breaches, malware and similar disruptions from unauthorized tampering, despite our implementation of network security measures. Our systems have in the past been subject to cyber-attacks and breaches. Any such event in the future could compromise the operations of our security services, our networks or those of our customers, and the information stored on our networks or those of our customers could be accessed, publicly disclosed, lost or stolen, which could make us liable to our customers, suppliers, business partners and others, and could have a material adverse effect on our business, results of operations and financial condition and may cause damage to our reputation. Efforts to limit the ability of malicious third parties to disrupt the operations of our own security services efforts may be costly to implement and met with resistance and may not be successful.

Due to the type of services provided by us, we also face the risk of encountering losses due to employees committing criminal acts. For example, our security business faces the risk of security guards attending alarm responses committing theft at the customers' premises. These factors may affect margins and profitability and therefore have a material adverse effect on our business, results of operations and financial condition.

Any significant or prolonged disruption of our operations could constrain our ability to effectively serve our customers.

A disruption to our operations, including as a result of human error, inadequate internal or external processes or systems, natural and other catastrophes, technological failure, external events and acts of third parties, could constrain our ability to provide security services and fulfill our obligations to our customers, which could have a material adverse effect on our business. We are exposed to various risks, such as outages and interruptions in the connections between our alarms and our monitoring centers and larger-scale power failures or other catastrophes. We are dependent on our information technology ("IT") infrastructure. Telephone or other IT infrastructure failure, incomplete backup routines, inadequate business continuity and disaster recovery plans, cyber security or other external security breaches, viruses and other disruptive events could halt or delay out ability to service our customers, hinder our ability to conduct and expand our business, result in censures and fines by national governments in countries in which we operate and result in significant remediation costs. Such disruptions could also cause loss of confidence in our brand and loss of trust by our customers, especially those in government and financial sectors. In addition, given the nature of our business, we continuously evaluate and implement upgrades to our IT infrastructure, as well as develop new technology platforms to support new initiatives and product and service offerings. There are inherent risks with upgrading such systems, including accurately capturing data and system disruptions. While we believe we are taking appropriate action to mitigate these risks through testing, training and staging implementation, we may not be able to successfully launch these systems as planned or the systems may be implemented with disruptions to our operations.

Privacy concerns, such as consumer identity theft and security breaches, could hurt our reputation and revenues, and our failure to comply with regulations regarding the use of personal customer data could subject us to lawsuits or result in the loss of goodwill of our customers and adversely affect our business, results of operations and financial condition.

As part of our operations, we collect a large amount of private information from our customers, employees and employment applicants. We have experienced, and may in the future experience, a breach of our data security. In the event of a breach of our data security, such private information may be at risk of exposure, and we may incur liability under laws relating to data breaches. To the extent that any such exposure leads to credit card fraud or identity theft or the misuse or distribution of other data, including images taken by our photo detectors and cameras, we may experience a general decline in customer confidence in our business, which may lead to an increase in our attrition rate or make it more difficult to attract new customers. If we are unable to identify potential threats prior to a breach of our systems, customers may lose confidence in our ability to protect their information. If customers become reluctant to use our services because of concerns over data privacy, our ability to generate revenues would be impaired. In addition, if technology upgrades or other expenditures are required to prevent security breaches of our network, boost general customer confidence in our business or prevent credit card fraud and identity theft, we may be required to make unplanned capital expenditures or expend other resources. Any disruptions to our information technology system, breaches or compromises of data or associated loss of confidence in our business or additional capital expenditure requirements could have a material adverse effect on our business, results of operations and financial condition.

As a global company we must adhere to applicable laws and regulations in numerous regions regarding data privacy, data protection and data security. Privacy and data protection laws vary between countries and are subject to interpretation, which may create inconsistent or conflicting requirements. The European Union's General Data Protection Regulation ("GDPR") greatly increases the jurisdictional reach of European Union law and became effective in May 2018. Since that date, more jurisdictions and countries in which we operate have enacted laws similar to GDPR, including the State of California and several countries in Asia. GDPR and these other privacy and data protection laws impose requirements related to the handling of personal data, mandates public disclosure of certain data breaches, and provides for substantial penalties for non-compliance. Our efforts to comply with GDPR and other privacy and data protection laws may impose significant costs that are likely to increase over time, and we could incur substantial penalties or be subject to litigation related to violation of existing or future data privacy laws, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be able to adequately protect our technologies or adequately enforce our intellectual property rights; unauthorized use of or disputes involving our proprietary technology and processes could have a material adverse effect on our business, results of operations and financial condition.

Our success and competitive position depend in part on a combination of trade secrets and proprietary know-how, as well as protection of our brands and trademarks. We use our in-house development team to design proprietary products, including hardware and software protocols. We also cooperate with our manufacturing partners to jointly develop new proprietary products and solutions. We have sought and received a small number of patents covering such proprietary technologies, and therefore, the legal protections covering our proprietary technologies from infringement or other misuse may be inadequate. While we seek to maintain the confidentiality of our proprietary technologies and trade secrets, through various methods such as entering into non-disclosure agreements with employees and third parties and controlling access to our proprietary information, third parties nevertheless may try to copy or reverse engineer portions our products, circumvent our security methods or otherwise obtain and use our intellectual property. The remedy for any breach of such protections may not be adequate to compensate us for the damages suffered. Further, our competitors may independently develop competing technologies that are similar to our technologies without misappropriating or infringing our intellectual property. Any access to or use by competitors of our technology could have a material adverse effect on our business, results of operations and financial condition.

In addition, we may be subject to claims of patent, trademark or other intellectual property rights infringement by third parties. In developing technologies and systems, we may not adequately identify third-party intellectual property rights or assess the scope and validity of these third-party rights. Accordingly, we may become subject to lawsuits alleging that we have infringed on the intellectual property rights of others and seeking that we cease to use the relevant technology. Intellectual property litigation could adversely affect the development or sale of the challenged product or technology, require us to re-brand our products and offerings, or require us to pay damages or royalties to license proprietary rights from third parties. Licenses may not be available to us on commercially reasonable terms, if at all. Any such intellectual property litigation could represent a significant expense and divert our personnel's attention and efforts and could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks from litigation or legal proceedings, as well as tax audits, which could have a material adverse effect on our business, results of operations and financial condition.

On an ongoing basis, we are involved in litigation and legal proceedings, the outcomes of which are difficult to predict. For example, we face a number of personal injury claims, workers' compensation claims, harassment and discrimination claims and wage and hour claims brought by private parties, former and current employees and governmental agencies. We could become involved in legal disputes in the future that may involve substantial claims for damages or other payments. These disputes may also divert management's attention from the running of the business and could result in adverse publicity for, or negative perceptions regarding, us. In the event of a negative outcome of any material legal proceeding, whether based on a judgment or a settlement agreement, we could be obligated to make substantial payments, which could have a material adverse effect on our business, results of operations and financial condition. Additionally, such outcomes could result in the withdrawal or non-renewal of licenses, permits and/or permissions to operate or other penalties, fines or sanctions, and they could affect our relations with current and potential customers and have an adverse impact on our reputation. In addition, the costs related to litigation proceedings may be significant. Even in case of a positive outcome in such proceedings, we may still have to bear part or all of our advisory and other costs to the extent they are not reimbursed by the opponent, which could have a material adverse effect on our business, results of operations and financial condition. In addition, we may be subject to U.S. federal, state, local and non-U.S. income tax audits. Any tax assessments, penalties, and interest, or future requirements may adversely affect our business, results of operations and financial condition. For additional information, see "Business—Legal Proceedings" and "Note 7. Commitments and Contingencies—Other Claims and Contingencies" in our unaudited financial statements included in this offering memorandum.

We rely on third-party suppliers for certain parts of our security systems and any failure or interruption in the provision of such products or failure by us to meet minimum purchase requirements could harm our business, results of operations and financial condition.

The security systems and other products that we install are manufactured by third-party suppliers. Our suppliers' abilities to meet our needs are subject to various risks, including political and economic stability, natural calamities, interruptions in transportation systems, terrorism and labor issues. We are therefore susceptible to the interruption of supply or the receipt of faulty products from our suppliers. For example, if suppliers for key components fail to deliver products or experience delays in delivery, such difficulties may prevent us from upgrading equipment, delivering products to our customer on time, or otherwise hinder our ability to install and upgrade systems and provide replacement parts. This could result in higher costs to us and a potential decline in confidence in our products and services among our customers.

We use these partnerships to supplement our own internal product development team. If these suppliers fail to keep pace with technological innovations, we may incur increased product development costs or lose customers to competitors with access to these technological innovations. Any interruption in supply, failure to produce quality products or inability to keep pace with technological innovation by a supplier could adversely affect our operations, as it may be difficult for us to find alternatives on terms acceptable to us, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks associated with bidding for, entering into and mobilizing service contracts, many of which are long-term contracts and/or on fixed price terms.

The profitability of our contracts depends upon our ability to accurately price contracts to provide for a level of return commensurate with the risks and the anticipated work involved. Our profitability also depends on our ability to mobilize contracts effectively following awarding of a contract and to transition from mobilization to ongoing contract management.

Many service contracts we enter into, particularly those under which we provide more comprehensive services and receive greater revenue, are complex, high-value contracts with multinational companies, governments or strategic partners, and are longer term commitments than our other contracts, which may result in onerous contractual terms, ongoing contract management issues, inaccurate billing and ineffective management of subcontractors. Furthermore, bidding for such contracts requires us to make judgments on likely future economics. Likewise, although multi-year contracts generally include clauses that allow for price adjustments due to inflation and other factors (such as increases in labor costs), we face the risk of not being able to sufficiently increase prices in order to fully compensate higher future costs, such as wages. Most of the sectors in which we operate are price competitive, which can result in relatively thin margins under certain contracts, where even small increases in costs or changes in scope relative to the assumptions in a bid may materially impact the profitability of the relevant contract.

While we have recorded provisions in respect of certain contracts (some of which may be able to be extended by the counterparty), no assurance can be given that such provisions will be sufficient to cover the losses ultimately incurred under such contracts, that further provisions for such contracts will not be required in the future (particularly in the event that any such contracts are extended by the customer), or that the costs of fulfilling other contracts will not exceed the actual or expected economic benefit under such contracts resulting in further provisions for losses with respect to certain contracts. If additional provisions and/or increased costs need to be recognized in the future, this may result in lower returns, and economic, reputational and other impacts associated with onerous contracts which could have a material adverse effect on our business, results of operations and financial condition.

As an international business, we face various risks that could have a material adverse effect on our results of operations and financial condition.

We have business operations in various jurisdictions around the world. Our international operations, which represented approximately 31% of our revenues for the fiscal year ended December 31, 2022 and the nine months ended September 30, 2023, subject us to complex and frequently changing laws and regulations, including differing labor laws and regulations relating to the protection of certain information that we collect and maintain about our employees, clients and other third parties. Among these laws is the U.K. Modern Slavery Act, the Bribery Act, and the GDPR. Increasing regulatory scrutiny in relation to data protection may impose additional compliance obligations and may also limit the extent to which customer data can be used to achieve our strategic objectives. Such new or changing regulations may require modification of our processes and staff training and result in increased costs. The failure to comply with these laws or regulations could subject us to significant litigation, monetary damages, regulatory enforcement actions, or fines in one or more jurisdictions.

In recent years, political tensions between the United States and China have escalated to various geopolitical factors. In August 2023, the U.S. government issued an executive order that seeks to restrict, or require notification of, outbound investments by U.S. persons into certain national security technologies and products in China. These requirements are expected to be implemented in 2024. Existing tensions and any further deterioration in international political relations between the U. S. and China may have a negative impact on the general, economic, political, and social conditions across the globe, which may have a material adverse effect on our business, results of operations and financial condition.

Additionally, the operating results of our non-U.S. subsidiaries are translated into U.S. dollars, and those results are affected by movements in foreign currencies relative to the U.S. dollar. There can be no assurance that the foregoing factors will not have a material adverse effect on our international operations or on our business, results of operations and financial condition.

Further, as of September 30, 2023, we operated in over 100 countries and had more than 540 legal entities, with a significant number of local financial systems and processes. This can lead to an inherently diverse set of processes and controls that rely on local capabilities for implementation and execution. Due to geographical span and decentralized structure of some of our international operations, coupled with the current disparate systems landscape and evolving implementation and control environment, there can be no assurance that the systems and controls in place will be effective in preventing or detecting any errors. If any errors are not prevented or remain undetected, this could have a material adverse effect on our business, results of operations and financial condition. In addition, as a result of our global presence, we face challenges in maintaining uniform culture, ethics standards and values among our employees and customers.

Geopolitical and political risks outside our control may adversely affect our business, results of operations and financial condition.

As of September 30, 2023, we operated in over 100 countries across the world with wide-ranging government and political systems, differing cultural landscapes and various degrees of rule of law, and within conflict and post-conflict zones. As a result, our present and future operations have been, and could continue to be, adversely affected by factors such as general political volatility (including as a result of the ongoing military conflicts in the Middle East and between Russia and Ukraine), revolution, military intervention, insurgency, changes in government, changes in government policies, changes in laws and regulations relating to foreign investment, trade and taxation, by social unrest and our ability to align with the environmental, social and corporate governance expectations of our private sector clients as such expectations pertain to our operations in certain jurisdictions, in addition to other political, economic and social risks. Such events could have a material adverse effect on our business, results of operations and financial condition.

Impairment of goodwill, intangible assets and other long-lived assets could have a material adverse effect on our results of operations.

We evaluate goodwill and indefinite-lived intangible assets for impairment annually, in the fourth quarter, or more often if impairment indicators exist. We also review amortizing intangible assets and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the fair value of our reporting unit is less than its carrying value, or if as a result of a recoverability test we conclude that the projected undiscounted cash flows are less than the carrying amount, we would record an impairment charge related to goodwill or intangible assets, respectively. The assumptions used to determine impairment require significant judgment and the amount of the impairment could have a material adverse effect on our reported financial results for the period in which the charge is taken. As of September 30, 2023, total goodwill on our consolidated balance sheet was $8.8 billion, including $5.3 billion of goodwill related to the G4S acquisition. As part of our closing for the 2023 year, we started our annual goodwill impairment analysis in early 2024 and based on our preliminary analysis we expect to record a goodwill impairment related to our international operations.

A global health pandemic, such as the COVID-19 pandemic, or natural disaster may adversely affect our business, results of operations and financial condition.

A global health pandemic, such as the COVID-19 pandemic, or natural disaster may heighten the potential adverse effects of the other risks on our business, including, but not limited to, the likelihood of and impact from:

- overall economic conditions, globally and in the United States, including the current sustained inflationary environment;
- our ability to maintain sufficient key personnel due to employee illness, quarantine requirements, worker absences, enhancements to unemployment compensation benefits and other government relief programs, social-distancing, travel or other restrictions;
- reduced availability and productivity of labor;
- our customers' demand and ability to pay for our services, or attempts by our customers to defer payments owed to us;
- our ability to obtain new customers, expand, or otherwise execute strategic plans;
- legal actions, claims or proceedings related to COVID-19 or other pandemics; and
- the ability of third parties on which we rely, including our suppliers and business partners, to timely meet their obligations to us, or significant disruptions in their ability to do so.

We may not realize any or all of our estimated cost savings, which would have a negative effect on our results of operations.

The estimated cost savings contained herein are our current estimates, but they involve risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such estimates. This information is speculative in nature and it can be expected that some or all of the assumptions underlying the estimated cost savings may not materialize or may vary from actual results. Our ability to realize the expected cost savings associated with the adjustments included or permitted by the indenture that will govern the notes to be included when calculating Pro Forma Adjusted EBITDA depends on factors beyond our control, such as operating difficulties, increased operating costs, competitors and customers, delays in implementing initiatives and general economic or industry conditions. We will be required to make significant cash expenditures to achieve expected cost savings, and these cash costs are not reflected in Pro Forma Adjusted EBITDA. We cannot assure you that these cash expenditures will not be higher than we anticipate, and we may need to incur incremental costs to achieve expected cost savings or additional cost savings. In addition, we may not fully realize such cost savings or at all. Accordingly, you should not view our presentation of Pro Forma Adjusted EBITDA as a projection that we will achieve these cost savings. Our ability to realize these anticipated savings is subject to significant uncertainties and you should not place undue reliance on the adjustments in evaluating our anticipated results. If our cost savings are less than our estimates or our cost savings initiatives adversely affect our business or cost more or take longer to implement than we project, or if our assumptions prove to be inaccurate, our results could be lower than we anticipate. As a result, our future performance may differ significantly from the Pro Forma Adjusted EBITDA set forth herein.

Risks Related to Our Indebtedness and the Notes

Our substantial indebtedness could adversely affect our financial condition or our ability to operate our business or react to changes in the economy or our industry, prevent us from fulfilling our obligations under the notes or our other indebtedness and divert our cash flow from operations for debt payments.

We have and, following the consummation of this offering, we will have, a substantial amount of indebtedness, which requires significant interest and principal payments. See “Capitalization” and “Description of Certain Other Indebtedness.” As of September 30, 2023, on an as adjusted basis after giving effect to this offering and the use of proceeds therefrom as described under “Use of Proceeds,” the issuers and the guarantors would have had approximately $13,687 million in total indebtedness outstanding, none of which would have been subordinated and of which approximately $11,496 million would have been senior secured indebtedness (in each case excluding approximately $176.6 million of capital lease obligations), consisting entirely of borrowings under the Senior Secured Credit Facilities, the ABL Credit Facility, the Existing Secured Notes and the notes (excluding $410.1 million of aggregate outstanding letters of credit). Our high level of indebtedness could have important consequences to the holders of the notes, including the following:

- making it difficult for us to satisfy our obligations and any debt service requirements under our outstanding indebtedness, including the notes;
- impairing our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions or other general corporate purposes;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, including the notes, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures, future business opportunities and other purposes;
- making us more vulnerable to economic downturns and adverse industry conditions and limiting our flexibility to plan for, or react to, changes in our business or industry;
- compromising our ability to capitalize on business opportunities and to react to competitive pressures as compared to our competitors, including as a result of the restrictive covenants in the credit agreements that govern the Senior Secured Credit Facilities and the ABL Credit Facility, the indentures that govern the Existing Notes and the indenture that will govern the notes;
- limiting our ability to borrow additional funds or to refinance indebtedness; and
- causing potential or existing clients or vendors to not contract with us due to concerns over our ability to meet our financial obligations.

Despite our indebtedness levels, we and our subsidiaries may still be able to incur substantially more indebtedness, which could further exacerbate the risks associated with our substantial leverage and the ownership of the notes.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including secured indebtedness. As of September 30, 2023, the issuers had aggregate availability to incur additional secured indebtedness in the amount of $886.3 million under the Revolving Credit Facilities and the ABL Credit Facility (after giving effect to $410.1 million of outstanding letters of credit under the ABL Credit Facility).

Although the credit agreements that govern the Senior Secured Credit Facilities and the ABL Credit Facility, the indentures that govern the Existing Notes and the indenture that will govern the notes contain or will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness that may be incurred in compliance with these restrictions could be substantial. Furthermore, the restrictions in the credit agreements that govern the Senior Secured Credit Facilities and the ABL Credit Facility, the indentures that govern the Existing Notes and the indenture that will govern the notes do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined in such debt instruments. If we incur additional indebtedness, the risks associated with our leverage and the ownership of the notes, including those described above, would increase.

If the issuers or the guarantors incur any additional indebtedness that ranks equally with the notes and the related guarantees, the holders of such additional indebtedness will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of the issuers or a guarantor, subject to any collateral arrangements. This may have the effect of reducing the amount of proceeds paid to the holders of the notes.

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

Interest rates may fluctuate in the future. As a result, interest rates on the Senior Secured Credit Facilities, the ABL Credit Facility or other variable rate debt offerings could be higher or lower than current levels. If interest rates increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

The credit agreements that govern the Senior Secured Credit Facilities and the ABL Credit Facility, the indentures that govern the Existing Notes and the indenture that will govern the notes each impose or will impose significant operating and financial restrictions on us and our restricted subsidiaries, which may prevent us from capitalizing on business opportunities.

The credit agreements that govern the Senior Secured Credit Facilities and the ABL Credit Facility, the indentures that govern the Existing Notes and the indenture that will govern the notes each impose or will impose significant operating and financial restrictions on us. These restrictions limit our ability and the ability of our restricted subsidiaries to, among other things:

- incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- create or incur certain liens;
- enter into transactions with affiliates;

- merge, consolidate or transfer or sell all or substantially all of our assets or experience certain changes of control;
- enter into restrictions affecting the ability of restricted subsidiaries that are non-guarantors to make distributions, loans or advances or transfer assets to the issuers or the guarantors;
- designate restricted subsidiaries as unrestricted subsidiaries; and
- transfer or sell assets.

In addition, we and our restricted subsidiaries are subject to covenants, representations and warranties in respect of the Senior Secured Credit Facilities and the ABL Credit Facility, including financial covenants that govern the Senior Secured Credit Facilities and the ABL Credit Facility. See "Description of Certain Other Indebtedness."

As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We may not be able to maintain compliance with these covenants in the future and, if we fail to do so, there can be no assurance that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as other terms of our existing indebtedness and the notes and/or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings as a result of the foregoing or otherwise, on less favorable terms, or if we cannot refinance these borrowings, our results of operations and financial condition could be adversely affected.

Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of a decline in our operating results or available cash or events beyond our control, could result in an event of default that could materially and adversely affect our results of operations and our financial condition.

If there were an event of default under any of the agreements relating to our outstanding indebtedness, such as the failure to comply with the financial covenants contained in the credit agreements that govern the Senior Secured Credit Facilities and the ABL Credit Facility, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. By reason of cross-acceleration or cross-default provisions, other indebtedness may then become immediately due and payable. Our assets or cash flows may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, including the Senior Secured Credit Facilities, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, should an event of default occur, the lenders under our Revolving Credit Facilities and our ABL Credit Facility could elect to terminate their commitments thereunder, cease making loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under the Senior Secured Credit Facilities and the ABL Credit Facility to avoid being in default. If we breach our covenants under the Senior Secured Credit Facilities and the ABL Credit Facility and seek a waiver therefor, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the Senior Secured Credit Facilities and the ABL Credit Facility, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Repayment of our indebtedness, including required principal and interest payments on the notes, is dependent on cash flow generated by our subsidiaries, which may be subject to limitations beyond our control.

Our subsidiaries own a substantial portion of our assets and conduct all of our operations. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and (if they are not guarantors of the notes) their ability to make such cash available to us, by dividend, debt repayment or otherwise.

Unless they are guarantors of the notes, the issuers' subsidiaries will not have any obligation to pay amounts due on the notes or to make funds available to the issuers or the guarantors for that purpose. Our non-guarantor 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, including the notes. Each non-guarantor subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our non-guarantor subsidiaries.

In the event that we are unable to receive distributions from subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

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

From and after the issue date, the obligations under the notes will be fully and unconditionally guaranteed, jointly and severally, by each of the entities that guarantees the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes, other than Topco. Following the issue date, subsidiaries of the issuer will be required to guarantee the notes to the extent described in "Description of Notes—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries." Claims of holders of the notes will be structurally subordinated to the claims of creditors of our non-guarantor subsidiaries, including trade creditors, and will not be satisfied from the assets of our non-guarantor subsidiaries until their creditors are paid in full. As of and for the twelve months ended September 30, 2023, the issuers and the guarantors accounted for substantially all of our total revenues, total assets and total liabilities, after excluding intercompany transactions and balances. The guarantees of certain guarantors may be released under certain circumstances, including in connection with a transfer of such guarantor in a transaction not prohibited by the indenture that will govern the notes or upon certain other events described in "Description of Notes—Guarantees." See "—There are circumstances, other than the repayment or discharge of the notes, under which the collateral will be released automatically, without your consent or the consent of the notes collateral agent, and you may not realize any payment upon the release of such collateral."

The indentures that govern the Existing Notes and the indenture that will govern the notes permit or will permit these non-guarantor subsidiaries to incur certain additional indebtedness and does not or will not limit their ability to incur other liabilities that are not considered indebtedness thereunder.

Sales of assets by the issuers and the guarantors could reduce the collateral and the related guarantees.

The security documents that will relate to the notes allow the issuers and the guarantors to remain in possession of, retain exclusive control over, freely operate and collect, invest and dispose of any income from, the collateral. To the extent the issuers or a guarantor sells any assets that constitute such collateral, the proceeds from such sale will be subject to the liens securing the notes and the related guarantees only to the extent such proceeds would otherwise constitute collateral securing the notes and the related guarantees under the security documents. Such proceeds will also be subject to the security interests of certain creditors other than the holders of the notes, some of which may be senior or prior to the liens held by the holders of the notes (including with respect to the ABL Collateral), or may have a lien in those assets that is *pari passu* with the lien of the holders of the notes (including the liens on the collateral held by the lenders under the Senior Secured Credit Facilities and the Existing Secured Notes). To the extent the proceeds from any sale of collateral constitute Excluded Assets under the security documents, the pool of assets securing the notes and the related guarantees will be reduced, and the notes and the related guarantees will not be secured by such proceeds.

The obligations of the issuers and the guarantors under our ABL Credit Facility, which are secured by a portion of the same assets that will secure the notes, together with any additional secured indebtedness permitted to be secured by the ABL Collateral on a first-priority basis, are senior to the notes to the extent of the value of the ABL Collateral securing such indebtedness on a first-priority basis.

Obligations of the issuers and the guarantors under our ABL Credit Facility are secured, subject to certain limitations and exceptions and permitted liens, by a first-priority security interest in the ABL Collateral. The notes and the guarantees thereof will be secured, and the Senior Secured Credit Facilities and the Existing Secured Notes are secured, in each case, subject to certain limitations and exceptions and permitted liens, by a second-priority lien on the ABL Collateral. Subject to the terms of the ABL Intercreditor Agreement, the liens on the ABL Collateral held by the holders of the notes will, therefore, be fully subordinated to the liens on the ABL Collateral held by our creditors under our ABL Credit Facility, together with any additional secured indebtedness permitted to be secured by the ABL Collateral on a first-priority basis, to the extent of the value of the ABL Collateral securing such indebtedness. Only when our obligations under our ABL Credit Facility, and all other permitted first-priority indebtedness that is secured by such ABL Collateral, are satisfied in full will the proceeds of such ABL Collateral be available, subject to other permitted liens, to satisfy obligations under the Senior Secured Credit Facilities, the Existing Secured Notes, the notes and the related guarantees and other parity lien indebtedness on a *pari passu* basis.

The liens of the notes collateral agent in the collateral will be created pursuant to security documents entered into and perfected in a manner that, under the laws applicable to the creation and priority of liens in the jurisdictions in which the collateral is pledged or charged, will give it, in many cases, as a matter of law, junior priority to the rights of the collateral agents for existing secured indebtedness. In such cases, holders of the notes will have to rely on intercreditor agreements to provide the expected priority of liens on such assets subject to applicable law in such local jurisdictions, as the case may be.

The liens of the notes collateral agent in the collateral will be created pursuant to security documents entered into and perfected in a manner that, under the laws applicable to the creation and priority of liens in the jurisdictions in which the collateral is pledged or charged, will give it, in many cases, as a matter of law, junior priority to the rights of the collateral agents for the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes. As a result, in the U.K., the first-priority liens of the holders of the notes with respect to the Notes Collateral will be dependent on the Pari Passu Intercreditor Agreement, which provides that the rights of the holders of the notes with respect to the Notes Collateral are secured on a first-priority basis, and on the ABL Intercreditor Agreement, which provides that the rights of the holders of the notes with respect to the ABL Collateral are secured on a second-priority basis. Such agreements may not be recognized in certain jurisdictions.

The value of the collateral securing the notes and the related guarantees may not be sufficient to satisfy our obligations under the notes.

Obligations under the notes will be secured, together with the Existing Secured Notes and the Senior Secured Credit Facilities, by first-priority liens on the collateral (other than with respect to ABL Collateral, which is secured on a second-priority basis with respect to the notes, the Senior Secured Credit Facilities and the Existing Secured Notes). No appraisal of the value of the collateral has been made in connection with this offering, and we cannot assure you that the value of the collateral is equal to or greater than our obligations with respect to the notes, the guarantees, the Existing Secured Notes, the Senior Secured Credit Facilities and the ABL Credit Facility. In addition, the fair market value of the collateral is subject to fluctuations based on factors that include, among others, general economic conditions. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time, the timing and the manner of the sale and the availability of buyers. Likewise, we cannot assure you that the collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation. The indenture that will govern the notes will allow us to incur additional secured debt, including, under certain circumstances, secured debt that will share in the collateral that will secure the notes and the guarantees. Accordingly, in the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the collateral may not be sold in a timely or orderly manner, and the proceeds from any sale or liquidation of the collateral may not be sufficient to satisfy the issuers' and the guarantors' obligations under the notes and the guarantees, the Existing Secured Notes, the Senior Secured Credit Facilities, the ABL Credit Facility and any future debt that is secured by the collateral.

To the extent that pre-existing liens, liens that will be permitted under the indenture and other rights, such as those securing certain purchase money obligations and capital lease obligations granted to other parties (in addition to the holders of obligations secured by first-priority liens), encumber any of the collateral, those parties have or may exercise rights and remedies with respect to the collateral that could adversely affect the value of the collateral and the ability of the notes collateral agent or the holders of the notes to realize or foreclose on the collateral.

The security interests in the collateral also will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the consent of a third-party may be required to obtain or enforce a security interest in a contract. We cannot assure you that any such consent could be obtained. We also cannot assure you that the consents of any third parties will be given when and if required to facilitate a foreclosure on such assets. Accordingly, the notes collateral agent may not have the ability to foreclose upon those assets and the value of the collateral may be significantly impaired. In addition, our business requires compliance with numerous U.S. federal, state, provincial and local license and permit requirements, as well as foreign license and permit requirements. Continued operation of our properties that are part of the collateral will depend on the continued compliance with such license and permit requirements to the extent applicable, and our business and the value of the collateral may be adversely affected if we fail to comply with these requirements or changes in these requirements. In the event of foreclosure, the transfer of such permits and licenses may be prohibited or may require us to incur significant cost and expense. Furthermore, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfer are not obtained or are delayed, the foreclosure may be delayed, our operations may be shut down and the value of the collateral may be significantly impaired.

There may not be sufficient collateral to pay off any amounts we may borrow under the Senior Secured Credit Facilities, the ABL Credit Facility, the Existing Secured Notes and any other secured indebtedness we incur that ranks *pari passu* with or prior to the notes.

Consequently, liquidating the collateral may not result in proceeds in an amount sufficient to pay any amounts due under the notes, the Existing Secured Notes and the Senior Secured Credit Facilities after satisfying the obligations to pay any creditors with prior liens. If the proceeds of the sale of the Notes Collateral and the ABL Collateral (subject to prior discharge of obligations under the ABL Credit Facility) are not sufficient to repay all amounts due on the notes, the Existing Secured Notes and the Senior Secured Credit Facilities, the holders of the notes (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured claim against our and the guarantors' remaining assets, which may not be sufficient to repay our obligations under the notes.

In any bankruptcy proceeding with respect to the issuers or any of the guarantors that have guaranteed the notes, it is possible that the bankruptcy trustee, the debtor-in-possession ("DIP") or competing creditors will assert that the fair market value of the collateral with respect to the notes on the date of the bankruptcy filing was less than the then-current principal amount of the notes and all of our other outstanding obligations secured by a senior or *pari passu* lien on the collateral. Upon a finding by the bankruptcy court that the notes are undercollateralized, the claims in the bankruptcy proceeding with respect to the notes would be bifurcated between a secured claim and an unsecured deficiency claim, and such unsecured claim would not be entitled to the benefits of security in the collateral. In such event, the secured claims of the holders of the notes would be limited to the value of the collateral. In addition, the holders of the notes would not be entitled to receive post-petition interest or applicable fees, costs, expenses or charges to the extent the amount of the obligations due under the notes exceeded the value of the collateral (after taking into account all other debt that was also secured by the collateral on a senior or *pari passu* basis, including the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Secured Notes), or any "adequate protection" on account of any undersecured portion of the notes.

The rights of holders of the notes in the ABL Collateral may be adversely affected by the ABL Intercreditor Agreement.

Under the terms of the ABL Intercreditor Agreement, the liens on the ABL Collateral securing the obligations under the ABL Credit Facility (or any replacement facilities), together with any other obligations permitted to be secured by the ABL Collateral on a first-priority basis, rank senior to the liens on such ABL

Collateral that will secure our and the guarantors' obligations under the notes and the related guarantees. The ABL Intercreditor Agreement also provides that the obligations under the ABL Credit Facility (or any replacement facilities), together with any other obligations permitted to be secured by the ABL Collateral on a first-priority basis (including post-petition interest, fees and expenses, whether or not allowed or allowable in any bankruptcy case), will be paid with the proceeds of the ABL Collateral prior to the obligations under the notes and the related guarantees in certain circumstances, including in the event of any foreclosure by the lenders under the ABL Credit Facility or a bankruptcy event. The lenders under the ABL Credit Facility, as holders of first-priority liens on the ABL Collateral, control substantially all enforcement matters related to such ABL Collateral, pursuant to the terms of the ABL Intercreditor Agreement. The holders of the permitted first-priority liens on the ABL Collateral, including under the ABL Credit Facility, may cause the collateral agent under the ABL Credit Facility (the "ABL Collateral Agent") to dispose of, release, or foreclose on, or take other actions with respect to, the ABL Collateral (including certain amendments of and waivers under the security documents with respect thereto) with which holders of the notes may disagree or that may be contrary to the interests of holders of the notes, even after a default under the notes in the case of an enforcement action by the ABL Collateral Agent.

The ABL Intercreditor Agreement prohibits parties with second-priority liens on the ABL Collateral, including the holders of the notes, from foreclosing on such collateral at any time prior to the payment in full of the permitted obligations secured by the ABL Collateral on a first-priority basis, including all obligations under the ABL Credit Facility. To the extent the ABL Collateral is released from securing the obligations secured by the ABL Collateral on a first-priority basis, including all obligations under the ABL Credit Facility, the ABL Intercreditor Agreement provides that, in certain circumstances (including in connection with the exercise of remedies by the ABL Collateral Agent or in connection with a sale or other disposition of the ABL Collateral permitted under the terms of the ABL Credit Facility and the indenture that will govern the notes), the second-priority liens securing the notes in the ABL Collateral will automatically also be released. In addition, the indenture that will govern the notes and the security documents related to the holders of such notes' second-priority lien on the ABL Collateral may not be amended in any manner that is prohibited by or inconsistent with the terms of the ABL Intercreditor Agreement without the consent of the ABL Collateral Agent and each other collateral agent party to the ABL Intercreditor Agreement that has a permitted first-priority lien on the ABL Collateral until such first-priority lien obligations are paid in full. The ABL Intercreditor Agreement further provides that, under certain circumstances, the holders of the notes would be required to turn over to the holders of obligations under the ABL Credit Facility amounts they receive from the issuers with respect to the ABL Collateral. We cannot assure you that in the event of a foreclosure by the holders of the obligations under the ABL Credit Facility or a bankruptcy event, the proceeds from the sale of ABL Collateral would be sufficient to satisfy all or any of the amounts outstanding under the notes after payment in full of the obligations secured by such first-priority liens on the ABL Collateral, including all obligations under the ABL Credit Facility. See "Description of Notes—Security."

In addition, in the event of any insolvency or liquidation proceeding, if the lenders under the ABL Credit Facility desire to permit any use of cash collateral consisting of ABL Collateral or DIP financing that is secured at least in part by the ABL Collateral, the holders of the notes would (assuming certain protections and other requirements are in place with respect to their liens on the ABL Collateral in connection with such use of cash collateral or DIP financing) be limited in raising objections to such use of cash collateral or DIP financing. The ABL Intercreditor Agreement also limits the right of the holders of the notes to raise various other objections or take various other actions in any insolvency or liquidation proceeding with respect to the ABL Collateral prior to the payment in full of the obligations under the ABL Credit Facility, including, among other things, seeking relief from the "automatic stay" with respect to the ABL Collateral, and also places certain restrictions on their right to seek "adequate protection" of their interests in the ABL Collateral from a bankruptcy court, even though such holders' rights with respect to such collateral were being affected.

The notes collateral agent may not be the controlling collateral agent under the Pari Passu Intercreditor Agreement.

The rights of the holders of the notes with respect to the collateral that will secure the notes are subject to the Pari Passu Intercreditor Agreement. Under the Pari Passu Intercreditor Agreement, any actions that may be taken with respect to collateral, including the ability to cause the commencement of enforcement proceedings against such collateral or to control such proceedings, will be initially at the direction of the Credit Agreement Collateral Agent (as defined under "Description of Notes") until 120 days after the occurrence of an event of default under the agreement governing and acceleration of the series of obligations representing the next largest outstanding principal amount of indebtedness having Pari Passu Lien Priority (as defined under "Description of Notes") and applicable notice from the notes collateral agent with respect to such obligations; provided that such 120-day period shall be stayed with respect to any collateral if the Credit Agreement Collateral Agent has commenced and is diligently pursuing an enforcement action with respect to such collateral, the grantor of the security interest in such collateral (whether any of the issuers or the applicable guarantor) is then a debtor under or with respect to (or otherwise subject to) an insolvency or liquidation proceeding or if the Credit Agreement Collateral Agent is stayed under the ABL Intercreditor Agreement from pursuing enforcement action with respect to such collateral. In addition, under the terms of the Pari Passu Intercreditor Agreement, if at any time the controlling collateral agent forecloses upon or otherwise exercises remedies against any collateral resulting in a sale thereof, the lien securing the notes and the guarantees on such collateral will be automatically released and discharged.

The authorized representative for the largest principal amount of indebtedness that is senior to or equal in priority to the lien securing the notes will be next in line to exercise rights under the Pari Passu Intercreditor Agreement, rather than the notes collateral agent. Accordingly, the notes collateral agent may never have the right to control remedies and take other actions with respect to the collateral.

In addition, under the terms of the Pari Passu Intercreditor Agreement, if at any time the controlling collateral agent forecloses upon or otherwise exercises remedies against any collateral resulting in a sale thereof, the lien securing the notes on such collateral will be automatically released and discharged (provided that any proceeds from such sale are applied ratably among all the then outstanding first-priority obligations with respect to any non-ABL Collateral and, with respect to the ABL Collateral, applied first to the secured parties under the ABL Credit Facility and second, ratably among all of the then outstanding second-priority obligations (including the notes, the Existing Secured Notes and the Senior Secured Credit Facilities)). The collateral so released will no longer secure the issuers' and the guarantors' obligations under the notes and the related guarantees. The holders of the notes will also waive, certain important rights otherwise available to secured creditors in a bankruptcy, as the Pari Passu Intercreditor Agreement prohibits the Trustee and the notes collateral agent from objecting following the filing of a bankruptcy petition to a proposed DIP financing to be provided to us that is secured by the collateral or to the use of cash collateral that has not been opposed to or objected to by the controlling collateral agent or the other controlling secured parties, subject to certain conditions and limited exceptions. After such a filing, the value of the collateral could materially deteriorate, and holders of the notes would be unable to raise an objection.

Also, under the Pari Passu Intercreditor Agreement, in the event that the holders of the notes obtain possession of any collateral or realize any proceeds or payment in respect of any such collateral at any time prior to the discharge of each of the other senior or *pari passu* obligations, then such holders will be obligated to hold such collateral, proceeds or payment in trust for the other holders of such obligations and, subject to the Pari Passu Intercreditor Agreement, promptly transfer such collateral, proceeds or payment, as the case may be, to the controlling collateral agent, to be distributed in accordance with the provisions of the Pari Passu Intercreditor Agreement among all the holders of such obligations. Thus, under the Pari Passu Intercreditor Agreement, the holders of the notes may be obligated to turn over to the other holders of the senior or *pari passu* obligations any collateral, proceeds or payments they may receive.

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

Many of the covenants in the indenture that will govern the notes will cease to apply to the notes during any periods in which such notes are rated investment grade by two of Fitch, Moody's and S&P, provided that at such time no default or event of default has occurred and is continuing. The notes may never be rated investment grade, or if they are rated investment grade, the notes may not maintain these ratings. However, any suspension of the covenants under the indenture that will govern the notes would allow us to engage in certain transactions that would not be permitted while these covenants were in effect. To the extent any suspended covenants are subsequently reinstated, any actions taken by us while the covenants were suspended would not result in an event of default under the indenture that will govern the notes. See "Description of Notes—Certain Covenants—Covenant Suspension."

Certain laws and regulations may impose restrictions or limitations on foreclosure.

The issuers' obligations under the notes and the guarantors' obligations under the guarantees will be secured only by the collateral described in this offering memorandum. The notes collateral agent's ability to foreclose on the collateral on behalf of the Trustee and the holders of the notes may be subject to perfection, priority issues, state law requirements, applicable bankruptcy law, and practical problems associated with the realization of the collateral agent's security interest in or lien on the collateral, including cure rights, foreclosing on the collateral within the time periods permitted by third parties or prescribed by laws, obtaining third-party consents, making additional filings, statutory rights of redemption and the effect of the order of foreclosure. The consents of any third parties and approvals by governmental entities or courts of competent jurisdiction may not be given when required to facilitate a foreclosure on such assets. Therefore, foreclosure on the collateral may not be sufficient to make all payments on the notes.

Rights of holders of the notes in the collateral may be adversely affected by the failure to create or perfect the security interests.

The collateral that will secure the notes will include substantially all of the issuers' and the guarantors' tangible and intangible assets which assets also secure the issuers' and the guarantors' obligations under the Senior Secured Credit Facilities and the Existing Secured Notes, whether now owned or acquired or arising in the future. Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens on the collateral securing the notes may not be perfected if we are not able to take the actions necessary to perfect any of these liens. We will have limited obligations to perfect the security interest of the holders of the notes in specified collateral other than the filing of financing statements. To the extent a security interest in certain collateral is not properly perfected on the date of the issuance of the notes, such security interest might be avoidable in bankruptcy, which could impact the value of the collateral. See "—Any future pledge of collateral or guarantee may be avoidable in bankruptcy."

If additional material wholly-owned U.S., Luxembourg or UK restricted subsidiaries are formed or acquired and become guarantors under the indenture that will govern the notes, additional financing statements would be required to be filed to perfect the security interest in the assets of such guarantors. Depending on the type of the assets constituting after-acquired collateral, additional action may be required to perfect the security interest in such assets. Applicable law requires that certain property and rights acquired after the grant of a general security interest can be perfected only at the time such property and rights are acquired and identified. Neither the Trustee nor the notes collateral agent will be responsible to monitor, and the issuers may not inform the Trustee or the notes collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. None of the Trustee, the notes collateral agent and the collateral agents for the Senior Secured Credit Facilities and Existing Notes will have any obligation to monitor the acquisition of additional property or rights that constitute collateral or monitor the perfection of, or make filings to perfect or maintain the perfection of, any security interests therein. Such inaction may result in the loss of the security interest in such collateral or the priority of the security interest in favor of the notes and the guarantees against third parties. Even if the notes collateral agent does properly perfect liens on collateral acquired or arising in the future, such liens may potentially be avoidable as a preference in any bankruptcy proceeding under certain circumstances or as a fraudulent conveyance or fraudulent transfer. See "—Any future pledge of collateral or guarantee may be avoidable in bankruptcy" and "—U.S. federal and state fraudulent conveyance or fraudulent transfer laws permit a U.S. court, under certain circumstances, to avoid the notes and the guarantees, and the liens securing the notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens in respect of the notes and, if that occurs, you may not receive any payments on the notes."

Lien searches may not reveal all liens on the collateral.

We cannot guarantee that any lien searches on the collateral that will secure the notes and guarantees thereof would reveal any or all existing liens on such collateral. Any such existing lien, including undiscovered liens, could be significant, could rank prior to the liens securing the notes and guarantees thereof and could have an adverse effect on the ability of the notes collateral agent to realize or foreclose upon the collateral securing the notes and guarantees thereof.

The imposition of certain permitted liens, under certain circumstances, will permit the liens on the collateral securing the notes and the related guarantees to be either subordinated to such permitted liens or released. There are also certain other assets that are also excluded from the collateral.

The indenture that will govern the notes will permit liens in favor of third parties to secure additional indebtedness, including purchase money indebtedness and capital lease obligations, and, in the case of certain of such liens, the liens on the related assets securing the notes and the related guarantees may, under certain circumstances, be either subordinated to such permitted liens or released. Our ability to incur additional indebtedness and liens on such additional indebtedness in favor of third parties is subject to limitations as described herein under the headings "Description of Notes." In addition, certain assets are excluded from the collateral securing the notes and the related guarantees, as discussed under "Description of Notes—Security." If an event of default occurs and the maturity of the notes is accelerated, the notes and the related guarantees will rank *pari passu* with the holders of other unsecured indebtedness of the relevant obligor with respect to such excluded assets. As a result, if the value of the assets pledged as security for the notes is less than the value of the claims of the holders of the notes, those claims may not be satisfied in full before the claims of our unsecured creditors are paid.

U.S. federal and state fraudulent conveyance or fraudulent transfer laws permit a U.S. court, under certain circumstances, to avoid the notes and the guarantees, and the liens securing the notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens in respect of the notes and, if that occurs, you may not receive any payments on the notes.

The issuances of the notes and the guarantees and the grant of liens by the issuers and the guarantors (including any future guarantees and future liens) may be subject to review under U.S. federal and state fraudulent conveyance and fraudulent transfer statutes (including U.S. federal bankruptcy laws), if an action (either in connection with a bankruptcy, liquidation or reorganization case or under a lawsuit in which a bankruptcy is not involved), were commenced at some future date by the issuers, by the guarantors or on behalf of our unpaid creditors or the unpaid creditors of a guarantor. While the relevant laws may vary from jurisdiction to jurisdiction, the incurrence of the obligations in respect of the notes and the guarantees and the grant of liens will generally be a fraudulent conveyance or a fraudulent transfer if (i) the transactions relating to the issuances of the notes or guarantees or the grant of liens were undertaken with the intent of hindering, delaying or defrauding other creditors or (ii) the issuers or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee or the granting of liens and, in the case of (ii) only, any one of the following is also true:

- the issuers or any of the guarantors was insolvent or rendered insolvent by reason of issuing the notes, the guarantees (or the related security interests with respect to the notes and the related guarantees);

- the issuances of the notes or guarantees (or the related security interests with respect to the notes and the related guarantees) left the issuers or any of the guarantors with an unreasonably small amount of capital to carry on the business in which such issuer or such guarantor was engaged or about to engage; or

- any of the issuer, the co-issuer or the guarantors intended to, or believed that we or it would, incur indebtedness beyond our or its ability to pay as they become due.

If a court were to find that the issuances of the notes or a guarantee or the grant of liens was a fraudulent conveyance or fraudulent transfer, the court could avoid the payment obligations under the notes or such guarantee in total or in part or further subordinate the notes or such guarantee to presently existing and future indebtedness of the issuers or such guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee or avoid the liens to secure the notes or the related guarantees. In the event of a finding that a fraudulent conveyance or a fraudulent transfer occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our or the guarantors other debt that could result in the acceleration of such indebtedness.

The measures of insolvency for purposes of fraudulent conveyance or fraudulent transfer laws vary depending upon the law of the jurisdiction that is being applied, such that we cannot be certain as to: (i) the standards a court would use to determine whether or not the issuers or the guarantors were solvent at the relevant time, or, regardless of the standard that a court uses, that it would not determine that the issuers or a guarantor was indeed insolvent on that date; (ii) that any payments to the holders of the notes (including under the guarantees) did not constitute preferences, fraudulent conveyances or fraudulent transfers on other grounds; or (iii) that the issuances of the notes and the guarantees would not be subordinated to the issuers' or any guarantor's other indebtedness.

Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its indebtedness, including contingent liabilities, was greater than the fair value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing indebtedness and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent indebtedness is satisfied. A court would likely find that the issuers or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or such guarantee and/or lien if such issuer or such guarantor did not substantially benefit directly or indirectly from the issuance of the notes or the applicable guarantee and/or lien. Thus, if the guarantees were legally challenged, any guarantee could be subject to the claim that, since the guarantee was incurred for the issuers' benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than reasonably equivalent value or fair consideration. Therefore, a court could avoid the obligations under the guarantees (and any related liens with respect to the notes), subordinate them to the applicable guarantor's other indebtedness or take other action detrimental to the holders of the notes.

To the extent a court avoids (x) any of the guarantees as fraudulent conveyances or fraudulent transfers or holds any of the guarantees unenforceable for any other reason, the holders of the notes or the related guarantees would cease to have any direct claim against the applicable guarantor or (y) liens granted to secure the notes or the related guarantees, the holders of the notes and the related guarantees would cease to have a secured claim against the issuers or the guarantors, as applicable. If a court were to hold a guarantee unenforceable, the applicable guarantor's assets would be applied first to satisfy the applicable guarantor's other liabilities, if any, and might not be applied to the payment of the guarantee of the notes. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the issuers or the applicable guarantor.

Although each guarantee entered into in connection with the notes will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent conveyance or fraudulent transfer, this provision may not be effective as a legal matter to protect those guarantees from being avoided under fraudulent conveyance or fraudulent transfer law or otherwise, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless.

In addition, as noted above, any payment by the issuers pursuant to the notes or by a guarantor under a guarantee made at a time such issuer or such guarantor was found to be insolvent could be avoided and required to be returned to the issuers or such guarantor or to a fund for the benefit of the issuers' or such guarantor's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any non-insider party and such payment would give such insider or non-insider party (as the case may be) more than such creditor would have received in a distribution under the U.S. Bankruptcy Code in a hypothetical Chapter 7 case.

Finally, as a court of equity, the bankruptcy court may otherwise subordinate the claims in respect of the notes or the guarantees to other claims against the issuers or the guarantors under the principle of "equitable subordination," if the court determines that: (i) the holder of the notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of the notes; and (iii) equitable subordination is not inconsistent with the provisions of the U.S. Bankruptcy Code.

Each guarantee and the liens securing the notes will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.

Each guarantee will provide the holders of the notes with a direct claim against the relevant guarantor. In addition, the issuers and the guarantors will secure the payment of the notes by granting security under the relevant security documents. However, each security interest granted under a security document will be limited in scope to the value of the relevant assets expressed to be subject to that security interest. Furthermore, the security documents and the indenture will provide that the security interest in the collateral securing the notes and the guarantees of the notes will be limited to the maximum amount that can be provided without rendering the relevant security interest and/or guarantee, as the case may be, voidable or otherwise ineffective under the applicable laws of Luxembourg, the United Kingdom, the United States or any other jurisdiction. Enforcement of each guarantee or security document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. See "Limitations on the Validity and Enforceability of the Guarantees and Security Interests and Certain Insolvency Law Considerations."

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, guarantees and security interests can be challenged (by the bankruptcy receiver or trustee, in case of bankruptcy of the relevant guarantor, or by any of the creditors of such guarantor outside bankruptcy), and a court could declare unenforceable against third parties (including the beneficiaries thereof) and/or void, any legal act performed by a guarantor (including, without limitation, the granting by it of the relevant guarantees or the security interests granted to benefit the notes under the security documents) and, if payment had already been made under a guarantee or enforcement proceeds applied under a security document, require that the recipient (and possibly, subsequent transferees thereof) return the payment to the relevant guarantor, if the court found, *inter alia*, that:

- the amount paid or payable under the relevant guarantee or the enforcement proceeds under the relevant security document was in excess of the maximum amount permitted under applicable law;

- the relevant guarantee or security interest under a security document was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the guarantor or, in certain jurisdictions, even when the recipient was simply aware that the guarantor was insolvent when it granted the relevant guarantee or security interest;

- the guarantor did not receive fair consideration or reasonably equivalent value for granting the relevant guarantee or security interest and the guarantor: (i) was insolvent or rendered insolvent because of such guarantee or security interest; (ii) was undercapitalized or became undercapitalized because of such guarantee or security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or

- the relevant guarantees or security documents were held to exceed the corporate objects of the guarantor or not to be in the best interests or for the corporate benefit of the guarantor.

The payment of dividends to the issuer to meet its obligations in respect of the notes or to provide a dividend to our shareholders will reduce the distributable profits and reserves that would be available to the guarantors to satisfy their obligations under the guarantees and security documents. Furthermore, there can be no assurances that we will have distributable profits and reserves available to satisfy the obligations under the guarantees and security documents whether or not we pay dividends. In addition, making a payment under the guarantees or enforcing security interests under the security documents may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions. If such corporate formalities are required in connection with enforcement of a security interest in the collateral securing the notes or making a payment under a guarantee, there can be no assurance that we will be able to complete these corporate formalities or that we do so in a timely manner.

The insolvency laws of Luxembourg, the United Kingdom and other jurisdictions may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the notes from recovering payments due on the notes.

Certain of the guarantors are incorporated under the laws of Luxembourg and England and Wales. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Luxembourg, the United Kingdom or another relevant jurisdiction. Your rights under the notes, the guarantees and the collateral securing the notes will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the relevant guarantors' jurisdictions of organization or incorporation may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, rights of insolvency administrators to challenge transactions, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the notes and the guarantees in those jurisdictions or limit any amounts that you may receive. See "Limitations on the Validity and Enforceability of the Guarantees and Security Interests and Certain Insolvency Law Considerations" with respect to certain of the jurisdictions mentioned above.

Any future pledge of collateral or guarantee may be avoidable in bankruptcy.

Collateral pledged or perfected upon, or guarantees issued, after the issue date of the notes may be treated under bankruptcy law as if they were pledged or perfected upon to secure, or delivered to guarantee, as applicable, previously existing indebtedness. Any future pledge or perfection of collateral or issuance of a guarantee in favor of the holders of the notes (including any liens delivered or reinstated after the Reversion Date (as defined in "Description of Notes") and/or pursuant to guarantees delivered in connection therewith after the issue date of the notes) may be avoidable by the ledger (as a debtor in possession), guarantor (as a debtor in possession), by its trustee in bankruptcy, or potentially by other creditors if certain events or circumstances exist or occur, including, among others, if (i) the ledger or guarantor is insolvent at the time of the pledge or perfection and/or issuance of the guarantee, (ii) the pledge or perfection and/or issuance of the guarantee (as applicable) permits the holders of the notes to receive a greater recovery in a hypothetical Chapter 7 case under the U.S. Bankruptcy Code than if such pledge or perfection and/or guarantee (as applicable) had not been given and (iii) a bankruptcy proceeding in respect of the ledger or guarantor is commenced within 90 days following the pledge or the perfection thereof as the case may be, and/or the issuance of the guarantee (as applicable), or, in certain circumstances, one year. Accordingly, if the issuers or any guarantor were to file for bankruptcy protection after the issue date of the notes and any pledge of collateral not pledged, or any guarantees not issued, on the issue date of the notes had been pledged or perfected or issued (as applicable) less than 90 days before commencement of such bankruptcy proceeding, such pledges or guarantees are materially more likely to be avoided as a preference by the bankruptcy court than if delivered on the issue date of the notes (even if the other guarantees or liens (as applicable) issued and/or perfected on the issue date of the notes would no longer be subject to such risk). To the extent that the grant or perfection of any such security interest and/or guarantee is avoided as a preference or otherwise, you would lose the benefit of the security interest and/or guarantee (as applicable) and could have to return payments or property to us.

Rights of holders of the notes in the collateral may be adversely affected by bankruptcy proceedings.

The right of the notes collateral agent to foreclose upon, repossess and dispose of the collateral securing the notes and the related guarantees is likely to be significantly impaired (or at a minimum delayed) by federal bankruptcy law if bankruptcy proceedings are commenced by or against the issuers or the guarantors that provide security for the notes or the related guarantees prior to, or possibly even after, any collateral agent has repossessed and disposed of the collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as the notes collateral agent, is prohibited from foreclosing upon or repossessing its security from a debtor in a bankruptcy case, or from disposing of security previously repossessed from a debtor, without prior bankruptcy court approval (which may not be given under the circumstances or which could be delayed). Moreover, bankruptcy law permits the debtor to continue to retain and use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to the circumstances, but it is intended in general to protect the value of the secured creditor's interest in its collateral and may include cash payments or the granting of additional or replacement security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the automatic stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. A bankruptcy court may determine that a secured creditor may not require compensation for a diminution in the value of its collateral if the value of the collateral exceeds the debt it secures. In view of both the lack of a precise definition of the term "adequate protection" under the U.S. Bankruptcy Code and the broad discretionary powers of a bankruptcy court, it is impossible to predict how, whether or when payments under the notes could be made following the commencement of a bankruptcy case, the length of the delay in making any such payments or whether any such payment will be made at all or in what form, whether or when the notes collateral agent could or would repossess or dispose of the collateral, the value of the collateral as of the commencement date of any bankruptcy proceedings or any other date, or whether or to what extent or in what form holders of the notes would be compensated for any delay in payment or loss of the value of the collateral through the requirements of "adequate protection."

Furthermore, any disposition of the collateral during a bankruptcy case outside of the ordinary course of business would also require approval from the bankruptcy court (which may not be given under the circumstances or which could be delayed).

Also, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes and all of our Other Pari Passu Lien Obligations (as defined under the headings "Description of Notes") the holders of the notes would be "under-secured." U.S. bankruptcy laws do not provide for the payment or accrual of interest, expenses, costs and attorneys' fees on the under-secured, "deficiency" portion of a creditor claims during a debtor's bankruptcy case nor is a creditor entitled to adequate protection on account of any under-secured portion of its claims.

In addition, as noted above, the Pari Passu Intercreditor Agreement will prohibit the Trustee and the notes collateral agent from objecting following the filing of a bankruptcy petition to proposed DIP financing to be provided to us that is secured by the collateral or to the use of cash collateral that has not been opposed to or objected to by the controlling collateral agent or the other controlling secured parties, subject to certain conditions and limited exceptions. After such a filing, the value of the collateral could materially deteriorate, and holders of the notes would be unable to raise an objection.

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

Holders of the notes have the benefit of the guarantees of the guarantors. However, the guarantees by the guarantors are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor's liability under its guarantee could be reduced to zero, depending upon (among other things) the amount of other obligations of such guarantor. Further, under the circumstances discussed more fully above, a court under federal or state fraudulent conveyance and fraudulent transfer statutes could avoid the obligations under a guarantee (and any related security interest) or further subordinate it to all other obligations of the guarantor. See "—U.S. federal and state fraudulent conveyance or fraudulent transfer laws permit a U.S. court, under certain circumstances, to avoid the notes and the guarantees, and the liens securing the notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens in respect of the notes and, if that occurs, you may not receive any payments on the notes.” In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under “Description of Notes—Guarantees.”

The Agreed Security Principles set out a number of limitations on the rights of the holders of the notes.

The Agreed Security Principles (as defined under “Description of Notes”) set out a number of limitations on the rights of the holders of the notes to require granting of, or payment or enforcement under, a guarantee or security in certain circumstances. The operation of the Agreed Security Principles may result in, among other things, the amount recoverable under any guarantee or security provided by any subsidiary being limited or security not being granted over a particular type or class of assets and/or not perfected. Accordingly, the Agreed Security Principles may affect the value of the guarantees and collateral provided by us and our subsidiaries. The validity and enforceability of the guarantees and security may also be affected by local law limitations.

We may not be able to finance a change of control offer or asset sale offer required by the indenture that will govern the notes.

Upon a change of control, as defined under the indenture that will govern the notes, unless the issuers have previously or substantially concurrently optionally redeemed the notes, the issuers will be required to make an offer to purchase all of the notes then outstanding at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date of purchase. In order to obtain sufficient funds to pay the purchase price of the outstanding notes, we expect that we would have to refinance the notes. We may not be able to refinance the notes on reasonable terms, if at all. The issuers’ failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the indenture that will govern the notes. Such an event of default may cause the acceleration of our other indebtedness, including indebtedness under the Senior Secured Credit Facilities, the ABL Credit Facility and the Existing Notes. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under the indenture that will govern the notes.

In addition, upon the occurrence of certain specified asset sales, the issuers will be required to offer to purchase outstanding notes, outstanding Existing Notes and indebtedness under the Senior Secured Credit Facilities at 100% of the principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date of purchase. The source of funds for any such purchase of the notes will be the issuers’ available cash or cash generated from the issuers’ operations or other sources, including borrowings, sales of assets or sales of equity. The issuers may not be able to purchase the notes upon such an asset sale offer because the issuers may not have sufficient financial resources at the time of such asset sale to make the required purchase of notes and such other indebtedness, or because restrictions in the issuers’ other indebtedness will not allow such purchase of the notes. Any of the issuers’ future debt agreements may contain similar provisions. Accordingly, if such an asset sale were to occur, the issuers may not have sufficient financial resources to purchase the notes and such other indebtedness that the issuers would be required to offer to purchase or that become immediately due and payable as a result. The issuers may require additional financing from third parties to fund any such purchases, and we may not be able to obtain financing on satisfactory terms or at all. See “Description of Notes—Repurchase at the Option of Holders—Asset Sales.” The issuers’ failure to pay holders tendering notes and such other indebtedness upon such an asset sale would result in an event of default under the indenture that will govern the notes.

If the Tender Offer is not fully subscribed and consummated, the amount of Secured Notes due 2026 outstanding immediately after the consummation of this offering will be higher than anticipated, thereby increasing our leverage immediately after the consummation of this offering.

To the extent the Tender Offer is not fully subscribed and consummated, the outstanding amount of the Secured Notes due 2026 immediately after this offering will be higher than anticipated. In such circumstances, our Pro Forma Net Secured Debt, Pro Forma Net Total Debt and related ratios would be higher than anticipated and may differ from the Pro Forma Net Secured Debt, Pro Forma Net Total Debt and related ratios included in the section entitled "Summary—Summary Historical Consolidated and Other Financial Information."

In addition, the Secured Notes due 2026 that remain outstanding after this offering will continue to be secured by first-priority liens on the collateral (other than with respect to ABL Collateral, which will continue to secure the Secured Notes due 2026 on a second-priority basis *pari passu* with the notes, the Senior Secured Credit Facilities and the Existing Secured Notes). Therefore, there may be less value available from such collateral to satisfy our obligations with respect to the notes.

To the extent the Tender Offer is not fully subscribed, we intend to use the remainder of the net proceeds from this offering to opportunistically repurchase, repay or refinance additional Secured Notes due 2026, including through open market repurchases, privately negotiated transactions, redemptions, tender offers or otherwise depending on market conditions and various factors existing at the time. Nothing in this offering memorandum shall constitute a notice of redemption with respect to the Secured Notes due 2026.

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

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

An active trading market may not develop for the notes.

There is currently no established trading market for the notes, and there can be no guarantee that an active trading market for the notes will develop. Although certain of the initial purchasers have advised us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities at any time without notice. In addition, the ability of the initial purchasers to make a market in the notes may be impacted by changes in any regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the notes.

We do not intend to apply for listing of the notes on any securities exchange or for inclusion of such notes in any automated dealer quotation system. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, any of the notes.

The liquidity of, and trading market for, the notes may also be adversely affected by, among other things:

- changes in the overall market for securities similar to the notes;
- changes in our financial performance or prospects;
- the prospects for companies in our industry generally;
- the number of holders of the notes;
- the interest of securities dealers in making a market for the notes;
- the conditions of the financial markets; and
- prevailing interest rates.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the notes.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities that are similar to the notes. The market, if any, for any of the notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance, and other factors. As a consequence, an active trading market may not develop or be maintained for the notes, you may not be able to sell the notes, or, even if you can sell the notes, you may not be able to sell them at an acceptable price. See "Transfer Restrictions."

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

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may adversely affect the market price or liquidity of the notes.

Credit rating agencies continually revise their ratings for the companies that they follow, including us. Credit rating agencies also evaluate our industry as a whole and may change their credit ratings for us based on their overall view of our industry. The notes will have a non-investment grade rating on the issue date. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Such rating may not remain for any given period of time or be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Credit ratings are not recommendations to purchase, hold or sell the notes, and may be revised or withdrawn at any time. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. If the credit rating of the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes at a favorable price or at all.

There are circumstances, other than the repayment or discharge of the notes, under which the collateral will be released automatically, without your consent or the consent of the collateral agent, and you may not realize any payment upon the release of such collateral.

Under various circumstances, the collateral will be released automatically, without action by, or consent of, any holder of the notes or the trustee under the indenture that will govern the notes, at the discretion of lenders under the Senior Secured Credit Facilities, including:

- upon a sale, transfer or other disposition of such collateral (to a person that is not the issuer, the co-issuer or a guarantor) in a transaction not prohibited under the indenture that will govern the notes. See "Description of Notes—Release of Collateral";
- with respect to collateral held by a guarantor of the notes, upon the release of such guarantor from its guarantees;

- pursuant to the terms of the Pari Passu Intercreditor Agreement, upon any release in connection with a foreclosure or exercise of remedies with respect to such collateral by the controlling collateral agent in accordance with the terms of the Pari Passu Intercreditor Agreement;

- pursuant to the terms of the ABL Intercreditor Agreement, upon any release in connection with a foreclosure or exercise of remedies with respect to such collateral by the controlling collateral agent in accordance with the terms of the ABL Intercreditor Agreement; and

- if the notes have achieved investment grade status.

The indenture that will govern the notes also permits us to designate one or more of the issuers' restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary. If the issuers designate a guarantor as an unrestricted subsidiary for purposes of the indenture, all of the liens on any collateral owned by that subsidiary or any of its subsidiaries and any guarantees of the notes by that subsidiary or any of its subsidiaries will be released under the indenture. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of any such unrestricted subsidiary and its subsidiaries will have a claim on the assets of the unrestricted subsidiary and its subsidiaries senior to the claim of the holders of the notes.

You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those non-guarantor subsidiaries will be structurally senior to claims of noteholders.

Certain actions in respect of defaults taken under the indenture that will govern the notes by beneficial owners with short positions in excess of their interests in the notes will be disregarded.

By acceptance of the notes, each holder of notes agrees, in connection with any notice of default, notice of acceleration or instruction to the Trustee to provide a notice of default, notice of acceleration or take any other action (a "Noteholder Direction"), to (i) deliver a written representation to the issuers and the Trustee that such holder and any of its affiliates acting in concert with it in connection with its investment in the notes (other than screened affiliates) are not (or, in the case such holder is DTC or its nominee, that such holder is being instructed solely by beneficial owners that (together with such affiliates) are not) Net Short (as defined under "Description of Notes") and (ii) provide the issuers with such other information as the issuers may reasonably request from time to time in order to verify the accuracy of such holder's representation within five business days of request therefor. Holders of the notes, including Holders that have hedged their exposure to the notes in the ordinary course and not for speculative purposes, may not be able to make such representations or provide the requested additional information. These restrictions may impact a holder's ability to participate in Noteholder Directions.

We will not be subject to the Exchange Act or the Sarbanes-Oxley Act of 2002.

Since we are not a public company and the notes will not be registered under the Securities Act after this offering, we will not be subject to the Exchange Act or the Sarbanes-Oxley Act of 2002 ("SOX"), which requires, among other things, public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information, and have management review the effectiveness of those controls on a quarterly basis. SOX also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, and have management review the effectiveness of those controls on an annual basis (and have the independent auditor attest to the effectiveness of such internal controls). We will not be required to comply with these requirements and therefore we may not have comparable procedures in place as compared to other public companies.

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

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

The Investor Group controls us, and the Investor Group's interests may conflict with ours or those of the other holders of the notes.

The Investor Group owns the majority of Atlas Ontario LP, our ultimate parent company. As a result, the Investor Group has control over our decisions to enter into any corporate transaction and has the ability to prevent any transaction that requires the approval of the manager or equityholder of us, regardless of whether the holders of notes believe that any such transactions are in their own best interests. For example, the Investor Group could cause us to make acquisitions that increase the amount of our indebtedness, including secured indebtedness, or to sell assets, which may impair our ability to make payments under the notes. In addition, to the extent permitted by the credit agreements that govern the Senior Secured Credit Facilities, the ABL Credit Facility, the indentures that govern the Existing Notes and the indenture that will govern the notes, the Investor Group may cause us to pay dividends rather than make capital expenditures or otherwise use our funds for the benefit of our business.

In addition, the Investor Group is in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. The Investor Group may vote in a manner so as to restrict us from expanding our business or entering into additional lines of business, which may be related to the current or future operations of these investments. Also, the Investor Group may pursue acquisitions that may be complementary with our business and, as a result, those acquisition opportunities may not be available to us. So long as the Investor Group continues to indirectly own a significant amount of the outstanding shares of our limited liability company units, even if such amount is less than 50%, the Investor Group will continue to be able to strongly influence or effectively control our decisions.

Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

We are subject to complex tax laws. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. We often rely on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations or our effective tax rate and have a negative effect on our business, results of operations and financial condition. The occurrence of any of the foregoing tax risks could have a material adverse effect on our business, results of operations and financial condition.

USE OF PROCEEDS

We estimate that our net proceeds from this offering, after deducting initial purchaser discounts and commissions and estimated offering expenses, will be approximately $ million. We intend to use the net proceeds from this offering, together with cash on hand, to repurchase a portion of our outstanding Secured Notes due 2026 and pay fees and expenses in connection with this offering, the Tender Offer and the Bank Amendments. See “Summary—Recent Developments” and “Description of Certain Other Indebtedness—Existing Secured Notes.”

Assuming the Tender Offer is fully subscribed as of the Early Tender Date, we expect to repurchase and cancel $500 million in aggregate principal amount of our Secured Notes due 2026 for an aggregate amount in cash equal to $500.0 million, plus approximately $2.9 million in accrued interest (subject to the terms and conditions of the Tender Offer). We expect to use approximately $14 million of cash on hand to pay accrued interest in connection with the Tender Offer and fees and expenses associated with this offering, the Tender Offer (assuming the Tender Offer is fully subscribed as of the Early Tender Date) and the Bank Amendments. If the Tender Offer is not fully subscribed at the Early Tender Date, or at all, the amount of the net proceeds from this offering used for the Tender Offer will be less than the applicable amount shown above and the amount of cash on hand required to pay accrued interest in connection with the Tender Offer may be less than anticipated. To the extent the Tender Offer is not fully subscribed, we intend to use the remainder of the net proceeds from this offering to opportunistically repurchase, repay or refinance Secured Notes due 2026. See “Risk Factors—If the Tender Offer is not fully subscribed and consummated, the amount of Secured Notes due 2026 outstanding immediately after the consummation of this offering will be higher than anticipated, thereby increasing our leverage immediately after the consummation of this offering.”

Morgan Stanley & Co. LLC is also acting as dealer manager for the Tender Offer and will receive customary fees and indemnification in connection therewith. To the extent any of the initial purchasers hold the Secured Notes due 2026 and such notes are repurchased by us in the Tender Offer, such initial purchasers will receive a portion of the proceeds from this offering. See “Plan of Distribution.” Nothing in this offering memorandum should be construed as an offer to purchase any outstanding Secured Notes due 2026 or a notice of redemption, and the Tender Offer is being made solely pursuant to the Offer to Purchase, upon the terms and subject to the conditions set forth therein.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of September 30, 2023 on:

- an actual basis; and

- an as adjusted basis after giving effect to this offering and the application of proceeds therefrom, together with cash on hand, as set forth under "Use of Proceeds" and assuming the Tender Offer is fully subscribed as of the Early Tender Date.

The information in this table should be read in conjunction with "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Certain Other Indebtedness" and the unaudited condensed consolidated financial statements and the related notes included in this offering memorandum. The amounts indicated represent principal indebtedness without giving effect to any original issue discount or debt issuance fees.

	As of September 30, 2023	
	Actual	**As Adjusted**
(in millions)	**(unaudited)**	
Cash and cash equivalents[1]	$ 757	$ 743
Debt:		
2021 Senior Secured Credit Facilities[2]		
Amended First Lien USD Term Loan Facility	4,684	4,684
First Lien Euro Term Loan Facility	742	742
Euro Revolving Credit Facility	291	291
2019 Senior Secured Credit Facilities[3]		
USD Revolving Credit Facility	—	—
ABL Credit Facility[4]	530	530
Existing Secured Notes		
Secured Notes due 2026[5]	1,940	1,440
USD I Secured Notes due 2028	1,225	1,225
USD II Secured Notes due 2028	775	775
Euro Notes due 2028 (€813)[6]	860	860
GBP Notes due 2028 (£367.7)[7]	449	449
Notes offered hereby	—	500
Total Secured Debt	11,496	11,496
Existing Unsecured Notes		
Unsecured Notes due 2027	1,050	1,050
Unsecured Notes due 2029	960	960
Financial Leases and Other Debt	181	181
Total Debt	13,687	13,687
Total Members' Capital	472	458
Total Capitalization	$ 14,159	$ 14,145

(1) Net of $75 million in bank overdrafts.

(2) As of September 30, 2023, $291 million was outstanding, and $26.4 million was available for borrowing, under the Euro Revolving Credit Facility, and there were no letters of credit outstanding. The First Lien Euro Term

Loan Facility and Euro Revolving Credit Facility reflect an exchange rate from Euro to US$ of 1.057.

(3) As of September 30, 2023, there were no borrowings outstanding, and $300 million was available for borrowing, under the USD Revolving Credit Facility, and there were no outstanding letters of credit.

(4) As of September 30, 2023, $530 million was outstanding under the ABL Credit Facility, and we had $559.9 million (subject to a borrowing base) of availability to incur additional indebtedness under the ABL Credit Facility (after giving effect to $410.1 million of outstanding letters of credit). The foregoing does not give effect to the Bank Amendments. See "Summary—Recent Developments" for additional information.

(5) Assumes the Tender Offer is fully subscribed as of the Early Tender Date and we repurchase and cancel $500 million in aggregate principal amount of Secured Notes due 2026 for an aggregate amount in cash equal to $500.0 million, plus approximately $2.9 million in accrued interest. See "Use of Proceeds."

(6) Reflects an exchange rate from Euro to US$ of 1.057.

(7) Reflects an exchange rate from Sterling to US$ of 1.220.

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

The following discussion and analysis of financial condition and results of operations are based upon financial statements which have been prepared in accordance with GAAP, and should be read together with the applicable consolidated financial statements, the notes to those financial statements and the other financial information appearing elsewhere in this offering memorandum.

Unless otherwise specified, this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” relates only to the historical results of Allied Universal and its subsidiaries, and does not give effect to this offering.

Business Overview

Atlas Ontario LP (collectively with its subsidiaries referred to as “Allied Universal” or the “Company”) is a leading provider of comprehensive security services and facility management services across North America, and as a result of the acquisition of G4S (“G4S Transaction”) on April 6, 2021, in more than 100 countries. We provide services to a broad range of customers across a variety of facilities and locations, including over 400 Fortune 500 companies. We use our expertise, service delivery and system integration capabilities alongside our geographic scale to differentiate our services to customers, drive outsourcing and enhance the value of traditional security services through the complementary use of technology. We provide “best-in-class” security services that allow clients to completely outsource the recruiting, screening, hiring, training, uniforming, scheduling and supervision of security professionals. Our security professionals work on-site at customer locations and are responsible for observing, detecting, deterring and reporting and responding to perceived, potential or actual security threats. Through a combination of comprehensive staffed security services, technology services, and other services, Allied Universal seeks to deliver high-quality and cost-effective security services to its customers.

Allied Universal was formed in August 2016 through the combination of AlliedBarton and Universal, which brought together two leading providers in the security services industry. AlliedBarton, founded in 1957, and Universal, founded in 1965, were leaders in the North America security industry in customer service, organic growth, customer and employee retention and accretive M&A. The two companies had a highly complementary and diverse set of blue-chip customers. The combined company became the largest provider of security officer services in North America and has continued to grow since, both organically and through M&A. On April 6, 2021, pursuant to a reorganization resulting in a change to the Company’s holding entity structure and in connection with the G4S Transaction, the owners of Topco, the direct parent and the sole member of Allied Universal Holdco LLC, contributed their membership interests and, in some cases, the legal entities holding such interests, in exchange for proportionate membership interests in Atlas Ontario LP. As a result of the acquisition of G4S, we incorporated additional services and geographies into our core global portfolio.

Our global footprint differentiates us in the ability to serve large multi-national enterprise customers across multiple continents. We leverage our service expertise to offer customized security solutions tailored to customer needs.

Our Service Offerings

The Company provides comprehensive staffed security services, technology services, and other services:

- Comprehensive staffed security services – includes on-site, mobile and remote security, care and justice services, executive protection services and other comprehensive staffed security services

- Technology services – comprehensive solutions include video, alarm and electronic monitoring, security systems installation and cash management solutions (ATMs and related software, retail cash solutions)

- Other services – includes facilities management services, risk consultancy, janitorial, cash services (i.e., cash in transit, cash processing and ATM services), staffing and other ancillary services

Recent Developments

The Company has been affected by COVID-19, inflation, and rising interest rates, in some cases adversely and to varying extents depending on prevailing government restrictions, economic conditions and other factors in the markets in which the Company operates. In particular, the Company experienced some workforce disruption due to employee absences due to illness, quarantine requirements, low unemployment rates, enhanced unemployment compensation benefits and other government relief programs, or other employment restrictions. These disruptions, collectively, have resulted in continued effects on labor markets contributing to inflationary pressure on wages, fuel, and other costs. Global interest rates are rising in response to inflation. Management is unable to predict the potential effects of inflation, rising interest rates, and ongoing impacts of the COVID-19 pandemic on the business.

On March 22, 2022, the Company purchased the issued and outstanding shares of Total Security Services Limited ("TSS") and its affiliate, Corporate Cupboard Limited ("CCL"), for £71.8 million, or $94.6 million based on the exchange rate as of March 22, 2022, in addition to contingent consideration settled for $6.3 million. TSS provides security services, including staffed guarding and technology-based solutions in the United Kingdom. CCL purchases and supplies uniforms and ancillary security equipment. The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on then available information and certain assumptions and estimates that management believed to be reasonable.

On August 1, 2022, the Company purchased all of the outstanding equity interests of Attenti Electronic Monitoring Group LTD ("Attenti") for an initial purchase price of approximately $250.5 million. Attenti is a provider of electronic monitoring products, formerly headquartered in Israel. Attenti now operates as a division of Allied Universal located in the U.K. The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on then available information and certain assumptions and estimates that management believed to be reasonable.

On May 11, 2023, and August 15, 2023, the Company further amended its Amended First Lien USD Term Loan Facility (as defined herein) to establish the 2023 First Lien USD Term Loan Facility (as defined herein). There were no changes in the terms of the existing borrowings under the Initial First Lien USD Term Loan Facility as a result of the amendments. The net proceeds from the additional borrowings under the Amended First Lien USD Term Loan Facility were used to repay outstanding borrowings under the ABL Credit Facility and for other corporate purposes.

Characteristics of our Revenues and Expenses

Revenues

We generate revenues primarily from comprehensive staffed security services, which are generally measured based on billable hours served by security professionals at an hourly rate, as determined by the customer contract. Revenues generated from comprehensive staffed security services are recognized over time as services are performed. Revenues from technology services (including the outright sale of equipment) consist primarily of video, alarm, and electronic monitoring and security systems installation contracts, and are recorded as control is transferred to the Company's clients over time, as any assets created or enhanced by the Company's performance are controlled by the Company's clients and the Company has a legally enforceable right to payment for performance completed. Revenue is recognized using the cost-to-cost input method, which measures the percentage of actual cost incurred to date to the estimated total cost to complete. When our technology contracts involve the rental of technology-related equipment, we determine whether the arrangement constitutes a lease and apply lessor accounting as applicable. Our revenue from other services is recognized as services are performed. We generally bill our customers either in advance, weekly, bi-weekly or monthly.

Our revenue growth in the year ended December 31, 2022 and the three and nine months ended September 30, 2023, over the corresponding periods were driven by acquisitions, as well as organic revenue growth related to bill-rate improvements and new business wins. Our organic revenue growth is driven primarily by our ability to maintain strong revenue retention rates and to attract new customers.

Cost of Revenues (Exclusive of Depreciation and Amortization)

Cost of revenues are comprised primarily of direct labor, payroll taxes, medical and life insurance benefits, workers' compensation costs, general liability, employment practices liability and automobile insurance costs, and subcontract labor and other cost of revenues. We classify all of our security officer wages and payroll-related expenses as cost of revenues. Compensation paid includes regular pay, overtime pay for hourly personnel, bonus, vacation, training, holiday and sick time. The total hours paid normally exceed total hours billed principally due to unbillable overtime and certain other unbillable costs. Our contract security revenues and high revenue retention rates are dependent on our ability to attract and retain high-quality, qualified employees. Our wage rates are generally above state and local minimum wage requirements, and we provide our security professionals with benefits at a higher level than many of our competitors. In addition, we engage in extensive candidate screening, training and development, which support employee retention and in turn, help reduce the cost of employee turnover. We believe our employee retention rate compares favorably to the average retention rates in our industry. We believe that we have higher wage and benefit costs than other companies in our industry, due to our focus on attracting, developing and retaining a highly qualified workforce.

General wage inflation, payroll tax rate and related taxable wage threshold changes, and insurance premiums and related claim costs are the primary drivers that affect the major components of cost of revenues. Traditionally, we have been able to pass increased costs in these areas on to our customers.

Our payroll tax expenses historically are higher in the first half of the year because a significant number of employees do not reach their taxable wage limits for employer related federal and state unemployment taxes until the second half of the year.

Medical benefit costs for the majority of our workforce consist of premium-based insurance costs. Conversely, for administrative employees and security professionals not subject to premium-based coverage, we are self-insured and subject to self-insured retention limits. See "—Critical Accounting Policies and Estimates" for further discussion.

Key Factors Affecting our Performance

We believe the following trends and factors have an important impact on our financial performance:

- Continued growth in the security market: Due to increased occurrences of adverse safety and security events affecting the general public, continued wage growth, and increased outsourced services penetration, we continue to see growth in the total size of the security market in North America and globally. As a market-leading provider of security services and technology services, overall industry growth is a factor driving our business. As such, our financial results are significantly affected by overall industry growth levels.

- Increasing pressure on customer pricing combined with a competitive labor market: The security market is highly-fragmented and intensely competitive as there are relatively low barriers to entry. We compete directly with local, regional, national and international companies. As more customers select service providers through competitive bid processes intended to procure quality services at lower prices, our revenue retention may be affected as new competitors may be willing to provide services at lower prices. In addition, we face pressure to increase compensation and benefits for employees as we compete with other companies both within and beyond our industry for the same workforce. Our ability to retain customers is dependent on our ability to hire, train and retain employees at scale while efficiently deploying our workforce to meet our customers' security service needs.

- Our ability to deliver comprehensive staffed security services and expand the use of technology: Increasingly, our clients are seeking more complex security services and incorporating technology and other complex capabilities. We believe that our success will depend on our ability to tailor specific, innovative solutions to meet the changing needs of our clients.

- Our sales performance and ability to execute on strategy: The number of clients that we add in a given period impacts our longer-term revenue. We are focused on attracting new clients and expanding our service offerings at existing clients. Furthermore, our ability to continue to pass along rate increases to our customers will protect our margins but in part, could be offset by reduced hours.

- Our continued ability to acquire and integrate accretive targets: Since 2008 through September 30, 2023, we have acquired 100 businesses. Our acquisition process allows us to integrate targets, while minimizing client disruption. Furthermore, we view expansion into additional international and adjacent markets to be an opportunity for future growth.

Segments

The Company operates and manages its business in two segments: North America and International. The North America segment primarily operates in the United States. The International segment primarily operates in the United Kingdom & Ireland, Europe, Middle East & Africa, Latin America, and Asia Pacific. Both segments offer comprehensive staffed security services, technology services and other services.

Results of Operations

The following table shows the percentages of each statement of operations caption in relation to total revenues.

	Three Months Ended September 30,		**Nine Months Ended September 30,**		**For the Years Ended December 31,**		
	2023	**2022**	**2023**	**2022**	**2022**	**2021**	**2020**
REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COSTS AND EXPENSES							
Cost of revenues (exclusive of depreciation and amortization)	82.4%	83.2%	82.8%	83.1%	83.1%	82.8%	81.3%
Selling, general, and administrative	9.8%	10.0%	10.2%	10.2%	10.3%	11.2%	11.0%
Depreciation and amortization	3.7%	3.7%	3.6%	4.0%	3.9%	4.0%	4.2%
Acquisition and related costs	0.1%	0.1%	0.0%	0.1%	0.1%	0.9%	0.3%
Total costs and expenses	96.0%	97.0%	96.6%	97.4%	97.4%	98.9%	96.8%
INCOME FROM OPERATIONS	4.0%	3.0%	3.4%	2.6%	2.6%	1.1%	3.2%
OTHER (INCOME) EXPENSE:							
Interest expense, net	5.0%	4.1%	4.9%	3.9%	4.0%	3.6%	4.1%
Loss on extinguishment of debt	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	0.0%
Other (income) expense, net	(0.1)%	0.0%	(0.2)%	0.0%	0.0%	(0.6)%	(0.2)%
Total other expense, net	4.9%	4.1%	4.7%	3.9%	4.0%	4.7%	3.9%

	Three Months Ended September 30,		Nine Months Ended September 30,		For the Years Ended December 31,		
	2023	**2022**	**2023**	**2022**	**2022**	**2021**	**2020**
LOSS BEFORE INCOME TAXES	(0.9)%	(1.1)%	(1.3)%	(1.3)%	(1.4)%	(3.6)%	(0.7)%
INCOME TAX PROVISION (BENEFIT)	0.3%	0.2%	0.0%	0.3%	0.4%	0.4%	0.2%
NET LOSS	(1.2)%	(1.3)%	(1.3)%	(1.6)%	(1.8)%	(4.0)%	(0.9)%
NET (LOSS) INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
NET LOSS ATTRIBUTABLE TO ATLAS ONTARIO LP	(1.2)%	(1.4)%	(1.3)%	(1.6)%	(1.8)%	(4.0)%	(0.9)%

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Revenues

	Nine Months Ended September 30,		Change	
	2023	**2022**	**Dollar**	**Percent**
($ in millions)				
Revenues				
North America	$ 10,540	$ 9,907	$ 633	6.4%
International	4,765	4,540	225	5.0%
Total revenues	$ 15,305	$ 14,447	$ 858	5.9%

Revenues increased by $858.0 million, or 5.9%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. This increase is partially attributable to the acquisitions of TSS in March 2022 and Attenti in August 2022 which accounted for $34.5 million and $58.5 million, respectively, of the increase in revenue for the nine months ended September 30, 2023, along with other completed acquisitions, an increase in our average security officer bill rate, and new business wins, partially offset by a revenue decrease due to the relative strengthening of the U.S. Dollar against multiple foreign currencies.

North America segment revenues for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022 increased by $633.0 million, or 6.4%, due to other completed acquisitions, an increase in our average security officer bill rate and new business wins.

International segment revenues for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022 increased by $225.0 million, or 5.0%, primarily due to the acquisitions of TSS in March 2022 and Attenti in August 2022 which accounted for $34.5 million and $58.5 million, respectively, of the increase in revenue for the nine months ended September 30, 2023, along with other completed acquisitions, an increase in our average security officer bill rate and new business wins, offset by the relative strengthening of the U.S. Dollar against multiple foreign currencies.

Cost of Revenues (Exclusive of Depreciation and Amortization)

	Nine Months Ended September 30,		Change	
	2023	2022	Dollar	Percent
($ in millions)				
Cost of revenues (exclusive of depreciation and amortization)	$ 12,678	$ 12,011	$ 667	5.6%

Cost of revenues increased by $666.9 million, or 5.6%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. The increase in cost of revenues is primarily due to the increase in revenues of 5.9%, largely due to the TSS acquisition in March 2022, the Attenti acquisition in August 2022 and other completed acquisitions, which resulted in increased cost.

Operating Costs and Expenses

	Nine Months Ended September 30,		Change	
	2023	2022	Dollar	Percent
($ in millions)				
Selling, general and administrative	$ 1,557	$ 1,474	$ 83	5.6%
Depreciation and amortization	548	582	(34)	(5.8)%
Acquisition and related costs	7	21	(14)	(65.7)%

Selling, general and administrative expenses increased by $83.1 million, or 5.6%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. The increase is primarily due to additional general and administrative expenses from completed acquisitions in 2023 and 2022, offset by realized acquisition synergies and other profit improvement initiatives.

Depreciation and amortization decreased by $33.6 million, or 5.8%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. The decrease is primarily due to certain intangible assets becoming fully amortized during the period ended September 30, 2022 and due to the relative strengthening of the U.S. Dollar against multiple foreign currencies, offset by acquired property, equipment and software and identifiable intangible assets resulting from completed acquisitions in 2023 and 2022.

Acquisition and related costs decreased by $13.8 million, or 65.7%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. This decrease is primarily attributable to lower professional service expenses due to decreased mergers and acquisitions activity for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, largely related to the acquisition of TSS in March 2022 and the Attenti acquisition in August 2022.

Other Expense (Income), Net

	Nine Months Ended September 30,		Change	
	2023	2022	Dollar	Percent
($ in millions)				
Interest expense, net	$ 749	$ 558	$ 191	34.3%
Other income	(26)	(7)	(19)	274.3%

Interest expense, net increased by $191.2 million, or 34.3%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. The increase in interest expense, net is primarily related to an increase in the applicable rates on our variable rate debt and a higher outstanding debt balance. Refer to "—Liquidity and Capital Resources" for additional information.

Other income increased by $19.2 million, or by 274.3%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. The increase in other income is primarily the result of changes in the fair value of contingent purchase consideration, changes in the fair value of marketable equity securities, and changes in other benefits within our net periodic pension benefit during the nine months ended September 30, 2023.

Income Tax (Benefit) Expense

	Nine Months Ended September 30,		Change	
	2023	**2022**	**Dollar**	**Percent**
($ in millions)				
Income tax (benefit) expense	$ (6)	$ 37	$ (43)	(117.3)%

Income tax (benefit) expense decreased by $43.4 million, or 117.3%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. This decrease in income tax (benefit) expense is primarily the result of a change in the valuation allowance during the nine months ended September 30, 2023.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021 and Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Revenues

	For the Years Ended December 31,		Change	
	2022	**2021**	**Dollar**	**Percent**
($ in millions)				
Revenues				
North America	$ 13,372	$ 11,667	$ 1,705	14.6%
International	6,046	4,782	1,264	26.4%
Total revenues	$ 19,418	$ 16,449	$ 2,969	18.0%

Revenues increased by $2,969.0 million, or 18.0%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. Of this increase, $1,595.7 million relates to incremental revenue generated from the G4S Transaction that occurred in April 2021, along with an increase in our average security officer bill rate and new business wins, partially offset by a revenue decrease due to the relative strengthening of the U.S. Dollar against multiple foreign currencies.

North America segment revenues for the year ended December 31, 2022 as compared to the year ended December 31, 2021 increased by $1,705.0 million, or 14.6%, primarily due to an increase of $520.6 million relating to incremental revenue generated from the G4S Transaction in April 2021. The remaining $1,184.4 million increase in revenues is primarily attributable to other completed acquisitions, an increase in our average security officer bill rate and new business wins.

International segment revenues for the year ended December 31, 2022 as compared to the year ended December 31, 2021 increased by $1,264.0 million, or 26.4%, primarily due to an increase of $1,075.1 million relating to incremental revenue generated from the G4S Transaction that occurred in April 2021. Additionally, the acquisitions of TSS in March 2022 and Attenti in August 2022 accounted for $148.4 million and $40.8 million, respectively, of the increase in revenue for the year ended December 31, 2022. The remaining $0.3 million decrease in revenues is primarily attributable to other completed acquisitions, an increase in our average security officer bill rate and new business wins, offset by the relative strengthening of the U.S. Dollar against multiple foreign currencies and temporary contracts from the year ended December 31, 2021.

	For the Years Ended December 31,		Change	
	2021	**2020**	**Dollar**	**Percent**
($ in millions)				
Revenues				
North America	$ 11,667	$ 8,501	$ 3,166	37.2%
International	4,782	—	4,782	N/M
Total revenues	$ 16,449	$ 8,501	$ 7,948	93.5%

Revenues increased by $7,947.9 million, or 93.5%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. Of this increase, $7,013.6 million relates to incremental revenue generated from the G4S Transaction that occurred in April 2021. The remaining $934.3 million increase in revenues is primarily attributable to other completed acquisitions and an increase in our average security officer billing rate.

North America segment revenues from 2020 to 2021 increased by $3,166.3 million, or 37.2%, primarily due to an increase of $2,269.5 million relating to incremental revenue generated from the G4S Transaction in April 2021. The remaining $896.8 million increase in revenues is primarily attributable to other completed acquisitions and an increase in our average security officer billing rate.

International segment revenues from 2020 to 2021 increased by $4,781.6 million due to the G4S Transaction.

Cost of Revenues (Exclusive of Depreciation and Amortization)

	For the Years Ended December 31,		Change	
	2022	**2021**	**Dollar**	**Percent**
($ in millions)				
Cost of revenues (exclusive of depreciation and amortization)	$ 16,128	$ 13,612	$ 2,516	18.5%

Cost of revenues increased by $2,516.2 million, or 18.5%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. The increase in cost of revenues is primarily due to the increase in revenues of 18.0%, largely due to the G4S Transaction in April 2021 and other acquisitions, which resulted in increased cost, as well as an increase in labor costs due to labor market shortages, particularly in North America.

	For the Years Ended December 31,		Change	
	2021	**2020**	**Dollar**	**Percent**
($ in millions)				
Cost of revenues (exclusive of depreciation and amortization)	$ 13,612	$ 6,913	$ 6,699	96.9%

Cost of revenues increased by $6,698.6 million, or 96.9%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase in cost of revenues is primarily due to the increase in revenues of 93.5%, primarily due to the G4S Transaction in April 2021 which resulted in $5,866.6 million of increased cost, as well as an increase in labor costs due to labor market shortages, particularly in North America.

Operating Costs and Expenses

	For the Years Ended December 31,		Change	
	2022	**2021**	**Dollar**	**Percent**
($ in millions)				
Selling, general and administrative	$ 2,000	$ 1,850	$ 150	8.1%
Depreciation and amortization..................	767	664	103	15.5%
Acquisition and related costs....................	23	152	(129)	(84.7)%

Selling, general and administrative expenses increased by $149.6 million, or 8.1%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. The increase is primarily due to additional general and administrative expenses from completed acquisitions in 2022 and 2021, offset by realized acquisition synergies and other profit improvement initiatives.

Depreciation and amortization increased by $102.8 million, or 15.5%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. The increase is primarily due to acquired property, equipment and software and identifiable intangible assets resulting from completed acquisitions in 2022 and 2021.

Acquisition and related costs decreased by $128.8 million, or 84.7%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. This decrease is primarily attributable to higher professional service expenses during the year ended December 31, 2021 related to the G4S Transaction completed in April 2021 and the acquisition of SecurAmerica, LLC ("SecurAmerica") in January 2021.

	For the Years Ended December 31,		Change	
	2021	**2020**	**Dollar**	**Percent**
($ in millions)				
Selling, general and administrative	$ 1,850	$ 936	$ 914	97.7%
Depreciation and amortization..................	664	356	308	86.7%
Acquisition and related costs....................	152	26	126	484.9%

Selling, general and administrative expenses increased by $914.0 million, or 97.7%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase is primarily due to additional general and administrative expenses from the G4S Transaction of $959.8 million, partially offset by realized acquisition synergies and other profit improvement initiatives.

Depreciation and amortization increased by $308.5 million, or 86.7%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase is primarily due to acquired property, equipment and software and identifiable intangible assets resulting from the G4S Transaction.

Acquisition and related costs increased by $126.3 million, or 484.9%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. This increase is primarily attributable to higher professional expenses related to the G4S Transaction completed in April 2021 and the SecurAmerica acquisition in January 2021.

Other Expense, Net

($ in millions)	For the Years Ended December 31, 2022	2021	Change Dollar	Percent
Interest expense, net	$ 780	$ 597	$ 183	30.6%
Loss on extinguishment of debt	—	277	(277)	(100.0)%
Other income	(7)	(100)	93	(93.3)%

Interest expense, net, increased by $182.5 million, or 30.6%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. The increase in interest expense, net is primarily related to an increase in the applicable rates on our variable rate debt and a higher outstanding debt balance. See "—Liquidity and Capital Resources" for additional information.

Loss on extinguishment of debt of $277.3 million during the year ended December 31, 2021, includes: (i) the write-off of $126.3 million of deferred financing fees, issue discounts, and third-party costs incurred associated with the extinguishment of the bridge credit facilities and the Amended First Lien USD Term Loan Facility; (ii) $60.3 million of market premiums paid and $10.7 million in other charges related to the redemption of G4S's Euro market term loans; and (iii) $80.0 million incurred for the prepayment of G4S's USD private placement notes.

Other income decreased by $93.3 million for the year ended December 31, 2022 as compared to the year ended December 31, 2021. The decrease in other income is primarily the result of activity associated with foreign exchange derivatives and interest rate swaps which were settled during 2021, and a net decrease in the fair market value of marketable securities during the year ended December 31, 2022.

($ in millions)	For the Years Ended December 31, 2021	2020	Change Dollar	Percent
Interest expense, net	$ 597	$ 346	$ 251	72.4%
Loss on extinguishment of debt	277	—	277	N/M
Other income	(100)	(15)	(85)	571.2%

Interest expense, net, increased by $250.7 million, or 72.4%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase in interest expense, net is primarily related to a higher outstanding balance related to the issuance of debt in connection with the G4S Transaction. See "—Liquidity and Capital Resources" for additional information.

Loss on extinguishment of debt of $277.3 million during the year ended December 31, 2021, includes: (i) the write-off of $126.3 million of deferred financing fees, issue discounts, and third-party costs incurred associated with the extinguishment of the bridge credit facilities and the Amended First Lien USD Term Loan Facility; (ii) $60.3 million of market premiums paid and $10.7 million in other charges related to the redemption of G4S's Euro market term loans; and (iii) $80.0 million incurred for the prepayment of G4S's USD private placement notes.

Other income increased by $85.4 million, or by 571.2%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase in other income is primarily the result of activity associated with foreign exchange derivatives and interest rate swaps, the net periodic benefit income of $26 million from pension plans and gains from contingent consideration recognized during 2021.

Income Tax Expense

	For the Years Ended December 31,		Change	
	2022	2021	Dollar	Percent
($ in millions)				
Income tax expense	$ 81	$ 66	$ 15	22.0%

Income tax expense increased by $14.5 million, or 22.0%, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. This increase in tax expense is primarily the result of increased taxable income and change in the valuation allowance in the current year.

	For the Years Ended December 31,		Change	
	2021	2020	Dollar	Percent
($ in millions)				
Income tax expense	$ 66	$ 20	$ 46	230.2%

Income tax expense increased by $46 million, or 230.2%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. This increase in tax expense is primarily the result of increased taxable income and the inclusion of foreign earnings from the G4S Transaction.

Q3 Pro Forma Adjusted EBITDA Update

The following table sets forth our Pro Forma Adjusted EBITDA for the three months ended September 30, 2023 and 2022, with reconciliations to net loss, the closest comparable GAAP metric. Our Pro Forma Adjusted EBITDA grew 8% in the three months ended September 30, 2023 on a constant currency basis compared to the same quarter in the prior year, from $456 million to $493 million. We calculate constant currency by translating our prior period financial results using the corresponding current period's exchange rates for our transacted currencies other than the U.S. dollar. For additional information, see "Non-GAAP Financial Measures" and "Summary—Summary Historical Consolidated and Other Financial Information."

	Three Months Ended September 30,	
(in millions)	**2023**	**2022**
Net Loss	$ (59)	$ (71)
Interest expense, net	259	200
Income tax provision (benefit)	14	10
Depreciation and amortization	193	183
Transaction, integration and restructuring costs[a]	9	42
Sponsor and director fees[b]	1	1
Non-cash equity-based compensation[c]	14	15
Legal settlements and related fees[d]	2	2
Loss (gain) on disposal of property and equipment[e]	(2)	(1)
Foreign exchange loss (gain)[f]	(1)	1
Hedging losses (gains)	0	0
Loss on early extinguishment of debt	—	—
Miscellaneous non-recurring costs[g]	(6)	(3)
Adjusted EBITDA	424	379
Start-up costs[h]	3	3
Lease costs[i]	24	26
Profit improvement initiatives[j]	22	36
Unrealized acquisition synergies[k]	3	5
Pre-acquisition acquired EBITDA[l]	0	3

(in millions)	Three Months Ended September 30, 2023	2022
Other[(m)]	2	2
Pro Forma Adjusted EBITDA	$ 478	$ 454

(a) Represents transaction, integration and restructuring related costs primarily associated with professional service fees paid to third parties for pre-acquisition due diligence and post-acquisition integration services, including operational, information technology, financial and other support services, as well as costs from re-branding of uniforms, vehicles, facilities and other materials, employee retention and discretionary bonuses as well as severance payments, costs incurred to consolidate facilities, employee travel costs and other items attributable to the acquisitions. For the three months ended September 30, 2023 and 2022, this adjustment includes approximately $3.3 million and $4.9 million, respectively, in transaction costs associated with tuck-in acquisitions.

(b) Represents approximately $0.2 million and $0.5 million in director fees were paid in the three months ended September 30, 2023 and 2022, respectively.

(c) Represents non-cash equity-based compensation expense.

(d) Represents non-recurring charges related to legal settlements and related fees of approximately $2.4 million and $1.5 million in the three months ended September 30, 2023 and 2022, respectively.

(e) Represents non-recurring losses (gains) on disposal of property and equipment in the amounts of approximately $3.0 million and $1.0 million in the three months ended September 30, 2023 and 2022, respectively.

(f) Represents foreign currency impact on transactions, translation of financial balances, and hyperinflationary countries.

(g) Represents other miscellaneous non-recurring costs. In the three months ended September 30, 2023, other miscellaneous costs include severance and deferred compensation costs of approximately $4.3 million, and gains from pension plans of approximately $4.8 million, and other costs. In the three months ended September 30, 2022, other miscellaneous costs include severance and deferred compensation costs of approximately $4.8 million, and gains from pension plans of approximately $8.1 million, and other costs.

(h) Represents management's estimate of start-up costs incurred to onboard and train security professionals at the commencement of a new job. Start-up costs include an estimate for employees' time, recruitment, travel and other related costs. Start-up costs fluctuate based on win rates and new job characteristics (e.g., location, type of customer, service provider requirements, etc.).

(i) Represents adjustments for the estimated amortization of assets leased under operating leases based on the new lease standard adopted by the Company during the year ended December 31, 2021. For the three months ended September 30, 2023, this adjustment includes approximately $14.4 million and $9.2 million in costs in connection with international leases and North American leases, respectively. For the three months ended September 30, 2022, this adjustment includes approximately $17.1 million and $8.7 million in costs in connection with international leases and North American leases, respectively.

(j) Represents the unrealized portion of cost savings from profit improvement initiatives related to turnover and margin improvement, non-billable overtime, vehicle safety, North America technology initiatives relating to digitizing and automating certain core operations at the branch level, international deployment of our shared services offices platform expected to streamline the management of transactional activities that are currently handled at the individual country level and international deployment of the cloud-based business intelligence and analytics tool, Domo. See "—Competitive Strengths—Sophisticated and Technology-Driven Operations Enable Operational Optimization" for additional information about the North America technology initiatives. See also "Risk Factors—Risks Related to Our Business and Industries—We may not realize any or all of our estimated cost savings, which would have a negative effect on our results of operations" for additional information.

(k) Represents adjustments to reflect the estimated impact of unrealized cost saving synergies related to acquired businesses. Leveraging our existing infrastructure, we expect to realize cost savings primarily related to the elimination of redundant overhead personnel, consolidation of facilities, and other synergies from leveraging our scale, including lower insurance premiums and per employee benefit costs.

(l) Represents adjustments to include the impact of EBITDA, adjusted for unusual, out-of-period and certain other items, from acquired businesses generated prior to their acquisition date. Acquired businesses, and the related pre-acquisition adjustment period and amount, for the three months ended September 30, 2022 was, in aggregate, $3.2 million. Acquired businesses, and the related pre-acquisition adjustment period and amount, for the three months ended September 30, 2023 was, in aggregate, $0.3 million.

(m) Reflects other non-recurring adjustments allowed by the Company's debt covenants for integration costs incurred by administrative and shared service personnel and other miscellaneous non-recurring items, offset by EBITDA for the non-controlling interests in our janitorial business.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our audited consolidated and combined financial statements and unaudited condensed consolidated financial statements, each of which have been prepared in accordance with GAAP. The preparation of the audited consolidated and combined financial statements and unaudited condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited consolidated and combined financial statements and unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We base these estimates, judgments and assumptions on historical experience and on other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical policies affect our more significant estimates and assumptions used in the preparation of our audited consolidated and combined financial statements and unaudited condensed consolidated financial statements.

Revenue Recognition

In accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, the Company accounts for a customer contract when both parties have approved the arrangement, the performance obligations can be identified, payment terms can be determined and it is probable the Company will collect substantially all of the consideration to which it is entitled. The Company recognizes revenue when its performance obligation is satisfied upon the transfer of control of the promised product or service to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods and services. Revenue is recognized over time in the period in which services are provided pursuant to the terms of the Company's contractual relationships with its clients. The Company recognizes revenue in an amount that corresponds directly with the value to the customer of the Company's performance completed to date and for which the Company has the right to invoice the customer.

Segments

Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the Chief Operating Decision Maker ("CODM"), who is the Company's Chief Executive Officer.

The CODM evaluates the Company's financial information and assesses the performance of the North America and International segments of the business in order to determine how to allocate resources. The CODM reviews the Company's revenues and operating income for the North America and International operating segments, which also constitute the Company's reportable segments, and the CODM reviews assets and capital expenditures on a consolidated basis. Therefore, revenues and operating income are presented by reportable segment and assets and capital expenditures by operating segment are not presented.

Long-lived Asset Impairment

Long-lived assets include identifiable intangibles with finite lives, property and equipment, and right-of-use assets. We review our long-lived asset groups for impairment whenever events or changes in circumstances indicate that the carrying amount of such asset groups may not be recoverable. Such events and circumstances include, among other factors:

- current period operating losses or negative cash flow combined with a history of similar losses or forecasts indicating continuing losses associated with the use of an asset group,
- significant decreases in the market value of an asset group,
- technological developments resulting in obsolescence,
- significant changes in demand for our services in competition and competitive practices, or
- significant negative changes in the business climate, industry or economic conditions.

Recoverability of our long-lived asset groups is determined based upon the expected undiscounted future net cash flows from the operations to which the asset groups relate, utilizing our best estimates, appropriate assumptions, and projections at the time of review. If the carrying value is determined not to be recoverable from future operating cash flows, the asset group is deemed impaired, and an impairment loss would be recognized to the extent the carrying value exceeded the estimated fair market value of the asset group.

Goodwill and Indefinite-lived Intangible Asset Impairment

Goodwill and intangible assets with indefinite lives are not amortized; rather, they are tested for impairment annually as of October 1. For goodwill, we may conduct an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In a qualitative assessment, we would consider the macroeconomic conditions, including any deterioration of general conditions and industry and market conditions, including any deterioration in the environment where the reporting unit operates, increased competition, changes in the products/services and regulatory and political developments, cost of doing business, overall financial performance, including any declining cash flows and performance in relation to planned revenues and earnings in past periods, other relevant reporting unit specific facts, such as changes in management or key personnel or pending litigation, and events affecting the reporting unit, including changes in the carrying value of net assets. If we determine that it is more likely than not that the fair value of the reporting unit is less than its carrying value, then we would perform the quantitative goodwill impairment test as required. If we determine that it is not more likely than not that the fair value of the reporting unit is less than the carrying value, then no further testing is required. If the carrying amount exceeds the fair value then we would record an impairment loss in an amount equal to that excess, limited to the total amount of goodwill allocated to the reporting unit. We estimate the fair value of our reporting unit based on a combination of significant observable and unobservable inputs, including estimates of future operating performance. Changes in market conditions, among other factors, may impact these estimates. As of September 30, 2023, total goodwill on our consolidated balance sheet was $8.8 billion, including $5.3 billion of goodwill related to the G4S acquisition. As part of our closing for the 2023 year, we started our annual goodwill impairment analysis in early 2024 and based on our preliminary analysis we expect to record a goodwill impairment related to our international operations.

For our indefinite-lived trade names, we may also conduct an assessment of qualitative factors to determine whether or not it is more likely than not that the fair value of the assets is less than their carrying value. If we determine that it is more likely than not that the fair value of the trade names is less than their carrying value, we estimate the fair value of our indefinite-lived trade names using the relief from royalty method. The relief from royalty method measures the discounted cash flow savings realized from owning such intangible assets and not having to pay a royalty for their use. Impairment would then be recognized for the difference between the determined fair value and their carrying value, if applicable.

Self-Insurance and Other Reserves

We self-insure for certain obligations related to our employee health care benefit programs. We also maintain self-insured retentions and deductibles under our workers' compensation liability, general liability, employment practices liability, and automobile liability insurance programs. Our reserves are estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on our claim history and related factors. The accounting estimates related to our self-insurance reserves are critical accounting estimates because changes in our claim experience, our ability to settle claims or other estimates and judgments we use could potentially have a material impact on our results of operations.

In the normal course of operations, various legal claims are filed against the Company for which we maintain insurance coverage. We have reserved for these claims based on insurance coverage, the risk of loss retained by the Company and estimated by our external actuary and management's judgment. We do not expect the ultimate outcome of any of these actions to have a material adverse effect on our condensed consolidated financial position, results of operations, or cash flows.

Business Combinations

The cost of an acquired business is assigned to the tangible and intangible assets purchased and liabilities assumed on the basis of their fair values at the date of acquisition. The determination of fair values of assets acquired and liabilities assumed requires us to make estimates and use valuation techniques when a market value is not readily available. Any excess of purchase price over the fair value of tangible and intangible assets acquired and obligations assumed is allocated to goodwill. Goodwill typically represents the value paid for the assembled workforce and enhancement of our service offerings.

As part of certain completed acquisitions, we may agree to pay cash to the sellers based upon achievement of certain targets after the acquisition date. The fair values of these contingent consideration arrangements are estimated using a probability weighted income approach. We evaluate the fair value of the contingent consideration throughout the year and every reporting period. Changes in the fair value during the measurement period that pertain to facts and circumstances that existed as of the acquisition date are recorded as measurement period adjustments to goodwill. Changes in the fair value resulting from events that occurred after the acquisition date are recorded as a gain or loss on changes in fair value of the contingent purchase consideration in the condensed consolidated statements of operations.

Defined Benefit Plans

The Company has several funded and unfunded defined retirement benefit plans in various jurisdictions around the world. The valuation of pension plan liabilities requires estimation in determining appropriate assumptions such as salary increases, mortality rates, discount rates and inflation levels. Movement in these assumptions can have a material impact on the determination of the liability. Management uses external actuaries to assist in determining these assumptions and are reviewed by management on an annual basis. If management determines that there are changes in the assumptions or market conditions that would result in a material change to the pension plan liability, an external actuary will assist in reevaluating the assumptions to calculate the pension plan liability.

The actuary determines the fair value of the pension plan liabilities using the projected unit credit method and values the plan assets based on fair market value. The projected unit credit method involves projecting future salaries and benefits to which an employee will be entitled at the expected date of employment termination. The obligation for these estimated future payments is then discounted to determine the present value of the defined benefit obligation and allocated to remaining service periods to determine the current service cost recorded within selling, general and administrative expenses in the condensed consolidated statements of operations.

The Company's pension plans create a number of risk exposures. Annual increases in benefits are, to a varying extent from plan to plan, dependent on inflation so the main uncertainties affecting the level of benefits payable are future inflation levels (including the impact of inflation on future salary increases) and the actual longevity of the membership. Benefits payable will also be influenced by a range of other factors including member decisions on matters such as when to retire and the possibility to draw benefits in different forms.

Equity-Based Compensation

Equity-based compensation costs are measured at the grant date based on the fair value of the equity award using an appropriate option-pricing method and are recognized in the condensed consolidated statements of operations over the period during which an employee is required to provide service in exchange for the award.

We use an independent valuation advisor to assist with determining the fair value of the equity awards used for calculating equity unit-based compensation. We consider both the historical volatility of our peer group's stock prices, as well as implied volatilities from exchange-traded options on our peer group's equity units, as applicable. The expected term used represents the period that the equity units are expected to be outstanding and is determined using a combination of the vesting period and management's judgment on when an expected liquidity event will occur. The assumptions used in calculating the fair value of equity unit-based awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and different assumptions were used, equity unit-based compensation could materially differ in the future.

Income Taxes and Other Tax Contingencies

We account for income taxes using the asset and liability method, under which we recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in our financial statements or tax returns. We measure current and deferred tax assets and liabilities based on provisions of enacted tax law. We evaluate the realization of our deferred tax assets based on all available evidence and establishes a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized.

Income tax provision includes U.S. (federal and state) and foreign income taxes. Certain foreign subsidiary earnings and losses are subject to current U.S. taxation and the subsequent repatriation of those earnings is not subject to tax in the U.S. We do not indefinitely invest substantially all its foreign subsidiary earnings, as well as its capital, in its foreign subsidiaries outside of the U.S. We provide for accruals in those jurisdictions in which it would incur significant, additional costs upon repatriation of such amounts.

We recognize the financial statement effects of a tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination. The tax benefits of the position recognized in the condensed consolidated financial statements are then measured based on the largest amount of benefit that is greater than 50% likely to be realized upon settlement with a taxing authority. In addition, we recognize interest and penalties related to unrecognized tax benefits as a component of the income tax provision.

We are also currently subject to tax controversies in various jurisdictions, and these jurisdictions may assess additional income tax liabilities against us. Developments in an audit, investigation, or other tax controversy could have a material effect on our operating results or cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods. We regularly assess the likelihood of an adverse outcome resulting from these proceedings to determine the adequacy of our tax accruals. Although we believe our tax estimates are reasonable, the final outcome of audits, investigations, and any other tax controversies could be materially different from our historical income tax provisions and accruals.

Liquidity and Capital Resources

As of September 30, 2023, we had approximately $832 million in cash and $1,751.3 million in working capital. Our liquidity requirements are principally for debt service, working capital, and potential acquisitions. Our primary source of liquidity is cash provided by operating and financing activities. As of September 30, 2023, the Company has $75.1 million in bank overdrafts, which represent temporary financing from the bank for issued checks that have not yet been presented to the bank for payment. Bank overdrafts reduce our available liquidity. However, we also had $300.0 million, $26.4 million and $559.9 million available for borrowing under our USD Revolving Credit Facility, Euro Revolving Credit Facility, and ABL Credit Facility, respectively, as of September 30, 2023, that provide additional liquidity to the Company as needed. Purchases under other financing arrangements were $377.9 million and $318.9 million during the nine months ended September 30, 2023 and 2022, respectively.

As of December 31, 2022, we had $812.4 million in cash and $1,240.1 million in working capital. Our liquidity requirements are principally for debt service, working capital, and potential acquisitions. Our primary source of liquidity is cash provided by operating and financing activities. As of December 31, 2022, the Company has $115.0 million in bank overdrafts, which represent temporary financing from the bank for issued checks that have not yet been presented to the bank for payment. Bank overdrafts reduce our available liquidity. However, we also had $300.0 million, $53.6 million and $348.7 million available for borrowing under our USD Revolving Credit Facility, Euro Revolving Credit Facility and ABL Credit Facility, respectively, as of December 31, 2022, that provide additional liquidity to the Company as needed. Purchases under other financing arrangements were $467.7 million, $255.0 million, and $52.9 million during the years ended December 31, 2022, 2021, and 2020 respectively.

For a description of our principal indebtedness, see “Capitalization” and “Description of Certain Other Indebtedness.”

Cash Flows

Nine Months Ended September 30, 2023 and 2022

Below is a summary of our cash flows for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,	
(in millions)	**2023**	**2022**
Net cash provided by (used in) operating activities	$ 69	$ (335)
Net cash used in investing activities	(240)	(484)
Net cash provided by financing activities	233	517
Effect of exchange rate changes	(44)	(66)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 18	$ (368)

Operating Activities

Cash provided by operating activities for the nine months ended September 30, 2023 was $68.8 million, and cash used in operating activities for the nine months ended September 30, 2022 was $334.9 million. For the nine months ended September 30, 2023, cash provided by operating activities was generated from net losses of $202.3 million adjusted for non-cash expenses of $639.7 million, as well as changes in working capital of $(368.6) million. Changes in working capital during the nine months ended September 30, 2023 included employer pension plan contributions of $79.1 million. For the nine months ended September 30, 2022, cash used in operating activities was generated from net losses of $228.9 million adjusted for non-cash expenses of $701.4 million as well as changes in working capital of $(807.4) million. Changes in working capital during the nine months ended September 30, 2022 included employer pension plan contributions of $142.3 million.

Investing Activities

Cash used in investing activities for the nine months ended September 30, 2023 was $239.5 million, and cash used in investing activities for the nine months ended September 30, 2022 was $483.9 million. For the nine months ended September 30, 2023 and 2022, we paid $211.9 million and $160.3 million, respectively, for purchases of property, equipment and software. Additionally, for the nine months ended September 30, 2023 and 2022, net (purchases) sales of marketable securities were $(7.1) million and $15.1 million, respectively. During the nine months ended September 30, 2023, we paid approximately $40.8 million (net of cash acquired) for four acquisitions. During the nine months ended September 30, 2022, we paid approximately $356.7 million (net of cash acquired) for the acquisitions of TSS, Attenti, and eight other acquisitions. Cash used in investing activities was partially offset by proceeds from the sale of property, equipment and software and other items during the nine months ended September 30, 2023 and 2022.

Financing Activities

Financing activities have consisted primarily of borrowings and repayments on long-term debt associated with acquisitions of businesses. Cash provided by financing activities for the nine months ended September 30, 2023 was $233.4 million, and cash provided by financing activities for the nine months ended September 30, 2022 was $516.8 million.

During the nine months ended September 30, 2023, we received proceeds from the Amended First Lien USD Term Loan Facility of $606.3 million, net of financing fees of $5.8 million, and received proceeds from borrowings on the Revolving Credit Facilities of $3,308.2 million. In addition, we made payments on certain Revolving Credit Facilities in the amount of $3,492.2 million, made finance lease and other financing payments of $64.4 million, made distributions to members and noncontrolling interests of $12.0 million, made principal payments on our First Lien Term Loan Facilities (as defined herein) of $44.5 million, and made contingent purchase price payments of $37.5 million, and had net cash outflows of $24.1 million from changes in bank overdrafts.

During the nine months ended September 30, 2022, we received proceeds from borrowings on the Revolving Credit Facilities of $3,921.3 million and received equity contributions of $0.5 million. In addition, we made payments on certain Revolving Credit Facilities in the amount of $3,296.9 million, made finance lease and other financing payments of $65.6 million, made distributions to members and noncontrolling interests of $11.2 million, made principal payments on our First Lien Term Loan Facilities of $42.2 million, and made contingent purchase price payments of $7.6 million, and had net cash inflows of $18.5 million from changes in bank overdrafts.

Years Ended December 31, 2022, 2021 and 2020

Below is a summary of our cash flows for the years ended December 31, 2022, 2021, and 2020:

	For the Years Ended December 31,		
(in millions)	**2022**	**2021**	**2020**
Net cash (used in) provided by operating activities..............	$ (215)	$ (229)	$ 589
Net cash used in investing activities.....................................	(573)	(4,636)	(148)
Net cash provided by financing activities.............................	499	5,145	457
Effect of exchange rate changes	(56)	13	—
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (345)	$ 293	$ 898

Operating Activities

Cash used in operating activities for the year ended December 31, 2022 was $215.4 million, cash used in operating activities for the year ended December 31, 2021 was $229.0 million, and cash provided by operating activities for the year ended December 31, 2020 was $589.0 million. For the year ended December 31, 2022, cash used in operating activities was generated from net losses of $353.6 million adjusted for non-cash expenses of $907.6 million as well as changes in working capital of $(769.4) million. Changes in working capital during the year ended December 31, 2022 included employer pension plan contributions of $171.3 million and the repayment of COVID-19 related deferrals. For the year ended December 31, 2021, cash used in operating activities was generated from net losses of $668.8 million adjusted for non-cash expenses of $1,004.3 million as well as changes in working capital of $(564.4) million. Changes in working capital during the year ended December 31, 2021 included the repayment of COVID-19 related deferrals of $226.0 million and employer pension plan contributions of $90.0

million. For the year ended December 31, 2020, cash provided by operating activities was generated from net losses of $80.7 million adjusted for non-cash expenses of $392.0 million as well as changes in working capital of $278.0 million, which is inclusive of $282.0 million of qualified payroll tax payment deferrals from the CARES Act. CARES Act payroll tax deferrals were repaid in full by December 31, 2022.

Investing Activities

Cash used in investing activities for the year ended December 31, 2022 was $573.0 million, cash used in investing activities for the year ended December 31, 2021 was $4,636.0 million, and cash used in investing activities for the year ended December 31, 2020 was $148.4 million. For the years ended December 31, 2022, 2021, and 2020 we paid $240.7 million, $141.4 million, and $46.7 million, respectively, for purchases of property and equipment. Additionally, for the years ended December 31, 2022, 2021, and 2020, net sales (purchases) of marketable securities were $7.1 million, $(14.2) million, and $(9.2) million, respectively. During the year ended December 31, 2022, we paid approximately $361.3 million (net of cash acquired) for the acquisitions of TSS, Attenti, and 11 other acquisitions. During the year ended December 31, 2021, we paid approximately $4,485.2 million (net of cash acquired) for the acquisitions of SecurAmerica, G4S, and seven other acquisitions and an equity method investment. Cash used for acquisitions was partially offset by the settlement of foreign currency and interest rate swap derivatives and other items. During the year ended December 31, 2020, we paid approximately $95.4 million (net of cash acquired) for six acquisitions. Additionally, we received a $1.6 million refund from escrow and recorded a measurement period adjustment of $1.6 million to cash and restricted cash acquired as part of the acquisition of SOS Security. Cash used in investing activities was partially offset by proceeds from the sale of property and equipment and other items during the years ended December 31, 2022, 2021, and 2020.

Financing Activities

Financing activities have consisted primarily of borrowings and repayments on long-term debt associated with acquisitions of businesses. Cash provided by financing activities for the year ended December 31, 2022 was $498.7 million, cash provided by financing activities for the year ended December 31, 2021 was $5,145.0 million, and cash provided by financing activities for the year ended December 31, 2020 was $456.8 million.

During the year ended December 31, 2022, we received proceeds from borrowings on the Revolving Credit Facilities of $4,931.3 million and received equity contributions of $0.5 million. In addition, we made payments on certain Revolving Credit Facilities in the amount of $4,296.9 million, made finance lease and other financing payments of $89 million, made distributions to members and noncontrolling interests of $10.9 million, made principal payments on our First Lien Term Loan Facilities of $48.4 million, and made contingent purchase price payments of $7.6 million, and had net cash inflows of $22.1 million from changes in bank overdrafts.

During the year ended December 31, 2021, we received proceeds from the 2021 Senior Secured Credit Facilities (as defined herein) of $11,591.2 million, net of financing fees of $148.0 million, borrowings on the Revolving Credit Facilities of $1,776.7 million, bank overdrafts of $58.3 million, and received equity contributions of $1,068.3 million, which were used to repay credit facilities in the amount of $1,415.0 million and pay market premiums and inducement offers on the extinguishment of G4S's debt of $140.0 million. In addition, we made finance lease and other financing payments of $81 million, made distributions to members and noncontrolling interests of $29.8 million, made principal payments and fully repaid the former first-lien senior secured term loan facility under the 2019 Senior Secured Credit Facilities (as defined herein) of $7,531.4 million, and made contingent purchase price payments of $3.9 million.

During the year ended December 31, 2020, we received proceeds from the issuance of additional Secured Notes due 2026 of $975.5 million, inclusive of issue premiums of $37.7 million and net of financing fees paid of $2.2 million, had net repayments on our ABL Credit Facility of $405.0 million, made capital lease and other financing payments of $53.2 million, made contingent purchase price payments of $26.7 million, made principal payments on our First Lien Term Loan Facilities of $22.2 million, made distributions to members of $12.0 million and received an equity contribution of $0.4 million.

Based upon our current level of operations, we believe that our existing cash balances and our cash from operating activities, together with available borrowings under our Senior Secured Credit Facilities and the ABL

Credit Facility, will be adequate to meet our anticipated requirements for working capital, capital expenditures, income tax payments and distributions, principal and interest payments for the next 12 months. There can be no assurance, however, that our business will continue to generate cash flow at our current level of operations or that anticipated improvements in our current level of operations will be achieved. If we are unable to generate sufficient cash flow from operations to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our indebtedness or obtain additional financing. Our ability to make scheduled principal payments or to pay interest on or to refinance our indebtedness depends on our future performance and financial results, which, to a certain extent, are subject to general conditions in or affecting our industry and to general conditions and factors that are beyond our control. We believe that sufficient funds will be available to enable us to service our indebtedness and to make capital expenditures for at least the next 12 months. As of September 30, 2023, we do not have any material commitments related to capital expenditures.

Off-Balance Sheet Arrangements

In connection with the G4S Transaction, the Company entered into a memorandum of understanding with the trustee for the defined benefit plan in the U.K. in which the Company has agreed to pay a one-time lump sum payment of £50 million, which was paid during January 2022, followed by quarterly contributions of £20 million for the calendar years 2021 to 2026 inclusive. The quarterly contributions will increase by 3% every year until the last payment in 2026.

Inflation

In general, our costs are affected by inflation and we may experience the effects of inflation in future periods, particularly with respect to rising labor costs. Additionally, the impact of foreign currency transactions from operations in hyperinflationary countries were immaterial during each period.

The Company's defined pension plans create a number of risk exposures. Annual increases in benefits are, to a varying extent from plan to plan, dependent on inflation so the main uncertainties affecting the level of benefits payable are future inflation levels (including the impact of inflation on future salary increases) and the actual longevity of the membership. Benefits payable will also be influenced by a range of other factors including member decisions on matters such as when to retire and the possibility to draw benefits in different forms.

Related Party Transactions

The Company's condensed consolidated statements of operations include sales to some of its equity method investments and joint venture partners. Sales agreements with related parties include terms that are consistent with those that we believe would have been negotiated at an arm's length with an independent party.

On September 1, 2021, the Company acquired a 49% equity interest in Blackstone Consulting, Inc. ("BCI") and R.J.B. Properties, Inc. ("RJB"), two affiliated entities that provide security services. Related party sales to BCI for security services totaled $196.0 million, $13.6 million, and $0 during the years ended December 31, 2022, 2021, and 2020, respectively, and $156.3 million and $144.9 million during the nine months ended September 30, 2023 and 2022, respectively. Accounts receivable from BCI totaled $41.4 million and $47.3 million as of September 30, 2023 and December 31, 2022, respectively. The Company's total investment in BCI and RJB was $147.5 million and $146.6 million as of September 30, 2023 and December 31, 2022, respectively, which is included in other assets on the condensed consolidated balance sheets.

The Company's audited consolidated and combined statements of operations and unaudited condensed consolidated statements of operations include sales to some of its joint venture partners. Sales agreements with related parties include terms that are consistent with those that we believe would have been negotiated at an arm's length with an independent party. Related party sales to joint venture partners totaled $104.2 million, $89.6 million, and $0 for the years ended December 31, 2022, 2021 and 2020, respectively and $14.8 million and $77.9 million for the nine months ended September 30, 2023 and 2022, respectively. Accounts receivable from the Company's joint venture partners totaled $4.5 million and $2.8 million as of December 31, 2022 and 2021, respectively, and $6.0 million as of September 30, 2023. The Company's total investment in its joint venture partners was $9.3 million and

$10.9 million as of December 31, 2022 and 2021, respectively, and $6.8 million as of September 30, 2023, which is included in other assets on the condensed consolidated balance sheets included elsewhere in this offering memorandum.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Exchange Risk

We transact business globally and are subject to risks associated with changes in foreign exchange rates. The majority of our foreign subsidiaries designate their local currencies as their functional currencies. Our objective is to minimize the impact to earnings and cash flow associated with foreign exchange rate fluctuations. From time to time, we may enter into foreign exchange derivatives in the ordinary course of business primarily to reduce exposure to currency fluctuations attributable to intercompany transactions. There were no such transactions as of December 31, 2022 and September 30, 2023.

Interest Rate Risk

We are exposed to market risk primarily from changes in interest rates. Interest rates on the Senior Secured Credit Facilities and the ABL Credit Facility bear interest at variable rates and therefore actual interest rates could be significantly different than the assumed rates. Based on the contractual interest rates on our floating rate debt at September 30, 2023, if interest rates were to increase or decrease by 100 basis points for the year and our borrowing amounts remained constant, our annual interest expense could increase by $62.5 million or decrease by $62.5 million.

BUSINESS

Our Company

Business Overview

Allied Universal is a leading global security and facility services provider. With approximately 750,000 security professionals and more than 1,100 offices worldwide, Allied Universal serves over 100,000 customers covering a highly diversified blue-chip customer base, including over 400 Fortune 500 companies. Allied Universal services an array of industry verticals including industrial, aerospace and defense, technology, higher education, healthcare, retail, commercial real estate, financial institutions, logistics and distribution, government, oil, gas, energy and other regulated facilities – as well as corporate campuses. Allied Universal's offerings include comprehensive staffed security services, integrated technology and integration services, as well as various facilities management and consulting services. For the twelve months ended September 30, 2023, approximately 83.5%, 6.9% and 9.5% of our revenue was derived from comprehensive staffed security services, technology services and other services, respectively.

We are responsible for providing comprehensive technology-enabled, best-in-class staffed security services that allow clients to completely outsource the recruiting, screening, hiring, training, uniforming, scheduling and supervision of security officers. Our security officers work on-location at customer sites and are responsible for observing, detecting, deterring, reporting and responding to perceived, potential or actual security threats, as well as providing consulting and investigation solutions. We also provide specialized security services such as event services, vehicle patrol, visitor management, canine security services, and security professionals with specialized credentials and qualifications. We have strong operating scale, with a presence in all 50 U.S. states, the District of Columbia and Puerto Rico, and more than 100 countries worldwide. Our national and international scale makes us the prime choice for multi-national businesses looking for consolidated security solutions across various geographies.

In addition to providing staffed guarding services, we provide comprehensive security technology solutions to our customers, including video surveillance, image capture and monitoring, security robot patrols, GPS-based patrol and reporting, management of access control points, centralized security operations, consulting and investigation solutions, and AI-driven operator assistance services. We also offer systems integration services to design, install and service fully integrated technology-based security systems, along with digital solutions and remote monitoring through our Monitoring and Response Center. We seek to utilize our staffed guarding customer base and service platform to cross-sell these additional technology solutions and systems integration services. We also offer comprehensive, technology-enabled cash management solutions, including automated cash management and forecasting tools for retail cash operations.

We also offer a range of ancillary facility management services, including temporary and permanent staffing and janitorial services.

Allied Universal was formed in August 2016 through the combination of AlliedBarton and Universal, which brought together two leading providers in the security services industry. AlliedBarton, founded in 1957, and Universal, founded in 1965, were leaders in the North America security industry in customer service, organic growth, customer and employee retention and accretive M&A. The two companies had a highly complementary and diverse set of blue-chip customers. The combined company became the largest provider of security officer services in North America and has continued to grow since, both organically and through M&A. Since 2008, we have successfully executed more than 100 M&A transactions, including small and large tuck-ins and transformational M&A. In 2018, Allied Universal acquired USSA, a leading North American provider of security solutions, including staffed security, consulting, investigations and disaster and emergency response services. In 2019, Allied Universal acquired SOS Security, which brought a complementary approach and further scale.

In the second quarter of 2021, Allied Universal acquired a leading global provider, G4S, for approximately $8.3 billion, including purchase price and assumption of debt. The acquisition of G4S approximately doubled our revenue and enabled us to significantly increase our global footprint and diversify our operations while simultaneously increasing our operating scale in the U.S. The acquisition also represented significant opportunities to leverage G4S's position in markets worldwide as a platform for further international expansion and operational improvement by applying Allied Universal's highly successful operating methods to G4S's international footprint. We completed the integration of G4S in the second quarter of 2023. As of June 30, 2023, we have realized approximately $163 million in run-rate cost synergies from the G4S acquisition, representing 105% of our initial $155 million annual cost savings target.

Today, Allied Universal is a leader in the highly-fragmented global staffed guarding security services market (including outsourced and in-house guarding), with approximately $20 billion in Pro Forma Revenue, as compared to $13 billion in revenue for Securitas and $4 billion in revenue for each of Prosegur and Garda,[2] in each instance, for the 2022 fiscal year, with a track record of growth, both organically and through M&A.

For the twelve months ended September 30, 2023, our Pro Forma Adjusted EBITDA, giving effect to all M&A transactions completed in 2023, was $1,848 million. See "Summary—Summary Historical Consolidated and Other Financial Information—Non-GAAP Financial Measures" for additional information.

Industry Overview

Market Overview

The global contract security services market is large and has been stable and is expected to continue to grow supported by numerous favorable trends. According to Technavio's Global Manned Security Services Market report, dated November 2021, the global staffed security services market (including outsourced and in-house guarding) was estimated to generate approximately $155.5 billion in revenue in 2022, and is expected to reach over $200 billion in aggregate revenue by 2026, reflecting a CAGR of approximately 6.7% from 2022 through 2026. Additionally, revenues for the U.S. security technology market were estimated at approximately $16 billion in 2021 with a near-term growth rate exceeding that of the overall U.S. security services market. From 2014 to 2022, the U.S. staffed guarding market grew steadily at approximately 4-5% per annum.

A heightened focus on security, both in the U.S. and globally, has been driven by high profile incidents of violent crime, underfunded and understaffed law enforcement, terrorism events, workplace violence incidents, and both peaceful and violent civil disturbances fueled by 24/7 media and social media coverage, which have led to increased spending on security and a perceived need to supplement public sector security resources. Our service offerings represent an important first line of defense against potential security threats. Alongside the security threat megatrends occurring around the world, positive growth tailwinds in the distribution, manufacturing, healthcare and education sectors also support demand for increasing security. In addition, organizations continue to outsource their security services to alleviate administrative burdens and achieve cost savings, as well as to address increasingly complex security needs. The compelling value proposition delivered through scaled, broad service offerings and robust technological infrastructure further drives organizations to shift toward highly professionalized outsourced providers.

Given the high risk of inadequate security, we believe that customers make purchasing decisions based on service quality, reliability and reputation, rather than price alone. While customers in the industry can be sensitive to price, it has been our experience that many customers seek out and maintain long-term relationships with quality providers. For example, industry retention rates have historically been between 85% and 90% on average, but revenue retention rates are higher for large sophisticated customers served under enterprise accounts, according to a third-party consulting study. Allied Universal experienced above industry average annual revenue retention rates of approximately 95% between 2020 and September 2023.

We believe the industry's stability is underpinned by the recession-resilient nature of security services, resulting in limited cyclicality and customer churn. From 2012 to 2022, industry growth has been consistent and recession-resistant. The impact of economic downturns on labor markets – including higher employee retention and subsequently, lower non-billed overtime, recruiting and training costs – has historically led to EBITDA margin

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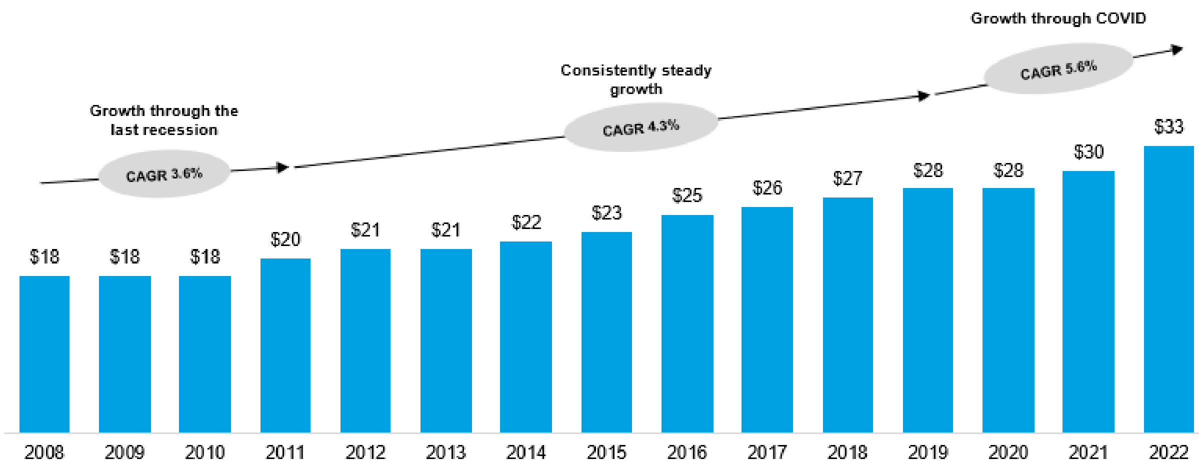
[2] According to Robert H. Perry & Associates' U.S. Contract Security Market White Paper, dated August 2023. Information for Securitas, Prosegur and Garda for fiscal year 2022.

expansion that is sustained during a return to economic expansion. Our experience during 2020 demonstrates the resiliency of our business model. Despite lockdowns and office closures during COVID-19, security services remained an essential part of real estate management and asset protection. During that period, we also experienced a temporary shift in demand away from security services in connection with retail, travel and leisure toward grocery, healthcare and other essential businesses. We also experienced a temporary increase in demand for higher value-add services such as temperature screening. During the summer of 2020, protests and other civil disturbances drove demand for our staffed guarding services, providing further diversification and resiliency against office closings during that period.

U.S. Security Guard Industry

($ in billions)



Source: *Robert H. Perry & Associates U.S. Contract Security Market White Paper, 2009-2023 Report*.

Market Drivers

Globally, demand for security guarding services has generally increased steadily and is expected to grow at a CAGR of 6.7% from 2022 through 2026. In the U.S., several positive trends support this growth, including: (i) baseline expansion from building stock growth, guard penetration in existing buildings and persistent wage rate growth which is passed on to customers in bill rates; (ii) heightened focus on security, driven by increased acts of violence and media coverage which spur regulatory and insurance scrutiny for our customers; and (iii) increased outsourcing rate for security services. Furthermore, there is a trend toward the centralization of security programs and integration of staffed guarding with technology solutions, both of which favor scaled providers. As the largest U.S. player with vertical segment expertise and differentiated integrated security and technology solutions, we are well-positioned to benefit from favorable industry tailwinds.

Global demand is catalyzed by similar factors as in the U.S., in addition to safety and security concerns driven by geopolitical events (such as refugee crises and political protests), increased wealth driven by urbanization, and global GDP growth. Furthermore, rising labor costs support rising demand for higher-value, technology-enabled, integrated security solutions – and demand for higher-value service lines is also driven by more advanced technology capabilities on an international scale.

COVID-19 demonstrated our industry's resilience, as the global security services market continued to grow despite lockdowns throughout much of the world.

Baseline Industry Growth

Baseline industry growth is driven by underlying economic growth, growing wage rates and increasing building stock, as each new building creates incremental demand for the security services industry. While building stock growth provides strong underlying support for the security services market, it is not necessary to sustain growth within our existing customer bases. A growing economy drives up overall wage rates, increases statutory minimum wages and provides union-based increases, all of which are typically passed on to customers. Higher wage rates are expected to continue driving further expansion of the staffed guarding market and increase revenue generation from existing clients.

Growing Demand for Security Services

Security services remain critical and non-discretionary as customers value the role of security officers in deterring criminal activity and other incidents as well as providing assurance against real or perceived security threats. In cases of security incidents, customers value the officers' ability to provide immediate response. Technology can enhance and significantly improve security, but we believe there is no substitute for the physical presence of well-trained and dedicated security personnel who can respond to threats on-the-ground, in real-time.

The demand for security services continues to increase due to heightened security concerns stemming from the ongoing threats of terrorism, high-profile gun violence and civil unrest – in addition to the heightened emphasis on public and workplace safety, refugee crises and the growing need to supplement services provided by the public sector. Increased media coverage of security lapses, underfunded and understaffed police departments in major cities, growing costs of disruption and stricter security requirements by government institutions and private insurers have forced organizations to take greater responsibility for their own security.

Increased Outsourcing to Third-party Providers with National and Global Scale

In 2021, approximately 60-65% of security services in the U.S. were outsourced to professional security services firms, and this outsourcing rate is expected to increase. The trend toward outsourcing is expected to continue driving growth in the industry due to the strong value proposition of contract security service providers.

Due to the growing complexity of security-related issues and increased demand for vertical segment expertise and customized guarding services, outsourcing security services to best-in-class providers continues to be an attractive option for customers. Contract security services firms offer customers improved security, reduced non-core administrative burden and competitive pricing through operating leverage, each of which are compelling reasons to outsource various business services. Outsourcing of non-core functions has not only become a private-sector best practice, but also a function of the public sector as governments look to minimize cost. Outsourcing allows companies and governments to reduce labor costs and shift the administrative burden of non-core functions to third-party vendors with more experience, operating leverage and functional industry expertise.

As one of the few security and facility services providers with our geographic presence and variety of service offerings, we believe Allied Universal is well-positioned to benefit from the trend toward outsourcing security services. For example, we are well-equipped to address customers' increasingly complex security needs and their preference for best-in-class providers with strong reputations and vertical markets expertise. In addition, as customers seek portfolio-wide vendor partnerships, they build relationships with well-resourced partners that can reliably and consistently serve their diverse security needs. Finally, the increased centralization of procurement continues to drive the shift in customer decision-making from a local level to a multi-regional level, providing an opportunity for scaled providers to increase customer penetration.

Security Services Technology

Due to the importance of physically present security officers to deter and quickly respond to incidents, technology has been used primarily to enhance staffed security services. Security services providers like us continue to broaden their services portfolios by combining value-added offerings like access controls, ID verification, video monitoring and communications systems with traditional security officer and patrol services. Customers seek integration between staffed guarding services and complementary technology solutions to improve and reduce the complexity of their security operations. Existing customer relationships enable the cross-selling of services for the installation, integration and maintenance of physical technology systems that augment traditional staffed guarding services. Integrated technology solutions enhance the value delivered to customers and foster customer retention, ultimately creating a recurring revenue model for providers, as they involve regular system services and maintenance.

Industry Consolidation

Over the past several years, increased M&A activity has caused consolidation in the contract security services industry. However, the industry remains highly-fragmented with further consolidation expected to continue. In 2023, there were estimated to be more than 11,000 security services businesses in the United States. Reflecting the strong customer preference for sophisticated providers of multi-regional services, and the operational advantages of having local density, scaled contract security services providers continue to gain market share. Allied Universal holds a leading market position, and we expect to further grow our security portfolio – both in the U.S. and globally.

Competitive Strengths

Largest Security Services Provider Worldwide, Well-Positioned to Take Advantage of Market Growth Tailwinds

Today, Allied Universal is a global leader in security services and holds a leading position in North America. We serve over 400 Fortune 500 companies and generated Pro Forma Revenue of $20,344 million and Pro Forma Adjusted EBITDA of $1,848 million in the twelve months ended September 30, 2023. See "Summary—Summary Historical Consolidated and Other Financial Information—Non-GAAP Financial Measures" for additional information. We employ approximately 750,000 security professionals and operate in all 50 U.S. states, the District of Columbia and Puerto Rico – and more than 100 countries worldwide. Turnover among our North America security professionals (as calculated based on security guard terminations as a percentage of the total number of security guards for the period) was 59%, 64%, 73% and 78% for the years ended December 31, 2019, 2020, 2021 and 2022, respectively, significantly better than historical averages for our industry of approximately 100% to 300%. Turnover among our North America security professionals was 78%, 78%, 73% and 74% for the 13-week annualized periods ending on September 30, 2022, March 30, 2023, June 29, 2023 and September 28, 2023, respectively. For every 100 basis points of improvement in North American turnover of security professionals, Allied Universal expects to realize approximately $3 million in incremental annual Adjusted EBITDA.

Allied Universal's leadership in the staffed security services market is highlighted by its share of the global market, with approximately $20 billion in Pro Forma Revenue, as compared to $13 billion in revenue for Securitas and $4 billion in revenue for each of Prosegur and Garda, in each instance, for the 2022 fiscal year, with a track record of growth, both organically and through M&A. This makes our scaled platform highly distinct and uniquely positions our business to take advantage of the growth in the staffed security services market.

The critical and non-discretionary nature of security services to customers is driving stable and consistent growth. Worldwide, the staffed guarding security services market is expected to reach over $200 billion in aggregate revenue by 2026, reflecting a CAGR of approximately 6.7% from 2022 through 2026.

Demand for high-quality security services continues to grow through heightened focus on security, increasing public safety awareness and the growing need to supplement services provided by the public sector. As media focus on perceived violence and disorder has grown, so has the desire for heightened security. As security complexity increases, employers are more likely to outsource to experienced providers. The compelling value proposition, increasing security complexity and centralization of security programs will continue to support the trend of outsourcing to high-quality providers such as Allied Universal. There is a low risk of technology disruption, as only staffed security is considered an active deterrent to perceived security threats. Further, technology solutions enhance (rather than displace) staffed guarding, and Allied Universal provides customers with a best-in-class technology integrated service offering. As the need for centralized security programs rises, our position as a leading market participant makes us well-poised to expand services to existing customers and take advantage of the growth in the security services market stemming from these trends.

Broad Geographic Reach and Local Market Density

Allied Universal's unique combination of scale and local market density enables us to deliver consistent, high-quality services across our operations infrastructure. Our approach is to establish strong leadership positions across our operational footprint, and "infill" client locations in each region, driving strong market density and economies of scale. Through our high geographic concentration, we are able to minimize our operating costs and consistently deliver industry-leading margins. Minimal overhead and capital expenditures are required for organic and inorganic growth. For example, our operating model requires only one office per region, and increased density in any given region fosters operating leverage at the branch level by driving down our operational costs as a percent of revenue. Moreover, strong density allows for the transfer of personnel between customer locations when required to fulfill business needs. Our operational expertise and technology-enabled processes further enhance these benefits of market density. We have a sophisticated set of proprietary technology-enabled internal business intelligence tools – see "—Sophisticated and Technology-Driven Operations Enable Operational Optimization" below – that automate staffing and scheduling, allowing us to efficiently spot potential staffing gaps and leverage our network of personnel in the region to identify available employees who can serve as replacements. This system reduces non-billed overtime and ensures efficient use of personnel resources, leading to higher margins than would be available to a less-dense competitor.

Our geographic scale makes us distinctly equipped to act as a central provider for large organizations with offices across multiple regions in the U.S. and globally. Our presence in local markets throughout the U.S. as well as regional markets worldwide creates a competitive advantage in serving our customers, providing a location-specific approach with the benefits of a global platform. Large-scale customers are able to turn to Allied Universal as a "one-stop-shop" for all their security needs, simplifying security procurement and creating a convenient and trusted solution. This is a highly attractive proposition to strategic industry verticals, including high-rise offices, aerospace and defense, higher education and healthcare. Recent industry trends, such as increased security complexity, tightening regulations and growing insurance liabilities, also favor scaled, experienced and proven security service providers. Allied Universal is well-positioned to fulfill these client needs, allowing us to acquire customers at a faster rate and consequently accelerate our top-line growth.

Sophisticated and Technology-Driven Operations Enable Operational Optimization

Allied Universal is an industry leader in developing and leveraging proprietary technology to generate operational efficiencies, driving down administrative costs and non-billed overtime, and enhancing customer satisfaction, along with improving other KPIs. In January 2024, we embarked on a two-year journey to transform certain key aspects of our business and use AI to digitize and automate certain of our core operations at the branch administration level. With this initiative, we believe we can drive significant efficiencies associated with recruiting, hiring, onboarding, training, licensing and related tasks, as well as more fully deploying our technology for scheduling and managing our frontline workforce. Our ultimate goal for our business is to automate as many of the transactional and administrative elements of our operations as possible so local managers spend more of their time focusing on service delivery for our customers, managing and supporting our employees, and exploring opportunities to expand our service offerings with customers.

Our current proprietary technology includes tools that aid our local managers in doing their jobs, help them make the right decisions and give management visibility into KPIs.

Business Intelligence Platform: A key element of our technology-enabled strategy is our business intelligence platform, the backbone of our operations. The decisions that our local managers make every day drive our operational performance. This includes setting hourly bill and pay rates for our customers and employees, managing staffing and hiring needs, and deploying our resources across our accounts, among many other decisions. Our business intelligence platform allows us to guide our distributed workforce in these decisions, ensuring our operating teams are making the right decisions at the branch and account levels. Our business intelligence platform also gives our management team at all levels the ability to easily identify areas of improvement and opportunity and the visibility for local managers to make corrections. Our business intelligence platform is fully operational in our North America staffed guarding businesses. As of December 31, 2023, we had rolled out our business intelligence platform across approximately 60% of our international business and expect to be more fully deployed internationally throughout 2024.

These tools are important to Allied Universal's ability to drive down non-billed overtime (measured as a percentage of total paid hours) and realize significant cost-efficiencies. While we faced a challenged labor market environment in 2021 and 2022, leading to an increase in non-billed overtime in North America (from 4.8% in 2020 to 7.5% in 2021 and further to 8% in 2022), our business intelligence platform allowed us to improve our KPIs and manage costs. We saw non-billed overtime fall to 6.3%, 6.0% and 5.8% for the three months ended March 31, 2023, June 30, 2023 and September 30, 2023, respectively, which demonstrates our ability to improve operational efficiency and our resiliency in difficult macro-economic environments. Our non-billed overtime was 7.7% for the three months ended September 30, 2022. For every 100 basis points of improvement in North American non-billed overtime, Allied Universal expects to be able to realize approximately $38 million in incremental annual Adjusted EBITDA. We believe we have a significant continued opportunity to drive down non-billed overtime and drive up operating margin.

HELIAUS®: In 2019, Allied Universal introduced HELIAUS®. HELIAUS® is our proprietary, award-winning AI-Powered workforce management solution. It improves security operations by bringing post-orders to life and acting as a "virtual coach" to front-line security professionals, helping ensure they are in the right place, at the right time, doing the right things. Using AI, HELIAUS makes predictions about security incidents that a security professional is likely to encounter at their assigned work site and then offers recommendations to help drive better outcomes. Sites using the HELIAUS AI realize, on average, more than a 20% reduction in security and safety incidents compared to sites that are not. The HELIAUS® solution is an additional technology-enabled feature of our integrated security service offering only sold to Allied Universal customers.

AU HireSmart®: To aid in security professional hiring, we have implemented a streamlined hiring and recruiting process, AU HireSmart, which includes an artificial intelligence enhanced interview process and progresses applicants on a 24-7-365 basis. We trained an AI model, using our current top security professionals, that qualifies and screens candidates. As we receive over two million employment applications per year in North America, this technology-forward system is key to our ability to efficiently and cost-effectively screen candidates, ensuring that we accurately identify the best candidates and provide offers before they are hired elsewhere. We believe we have further opportunities to automate and optimize elements and processes, which will further free up our local operators for more value-added activities.

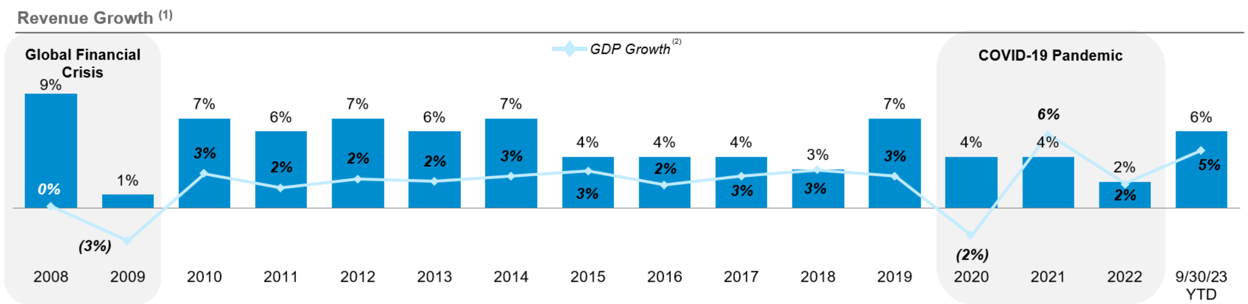
LISA: LISA is Allied Universal's Live Interactive Support AI. LISA was rolled out to our US staffed guarding operations in 2022. She is available 24/7 to Allied Universal staff through both a web portal and text messaging. LISA makes branch employees more efficient while making front line security professionals feel more supported and connected. She helps security professionals with their schedule, finding additional shifts if they want them, processing requests for days off, reporting timekeeping discrepancies, correcting paycheck issues, and answering common questions. In select markets and for select credentials, LISA will also remind security professionals when it is time to renew required licensing and offer information about how to renew. For operations managers, she helps with scheduling, handles call-offs 24-7-365, handles various administrative tasks, and provides daily roundups of operational work requiring action. In select markets, she also verifies guard licenses with state agencies, removing the manual work of such tasks and improving our compliance.

Mercury™: The vast majority of our security professionals work at clients' sites, rather than at Allied Universal facilities where there are corporate networks, phones, company computers and other equipment. This makes efficient and secure communication challenging. Through proprietary software running on mobile devices at client sites, Mercury solves this problem by enabling Allied Universal to reach out to front-line security professionals personally and securely. In addition to enabling geo-fenced timekeeping, it supports employee interactions through tasks, messages and chats related to safety, employee engagement, training, compliance, workforce management automation and more. Mercury has enabled Allied Universal to drive better safety and compliance outcomes while helping make front line security professionals feel more connected.

Consistent and Economically Resilient Business

Allied Universal's results during the last two major economic downturns demonstrate the recession-resilient profile of our business. COVID-19 reaffirmed the essential nature of services provided by Allied Universal. Early in the pandemic, security professionals were generally deemed essential workers by health authorities and continued to deliver security services to a range of customers. Even as many employers transitioned to work-from-home, security services personnel continued to work on-site to guard office buildings during a turbulent period. Throughout the COVID-19 period, Allied Universal successfully managed the pandemic and demonstrated highly resilient performance in top-line growth and margin profile, growing revenue at 4% in 2020 when compared to 2019, relative to negative 2% U.S. GDP growth in the same period. These results are not anomalous to the specificities of COVID-19. During the global financial crisis, Allied Universal consistently grew at rates significantly higher than U.S. GDP growth, including 9% revenue growth in 2008 when compared to 2007, relative to 0% U.S. GDP growth in the same period.

This financial resiliency is driven by Allied Universal's contractual revenue streams with daily recurrence of services, the critical nature of security to operations and the low cost of security services relative to the high cost of a security failure. We typically benefit from rising wages as increases are passed on to clients who generally expect a 2-5% annual increase in billing rates, which is in line with wage growth. Tightening labor markets result in stable margins, while softer labor markets typically drive margin expansion, as the increased supply of labor reduces the spread between bill rates and employee pay rates. Historically, from 2008 to 2021, pricing has grown at over 2% CAGR from markup wage increases, at or above wage growth, enabling us to maintain and grow margins.

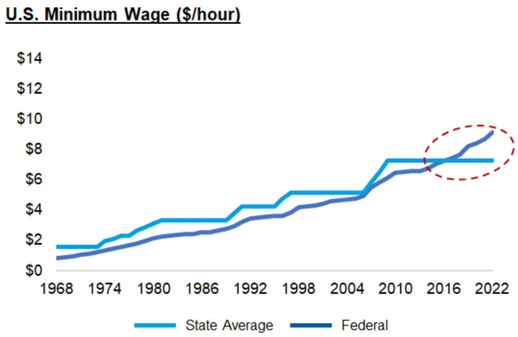


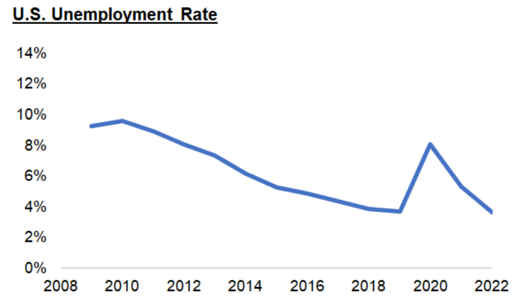
Sources: *U.S. Bureau of Economic Analysis; Management Data*.

(1) 2008-2015 represents year-over-year revenue growth of AlliedBarton and Universal on a combined basis. 2016-2020 represents year-over-year revenue growth of Allied Universal (excluding G4S). 2021-2022 represents year-over-year revenue growth of Allied Universal (including G4S). 9/30/23 YTD represents revenue growth of Allied Universal (including G4S) for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

(2) Represents seasonally adjusted U.S. GDP growth at annual rates from 2008 to 9/30/23 YTD. 9/30/23 YTD growth based on the fourth quarter of 2022 and the third quarter of 2023 U.S. GDP.

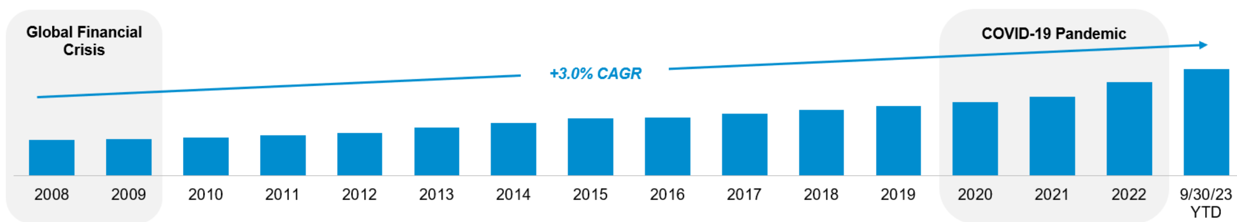
U.S. Minimum Wage ($/hour) and U.S. Unemployment Rate





Sources: *Federal Reserve Bank of St. Louis*.

Allied Universal Markup $ per hour [(1)]



Source: *Management Data*.

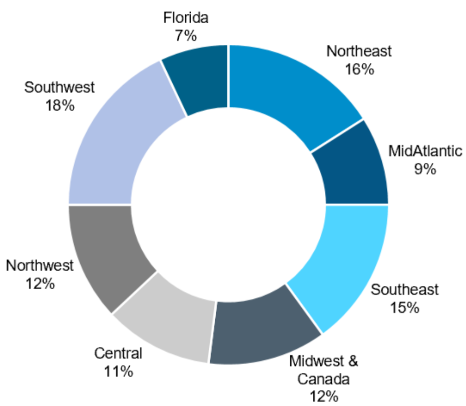
(1) Markup $ per hour is calculated as bill rates per hour less wage rates per hour; 2008-2015 represents AlliedBarton only, 2016-2022 and 9/30/23 YTD represent Allied Universal (excluding G4S).

Highly Diversified Revenue Mix Across Blue-Chip Customer Base with High Retention

In North America, Allied Universal has a highly diversified revenue mix across all major geographic regions, metropolitan hubs, end markets and customers. We have limited customer concentration, as our top five customers account for approximately 5% of revenue for the twelve months ended September 30, 2023. Our top ten customers for the twelve months ended September 30, 2023 had an average tenure of more than 10 years. We also have a diversified revenue mix across North America, Asia Pacific, Europe, and Africa and Middle East. Finally, we serve a variety of distinct verticals in North America, none of which account for more than approximately 12% of revenue. The largest customer type by revenue in North America is government, which accounted for approximately 12% of revenue, followed by healthcare and technology, media & telecommunication, both with approximately 11% of revenue, corporate & industrials and commercial real estate, both with approximately 10% of revenue, financial institutions, with approximately 9% of revenue, retail, with approximately 7% of revenue, culture & education, along with residential & other real estate, both with approximately 5% of revenue, logistics & distribution, with approximately 4% of revenue, chemicals & energy, and aerospace & defense, both with approximately 3% of revenue, and transportation, with approximately 2% of revenue, in each case, for the twelve months ended September 30, 2023.

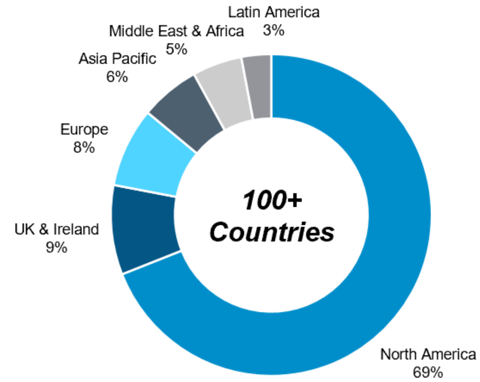
This geographic and end-market diversification provides us mobility to continue growing revenue through multiple channels. It also shields us from industry- or region-specific shocks and allows us to provide vertical-specific solutions necessitated by the increasing complexity of security issues in different end markets. We also benefit from the diverse tenant base of our commercial real estate customers and the "Class A" nature of many of our mall clients ("Class A" representing high sales per square foot), which signifies steady foot traffic and high guard penetration.

Significant Geographic Diversity Across North America



Complementary geographic footprints

Highly Diverse, Long Tenured, Global Customer Base (1)



Worldwide geographic footprint

(1) Geographic breakout based on twelve months ended September 30, 2023 revenue figures. End market data estimated based on consolidated North American core staffed guarding revenues.

Broad Array of North American Customers Served

We serve a diverse base of blue-chip clients across a variety of industries and regions. Our client portfolio includes over 400 Fortune 500 companies and is characterized by long-term relationships and high retention rates.

Select Blue-Chip Clients

AIG, amazon, Applied Materials, AT&T, AVIS, Budget, Bank of America, Bayer, Berkshire Hathaway Inc., BNY Mellon
bxp Boston Properties, Brookfield, CBRE, Chevron, CK Childress Klein, The Cigna Group, CityMD, Cleveland Clinic, Coca-Cola, Credit Suisse Part of UBS Group
NYC DCAS Citywide Administrative Services, Homeland Security, Disney, ExxonMobil, FedEx, Ford, General Dynamics, GGP, Goldman Sachs, Google
Johns Hopkins University, JLL, JPMorgan Chase & Co., KIA, Kohler, Lockheed Martin, Meta, Morgan Stanley, Pinterest
Qualcomm, Shell, Sheraton, Simon, Sony, Starbucks, T Mobile, T. Rowe Price, Takeda
The Home Depot, Truist, UPS, Vans, Walgreens, Walmart, Wells Fargo, Westfield, XPO Logistics

We have historically fostered long-term client relationships through our commitment to providing high-quality, responsive services through active client service, sales and marketing efforts, wide geographic scope, client-centric approach, and consistent service offerings.

These characteristics are responsible for the highly recurring nature of Allied Universal's client base, which has exhibited an average of approximately 95% revenue retention for each of 2020, 2021, 2022 and the nine months ended September 30, 2023.

Our retention strategy is bolstered by our platform for serving enterprise account customers in the U.S., a category that we define as customers who have annual revenue greater than $5 million across multiple regions and a centralized process for purchasing security services. As of December 2023, we had more than 200 such enterprise accounts globally. Our large geographic footprint and operational scale with local density across the U.S. positions us to meet the needs of premier customers and global accounts. We have a contractual revenue base, typically with three- to five-year contracts for large customer accounts and one-year "evergreen" contracts for smaller accounts. We use a data-driven sales and account management process to proactively expand and renew these contracts well ahead of their expiration.

Stable Financial Performance Coupled with Strong Free Cash Flow Generation

Consistent history of growth: Allied Universal has repeatedly demonstrated the ability to deliver consistent growth, thereby improving profitability and strong cash flow. The nature of our customer contracts fosters a highly visible financial model. Our recurring revenue base is supported by an above-average revenue retention rate. To drive revenue growth, we target new client wins, expansion of Allied Universal's enterprise customers portfolio, broadened scope of work and customer penetration with existing clients, added complementary technology solutions and consistent increases in price that are in line with or exceed wage rate growth and improvements in high-quality services. These organic growth drivers, coupled with our ability to execute accretive acquisitions, have contributed to strong revenue and Adjusted EBITDA growth. From 2011 to September 30, 2023, Allied Universal's revenue CAGR was approximately 41%, reflecting organic and inorganic revenue growth. From 2008 to September 30, 2023, Allied Universal consistently grew the mark-up spread between bill rates per hour and wage rates per hour by approximately 3.0% CAGR. Our disciplined M&A strategy combined with strong organic growth has allowed us to become the fastest growing security services company in the industry while maintaining strong free cash flow generation.

Highly variable cost structure drives consistent margins: Bill rate, the price we charge to our customers per hour of security officer time, is priced as a mark-up on security officer pay rates, the hourly wage we pay to security guards. From 2019 to 2023, Allied Universal's mark-up has remained constant at approximately 1.5x. This stable mark-up reflects our strong track record of passing on cost increases to clients and expanding margins. Our ability to pass through labor costs and other variable expenses to our clients allows us to generate consistent profitability and produce cash flows with low volatility. This consistency helps us maintain stable operating margins and provides a baseline level of profitability from which further margin expansion can be achieved as we seek to increase our operating leverage and scale while reducing general and administrative expenses.

Capital-light business model supports strong cash flow: Our minimal capital requirements and strong working capital management support our strong cash flow profile. From 2021 to September 30, 2023, capital expenditures were approximately 1.5-2% of revenue (inclusive of finance leases) on average, with cash capital expenditures representing about half of such capital expenditures and the remaining portion funded through capital leases.

Acquiror of Choice with Proven Platform for M&A Integration

We have demonstrated a strong track record of applying a disciplined approach to sourcing, executing and integrating both tuck-in and transformative M&A. We have a dedicated M&A team focused on identifying and evaluating potential M&A targets, which enables us to move quickly and decisively when we identify an attractive target. Given our position in the industry, greater ability to realize synergies (and thus ability to pay more) and demonstrated track record of M&A, we believe we are an acquiror of choice for companies considering exit, resulting in our high visibility into the security services industry M&A pipeline.

Through acquisitions, we have achieved meaningful cost synergies as well as customer, end market and geographic diversity. We have completed more than 100 M&A transactions since 2008 with a majority being bilaterally negotiated opportunities acquired for mid-single digit multiples of EBITDA. We maintain a proprietary pipeline of potential targets as we continue to execute our roll-up strategy.

We have also demonstrated our ability to execute large-scale M&A through the merger of AlliedBarton and Universal, the acquisitions of USSA and SOS Security, and most recently our acquisition of G4S. As of June 30, 2023, we have realized approximately $163 million in run-rate cost synergies from the G4S acquisition, greater than our initial target of $155 million in annual cost savings.

Highly Experienced Management Team

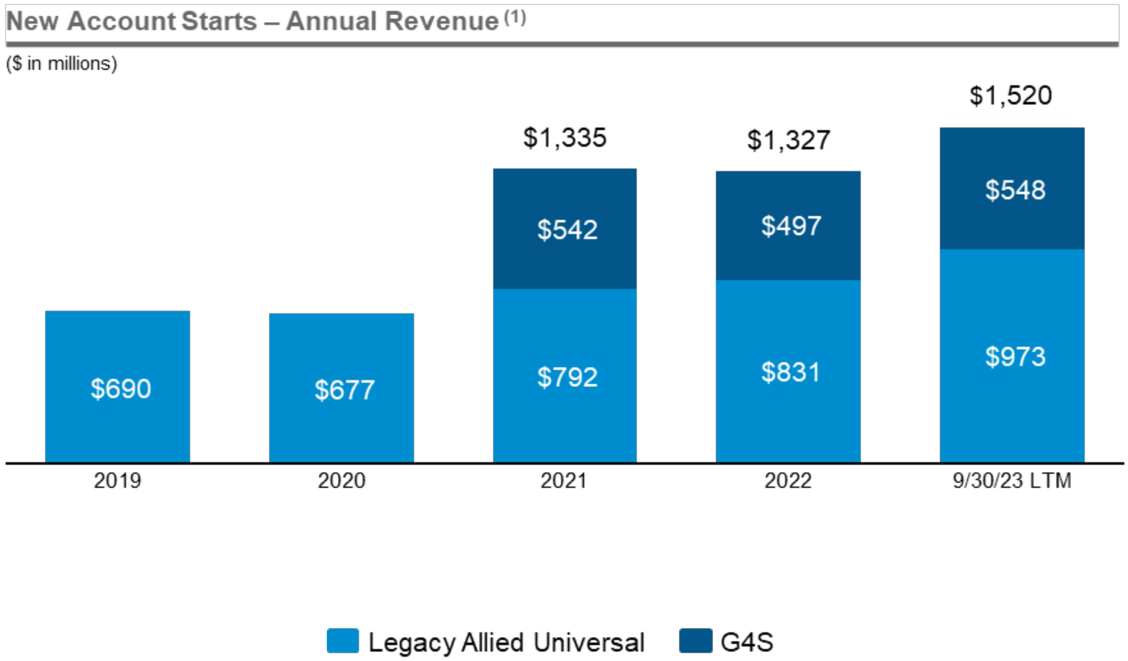
We have a highly-experienced and well-respected management team with a proven track record of value creation. Our management was responsible for developing and implementing the expansion strategy that has led to our industry-leading growth and position as the largest security services company globally. Our management team has a strong history of continuously evolving and growing the business through both organic and M&A strategies and is experienced in integrating accretive M&A, including the successful integration of G4S. The management team has demonstrated its ability to navigate the company through economic cycles, including COVID-19 and current inflationary period. Outside of the management team, there is a deep bench of leadership and operational talent throughout the organization, the result of the selection of the best management talent in connection with the merger of AlliedBarton and Universal in 2016 and the acquisition of G4S in 2021. More than 2,000 of our managers have been with Allied Universal for more than 10 years each.

Global Growth Strategy

Proven Ability to Win New Clients and Grow with Existing Clients

Our organic growth has been driven historically by a combination of hours growth and pricing growth. Our hours growth is attributable to: (i) developing a world-class sales and marketing organization, (ii) leveraging our service capabilities to win new customers, including enterprise account customers, (iii) expanding customer penetration and leveraging cross-selling opportunities with clients by delivering customized service offerings specific to customer needs and (iv) maintaining steady underlying revenue retention rates, which was approximately 95% between 2020 and September 2023. Our pricing growth has been driven by the ability to pass through wage increases to customers. To drive new customer wins, our sales organization is divided into specialized categories: global sales professionals focused on enterprise customers, sales professionals focused on regional and local accounts, vertical market specialists and regional specialists. Our sales pipeline is robust, typically representing a multiple of the annual new starts target. Enterprise customers sales efforts target customers who have facilities in multiple locations throughout the U.S. and globally and increasingly desire consistency of service, fewer points of contact and alignment with a national partner providing a full suite of capabilities. As we have expanded our geographical footprint and adapted sales and client service capabilities, we have become well-positioned to be a leading provider to enterprise customers. Within our existing client base, we seek to grow customer penetration by increasing the number of customer sites served (and thus the number of hours covered by our security officers) in addition to adding on auxiliary security services. Our organic growth is supported by revenue retention rates of approximately 95% between 2020 and September 2023. Given the multi-year terms of many of our large contracts, we have visibility into a significant portion of our future revenue. We proactively manage contracts in advance of renewal, rebid or expiration. Finally, organic growth has been driven by our ability to increase prices in line with security officer pay rate increases.

We have grown revenue at a CAGR of approximately 41% between 2011 and September 30, 2023, reflecting organic and inorganic revenue growth. We believe we are well-positioned to continue achieving measured growth by capitalizing on our strong reputation, enhanced operational capabilities, vertical-specific service expertise and premier customer platform. In addition to increasing hours by adding new accounts and benefiting from increased outsourcing, we will continue to leverage our significant experience in managing pricing dynamics to remain competitive in our markets.



Source: *Management Data*.

(1) Reflects only Allied Universal for 2019 and 2020 and Allied Universal (including G4S) for 2021, 2022 and LTM 9/30/23. New contract starts represents the annual contract value of our staffed guarding services contracts and facilities managements contracts that started in the periods reflected. We cannot guarantee that the contracted revenue will result in realized revenue for the relevant period or any subsequent period.

Service Line Expansion

Allied Universal's scale enables significant cross-selling opportunities for adjacent security services products. Our combined comprehensive offering of security solutions across a global platform makes us a one-stop-shop for existing customers, as well as new clients looking for a global provider to serve their security needs. The overall technology services market is expected to see growth of approximately 5-6% per annum in the next few years, with technology systems and integration expected to grow at a higher rate than the overall technology services market. This provides an opportunity to serve global clients across a range of industries by providing a host of complimentary services beyond our core staffed guarding offering.

Our industry-leading services provide a platform for additional service offerings, particularly technology-driven solutions. Customer surveys suggest that around 65-70% of U.S. and U.K. customers are currently using, or would plan to use, their staffed guarding vendor as a supplier of technology-driven security services. To take advantage of this underserved market, we have used our platform to offer services such as physical technology systems (including video surveillance, CCTV picture capture and monitoring, security robot patrols, GPS-based patrol and reporting, online threat monitoring, remote access control point management and centralized security operation). Additionally, we offer integration services to design, install and service fully integrated technology-based monitoring systems. Finally, we provide digital solutions and remote monitoring through MaRC. In all, our service line is bolstered by a continuous expansion into services supported by advanced technological capabilities.

Our acquisition of Securadyne in April 2019 further strengthened our ability to consult, design, deploy, integrate and maintain electronic security systems for our customers. We believe the Securadyne acquisition provided us with the footprint and scalable infrastructure to deliver complementary security integration services to a significantly larger portion of client sites that use our staffed guarding services today.

Beyond our technology offerings, we intend to continue growing our janitorial and staffing services, which include a diverse set of offerings, ranging from traditional janitorial functions to biohazard disposal, IT room cleaning and recycling programs.

International Expansion

The acquisition of G4S has given Allied Universal a strong presence in various international regions, particularly Europe, where we have the opportunity for significant additional growth. We are now able to apply our North America operational “playbook” to international regions to improve organic and inorganic topline growth as well as yield margin improvements. We have leveraged our sales force to apply our go-to-market strategy in new regions, generating a sales pipeline outside of North America worth \$2.8 billion as of October 2023 and a sales pipeline in North America worth \$3.3 billion. Our sales pipeline in North America represents the annual contract value of qualified opportunities that are being pursued and have a start date within the next 12 months for our manned guarding business only, and in the rest of the world, the annual contract value of qualified international opportunities that are being pursued and have a start date within the next 12 months. Sales pipeline includes uncontracted services with both existing and new customers. Our pipeline is an internal metric calculated using our data that is not prepared in accordance with U.S. GAAP, and has not been independently verified by third parties. We cannot guarantee that our sales pipeline will result in meaningful revenue or profitability.

Additionally, our existing presence in international regions makes growth through acquisitions attractive, as we are able to capture synergies in international locations that we were not able to capture prior to the G4S acquisition. In 2022 and 2023, we completed 19 acquisitions, with 13 acquisitions in North America and 6 acquisitions across the rest of the world.

Proven Platform for Disciplined M&A

We benefit from our significant experience in successfully integrating acquisitions, realizing substantial synergies while maintaining relationships with both existing and acquired customers. The largely fragmented security services industry has historically provided opportunities to supplement our strong organic growth with a disciplined acquisition strategy. A large and fragmented international market, as well as our ability to provide relevant adjacent services, provide additional opportunity for targeted expansion. Our approach to acquisitions has been highly methodical with a focus on scale-building and infill acquisitions through an in-place dedicated team responsible for evaluating potential acquisition targets. Integration occurs quickly, generally within 30 days for a typical tuck-in acquisition, resulting in a seamless transition for customers.

Allied Universal has proven experience in executing all types of transactions, including over 100 small tuck-ins and large transformational M&A transactions since 2008. On average, these acquisitions were completed at credit accretive, mid-single digit multiples. In addition to many small and medium tuck-ins, we have a proven track record of successfully executing and integrating transformative acquisitions, as evidenced by the combinations of Allied Universal and G4S in April 2021 and AlliedBarton and Universal in August 2016, as well as the large tuck-in acquisition of USSA, formerly the fourth-largest staffed guarding provider in the U.S. in 2018.

We believe we are an acquiror of choice due to our strong reputation and track record, which makes Allied Universal a well-positioned consolidator in a highly-fragmented market. In fact, we have completed more than 100 M&A transactions since 2008. Additionally, we believe there is a large opportunity for further accretive consolidation. We benefit from significant industrial logic from onboarding sub-scale providers onto our scalable platform, which drives our ability to expand the margins of acquired companies and realize significant synergies.

Customers; Competition

Through understanding our customers’ needs, we aim to offer value-added, innovative, cost-effective security solutions and build enduring relationships. We engage with our customers through a variety of methods, including a consultative approach to selling and bidding for contracts, proactive relationship management and a focus on customer service. Key areas of interests for customers include quality and price of service delivery, expertise and innovation, health and safety and business ethics. However, the industries in which we operate are competitive. We directly compete with companies that are national and international in scope. We also compete with smaller local and regional companies that may have better knowledge of the local conditions in their regions, are better known locally and are better able to gain customers in their regions. There are relatively low barriers to entry in the industries in which we operate, and we have faced and expect to continue to face additional competition from new entrants. We also face increased competition from technology companies as digital advancement develops, which may lead to pricing pressure and service changes. See "Risk Factors—Risks Related to Our Business and Industries—The industries in which we operate are intensely competitive and price-sensitive. If we cannot successfully compete with new or existing providers of products and services similar to ours or enhance our existing products and services, our results of operations and financial condition will be adversely affected."

The United States contract security officer industry is highly competitive but fragmented. We also compete with numerous smaller regional and local security service providers in the United States.

We believe that the principal competitive factors in the security service market are:

- security expertise and the quality of security programs;
- the quality of security officers, including length of service and tenure;
- supervision, recruiting, selecting and training of security officers;
- management quality and responsiveness;
- the ability to handle multiple sites nationwide; and
- price in relation to the quality of service.

Rapid technological advances, changing delivery models and evolving standards in computer hardware and software development and communications infrastructure, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterize the industries in which we compete.

Government Regulation

We are subject to a large number of city, county, state, domestic and international laws and regulations governing the provision of private security services. Relevant regulation for our operations and employees includes such matters as consumer protection, labor laws, fair trade, jurisdiction-specific security industry regulation (including with respect to hardware requirements, operational requirements or foreign ownership restrictions in certain jurisdictions), data privacy, occupational health and safety, marketing and competition law. Additionally, most states in the United States have laws, or legislation pending, requiring qualification, training and registration of security officers, regulating the use of identification cards, badges and uniforms, and imposing minimum bond surety or insurance standards. In order to install a security system, we generally must be licensed in the jurisdiction where we are installing the system. See "Risk Factors—Risks Related to Our Business and Industries—Our business operates in a regulated industry, and noncompliance with regulations could materially restrict our operations and expose us to fines, penalties and other liabilities and negative consequences." Additionally, we generally must obtain operating certificates or permits for our security systems and provide specified levels of training to our employees. We are also governed by regulations relating to when we can forward alarms to emergency providers and are subject to certain consequences if we forward false alarms to such emergency providers.

Our international operations are subject to risks that are different from those we face in the United States and subject us to complex and frequently changing laws and regulations, including differing labor laws and regulations relating to the protection of certain information that we collect and maintain about our employees, clients and other third parties. We operate under many complex and diverse regulatory frameworks, some of which have extraterritorial reach and many where regulations change frequently. Among these laws are the U.K. Modern Slavery Act, the Bribery Act, and the GDPR. See "Risk Factors—Risks Related to Our Business and Industries—As an international business, we face various risks that could have a material adverse effect on our results of operations and financial condition."

Intellectual Property

Our most material trademarks associated with Allied are "AU" and "ALLIED UNIVERSAL," together with other variants containing the term "Allied," and our most material trademarks associated with G4S are "G4S" and "Securing Your World." We have not had any significant difficulties registering any trademarks, nor are there any known limitations on the ownership or use of, or problems with respect to, the digital or online presence of, its respective key brands.

Employees

We employ approximately 750,000 security professionals (including contractors) and operate in all 50 U.S. states, the District of Columbia and Puerto Rico – and more than 100 countries worldwide. As of September 30, 2023, approximately 20% of our employees were unionized. We believe that we have good relationships with our employees, and we have not experienced any work stoppages as a result of labor disputes.

With approximately 750,000 security professionals delivering critically important services across nearly every continent, as of September 30, 2023, employee and customer safety is of paramount importance to us. We have a continuing focus on enhancing safety policies, standards and culture and our goal is zero harm. The nature of our work and the environments in which we operate mean that security and safety present an operational and strategic risk to our business and, from time to time, members of our workforce may be subject to injuries and fatalities. We believe that setting the highest standards for health and safety across our industry helps to keep our security professionals safe and builds employee loyalty and commitment to our Company.

Insurance

We believe that we maintain all appropriate forms of insurance, including comprehensive general liability, performance and crime bonding, professional liability, automobile coverage and excess and umbrella coverage. Special coverage is sometimes added in response to unique customer requirements. We also maintain compliance with all state workers' compensation laws.

We maintain insurance coverage, subject to certain self-insured retention limits, for claims and liabilities incurred by the Company in the ordinary course of its business, including claims related to workers' compensation, general liability, employment practices liability, automobile liability and certain healthcare claim expenses incurred under employee medical benefit plans. Medical benefit costs for the majority of our workforce are premium-based. Costs associated with the premium-based plans equal the actual premiums paid. Conversely, for administrative employees and select security officers' medical coverages, we are self-insured and subject to self-insured retention limits.

Properties

We own approximately 20 properties in more than a dozen countries and we also lease other facilities. Facilities that we own or lease include office, storage space, kennels, parking, training space and land. Our corporate office is located at 450 Exchange, Irvine, CA 92602. We operate nationwide in the United States with services throughout the 50 states, the District of Columbia and Puerto Rico, as well as in over 100 countries globally.

We believe that if we were unable to renew the lease on any of these facilities, we would be able to lease other suitable facilities on commercially reasonable terms. We do not believe that any individual facility or lease is material to our business.

Legal Proceedings

We are and, from time to time, may become party to regulatory proceedings or to litigation or subject to non-litigated claims arising out of the normal operations of our businesses such as general liability and employment claims. We cannot predict the timing or outcome of these claims and proceedings. For a description of certain ongoing and past litigations, see "Note 7. Commitments and Contingencies—Other Claims and Contingencies" in our unaudited condensed consolidated financial statements included in this offering memorandum.

Under the laws of many of the jurisdictions in which we operate, we may be held liable for the negligent acts or misconduct of our agents or employees performed while on duty and in the course and scope of their employment. We experience a significant volume of claims and litigation in the ordinary course of business asserting that we are liable for damages as a result of the conduct of our employees or others. From time to time, individuals bring personal injury lawsuits against us seeking substantial damages based on alleged negligence or other theories of liability in our provision of security services, including with respect to injuries not directly caused by, or within the control of, our security officers. Under principles of common law, we generally can be held liable for wrongful acts or omissions to act of our agents or employees during the course, and within the scope, of their agency or employment with us.

In addition, many of our customer contracts contain provisions whereby we are contractually obligated to defend, indemnify and hold harmless our clients. These provisions vary from indemnification for our own negligence and misconduct to providing indemnification for any claims related to our services regardless of our fault. In a limited number of situations, we may also be contractually required to indemnify our customers in cases of their own contributory negligence.

We are also subject to a significant number of wage and hour class actions and multi-plaintiff lawsuits, single-employee lawsuits, the Private Attorneys General Act claims and attorney demands, in addition to wage and hour governmental audits.

We maintain insurance coverage, subject to certain self-insured retention limits, for workers' compensation, general liability, employment practices liability and healthcare claims (under employee medical benefit plans), which we believe adequately insure us. We also seek to mitigate this risk exposure through indemnification or liability limitations in our contracts, analysis of customer facilities and implementation of programs for employee screening, training, supervision and safety and anonymous reporting by our employees. We believe that we have established adequate reserves for litigation liabilities in our condensed consolidated financial statements.

Currently, we are involved in certain legal and governmental matters, such as labor claims for insufficient benefit and overtime payments in Brazil and other labor and employment claims concerning both our domestic and international operations, including class action litigation relating to various employment claims under U.S. laws, labor claims for wage and benefit discrepancies in Guatemala, the investigation by the Luxembourg Competition Authority into potential infringement of competition laws by several companies within the Luxembourg surveillance sector, the investigation by the Belgian Competition Authority in connection with G4S' Belgian business, various claims under the U.S. Anti-Terrorism Act alleging that a G4S subsidiary provided alleged protection payments to the Taliban in Afghanistan, and claims in India concerning the interpretation of the basis for payments to the Employees' Provident Fund Organisation. The nature of our business exposes us to significant risks related to legal proceedings, governmental inquiries and investigations, and negative press and media investigations that could have a material adverse effect on our reputation, business, and results of operations. The impact of media coverage on our operations is discussed further in "Risk Factors—Risks Related to Our Business and Industries—The nature of our business exposes us to significant risks related to legal proceedings, claims, governmental inquiries and investigations, and negative press and media coverage that could have a material adverse effect on our reputation, business, results of operations and financial condition."

We are also subject to risks from litigation or legal proceedings, as well as tax audits, which could adversely affect our financial results and condition. The security services we provide may also subject us to liability for substantial damages not covered by insurance. We currently do not expect any of these matters nor any other legal or governmental matters that we are involved in to have a material adverse effect on our business, results of operations or financial condition, but we can provide no assurance on the future developments or outcomes of any such arbitrations and/or legal proceedings discussed in this offering memorandum. Exposure to litigation is inherent in our ongoing business and may materially harm our business, results of operations or financial condition in the future.

Guarantors

On the issue date, we expect that the notes will be guaranteed by the following entities:

	Name of Entity	Type of Entity	Jurisdiction of Formation
1.	Adesta LLC	Limited Liability Company	Delaware
2.	Allied Universal Compliance & Investigations, Inc.	Corporation	North Carolina
3.	Allied Universal Electronic Monitoring Limited	Private Company Limited By Shares	United Kingdom
4.	Allied Universal Executive Protection and Intelligence Services, Inc.	Corporation	Georgia
5.	Allied Universal Risk Advisory and Consulting Services, Inc.	Corporation	Delaware
6.	AlliedBarton (NC) LLC	Limited Liability Company	Delaware
7.	AMAG Technology, Inc.	Corporation	Delaware
8.	American Security Programs, Inc.	Corporation	Virginia
9.	Atlas LuxCo 1 S.à r.l. (Luxembourg Trade and Companies Register number B249037)	Société à Responsabilité Limitée	Luxembourg
10.	Atlas LuxCo 2 S.à r.l. (Luxembourg Trade and Companies Register number B249096)	Société à Responsabilité Limitée	Luxembourg
11.	Atlas LuxCo 3 S.à r.l. (Luxembourg Trade and Companies Register number B249135)	Société à Responsabilité Limitée	Luxembourg
12.	Atlas LuxCo 4 S.à r.l. (Luxembourg Trade and Companies Register number B249201)	Société à Responsabilité Limitée	Luxembourg
13.	Atlas LuxCo 5 S.à r.l. (Luxembourg Trade and Companies Register number B251351)	Société à Responsabilité Limitée	Luxembourg
14.	Atlas Luxembourg 3 SCSp (Luxembourg Trade and Companies Register number B251580)	Société en Commandite Spéciale (Special Limited Partnership)	Luxembourg
15.	Atlas UK Intermediate Limited	Private Company Limited By Shares	United Kingdom
16.	Atlas UK Parent Limited	Private Company Limited By Shares	United Kingdom
17.	Atlas UK Bidco Limited	Private Company Limited By Shares	United Kingdom
18.	Atlas UK-EUR Limited	Private Company Limited By Shares	United Kingdom
19.	Atlas UK-USD Limited	Private Company Limited By Shares	United Kingdom
20.	FJC Security Services, Inc.	Corporation	New York
21.	G4S Care and Justice Services (UK) Limited	Private Company Limited By Shares	United Kingdom
22.	G4S Cash Centres (UK) Limited	Private Company Limited By Shares	United Kingdom
23.	G4S Cash Solutions (UK) Limited	Private Company Limited By Shares	United Kingdom
24.	G4S Facilities Management (UK) Limited	Private Company Limited By Shares	United Kingdom
25.	G4S Government and Outsourcing Services (UK) Limited	Private Company Limited By Shares	United Kingdom

	Name of Entity	Type of Entity	Jurisdiction of Formation
26.	G4S Health Services (UK) Limited	Private Company Limited By Shares	United Kingdom
27.	G4S Holding One, LLC	Limited Liability Company	Delaware
28.	G4S Investigation Solutions (UK) Limited	Private Company Limited By Shares	United Kingdom
29.	G4S Limited	Private Company Limited By Shares	United Kingdom
30.	G4S Ordnance Management Limited	Private Company Limited By Shares	United Kingdom
31.	G4S Regional Management (UK & I) Limited	Private Company Limited By Shares	United Kingdom
32.	G4S Retail Solutions (USA) Inc.	Corporation	Delaware
33.	G4S Secure Integration LLC	Limited Liability Company	Delaware
34.	G4S Secure Solutions (Iraq) Limited	Private Company Limited By Shares	United Kingdom
35.	G4S Secure Solutions (UK) Limited	Private Company Limited By Shares	United Kingdom
36.	G4S Secure Solutions (USA) Inc.	Corporation	Florida
37.	G4S Secure Solutions International Inc.	Corporation	Florida
38.	G4S Security Solutions S.à r.l. (Luxembourg Trade and Companies Register number B19541)	Société à Responsabilité Limitée (Private Limited Liability Company)	Luxembourg
39.	G4S Technology Limited	Private Company Limited By Shares	United Kingdom
40.	G4S Technology Software Solutions LLC	Limited Liability Company	Delaware
41.	Guardsmark (Puerto Rico), LLC	Limited Liability Company	Delaware
42.	Peoplemark, Inc.	Corporation	Delaware
43.	Ronco Consulting Corporation	Corporation	Delaware
44.	SFI Electronics, LLC	Limited Liability Company	Delaware
45.	SOS Security LLC	Limited Liability Company	Delaware
46.	SpectaGuard Acquisition LLC	Limited Liability Company	Delaware
47.	Staff Pro Inc.	Corporation	California
48.	U.S. Security Associates Holding Corp.	Corporation	Delaware
49.	Universal Group Holdings LLC	Limited Liability Company	Delaware
50.	Universal Protection GP, Inc.	Corporation	Delaware
51.	Universal Protection Security Systems, LP	Limited Partnership	California
52.	Universal Protection Service, LLC	Limited Liability Company	Delaware
53.	Universal Protection Service, LP	Limited Partnership	California
54.	Universal Services of America, LP	Limited Partnership	California
55.	Universal Thrive Technologies, LLC	Limited Liability Company	Delaware
56.	U.S. Defense Systems, LLC	Limited Liability Company	Delaware
57.	USA GP Sub LLC	Limited Liability Company	Delaware
58.	Vance Executive Protection, Inc.	Corporation	Delaware

MANAGEMENT

The names and positions of our executive officers as of the date of this offering memorandum are listed in the table below.

Name	Position
Steve Jones	Chief Executive Officer and Global Chairman
Tim Brandt	Chief Financial Officer
Michael Beregovsky	President, Chief Mergers & Acquisitions Officer and Head of Strategy
David Buckman	Executive Vice President and Global General Counsel
Andy Sause	Chief Operating Officer

Steve Jones has served as our Chief Executive Officer since August 2016 and became our Global Chairman in April 2021. From 2007 to August 2016, Mr. Jones served as the Chief Executive Officer of Universal Services of America, Inc., which merged with AlliedBarton in 2016 to create Allied Universal. Prior thereto, Mr. Jones served in various positions at Universal Protection Service, Inc., a subsidiary of Universal Services of America, including as Co-Chief Executive Officer and Chief Operating Officer from 1996 until 2007.

Tim Brandt has served as our Chief Financial Officer since March 2021. Mr. Brandt previously was with Deloitte & Touche for approximately 30 years, most recently as Managing Partner of its Orange County, California, office.

Michael Beregovsky has served as our Chief Mergers & Acquisitions Officer since April 2021 and became our President and Co-Head of Strategy in April 2021. Prior thereto, Mr. Beregovsky served as a member of our Board of Directors and as an investment professional at Warburg Pincus in New York and London. Prior to Warburg Pincus, Mr. Beregovsky worked at Thomas H. Lee Partners and at Bank of America Securities. He received a B.S. in Mathematics from the Massachusetts Institute of Technology and an MBA from the Harvard Business School.

David Buckman has served as our Executive Vice President and General Counsel since August 2016 and became our Global General Counsel in July 2021. From April 2005 through August 2016, Mr. Buckman served as the Executive Vice President and General Counsel of AlliedBarton. Mr. Buckman previously served as Associate General Counsel of Aramark, a leading provider of food and support services and as an attorney with Morgan Lewis, an international law firm. He holds a B.A. from Amherst College and a J.D. from the University of Pennsylvania Law School.

Andy Sause has served as our Chief Administration Officer since May 2017 and Chief Operating Officer since January 2024. Prior thereto, Mr. Sause served as a Principal in the Corporate Development practice area at the Boston Consulting Group from 2010 to 2017. Prior to the Boston Consulting Group, he served as a nuclear submarine officer in the US Navy and attended the Stanford Graduate School of Business. He holds engineering degrees from the US Naval Academy and the Massachusetts Institute of Technology.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Governing Documents

The Investor Group (or funds or vehicles affiliated with the Investor Group), certain co-investors of the Investor Group and certain other parties are parties to a limited partnership agreement of Atlas Ontario LP. This agreement contains agreements among the parties with respect to, among other things, restrictions on the transfer of interests, voting rights, registration rights, certain expense reimbursement and customary indemnification provisions.

Related Party Sales

Related party sales to BCI, an affiliated entity, for security services totaled $196.0 million, $13.6 million, and $0 during the years ended December 31, 2022, 2021, and 2020, respectively, and $156.3 million and $144.9 million during the nine months ended September 30, 2023 and 2022, respectively.

Our consolidated statements of operations included elsewhere in this offering memorandum include sales to some of our joint venture partners. Sales agreements with related parties include terms that are consistent with those that we believe would have been negotiated at an arm's length with an independent party. Related party sales to joint venture partners totaled $104.2 million, $89.6 million, and $0 for the years ended December 31, 2022, 2021, and 2020, respectively, and $14.8 million and $77.9 million for the nine months ended September 30, 2023 and 2022, respectively. Accounts receivable from the Company's joint venture partners totaled $4.5 million and $2.8 million as of December 31, 2022 and 2021, respectively, and $6.0 million as of September 30, 2023. The Company's total investment in its joint venture partners was $9.3 million and $10.9 million as of December 31, 2022 and 2021, respectively, and $6.8 million as of September 30, 2023, which is included in other assets on the condensed consolidated balance sheets included elsewhere in this offering memorandum.

Employment Arrangements

From time to time, we and our affiliates enter into employment or compensations with senior management or other key employees.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of certain provisions of the instruments evidencing our Company's material indebtedness after giving effect to this offering. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the agreements, including the definitions of certain terms therein that are not otherwise defined in this offering memorandum. The foregoing does not give effect to the Bank Amendments, which are described in more detail in "Summary—Recent Developments."

2021 Senior Secured Credit Facilities

The Company has outstanding senior secured credit facilities consisting of the Amended First Lien USD Term Loan Facility, the First Lien Euro Term Loan Facility and the Euro Revolving Credit Facility with Credit Suisse AG, Cayman Islands Branch as administrative agent and collateral agent and the lenders and financial institutions party thereto from time to time (collectively, the "2021 Senior Secured Credit Facilities"). The following is a summary description of certain terms of the 2021 Senior Secured Credit Facilities.

The 2021 Senior Secured Credit Facilities are comprised of (i) senior secured U.S. dollar term loan facilities with an aggregate principal amount of $4,684 million, comprising of $4,059 million initial term loans (the "Initial First Lien USD Term Loan Facility") and $625 million incremental term loans (the "2023 First Lien USD Term Loan Facility," together with the Initial First Lien USD Term Loan Facility, the "Amended First Lien USD Term Loan Facility"), (ii) a senior secured Euro term loan facility in an aggregate principal amount of €701.2 million (the "First Lien Euro Term Loan Facility" and, together with our Amended First Lien USD Term Loan Facility, the "First Lien Term Loan Facilities") and (iii) a senior secured Euro revolving credit facility in an aggregate principal amount of up to €300 million (the "Euro Revolving Credit Facility" and, together with the USD Revolving Credit Facility, the "Revolving Credit Facilities"). Principal amounts of the Amended First Lien USD Term Loan Facility are as of September 30, 2023.

Maturity; Mandatory Prepayments

The Amended First Lien USD Term Loan Facility and the First Lien Euro Term Loan Facility will mature on May 14, 2028. The Euro Revolving Credit Facility will mature on April 8, 2026.

Subject to certain exceptions, the Amended First Lien USD Term Loan Facility and the First Lien Euro Term Loan Facility are subject to mandatory prepayments, including in amounts equal to:

- 100% of the net cash proceeds from issuances or the incurrence of debt by the Company or any of its subsidiary guarantors (other than certain indebtedness permitted by the 2021 Senior Secured Credit Facilities);
- 100% of the net cash proceeds from certain sales or other dispositions of assets (including as a result of casualty or condemnation) by the Company or any of the subsidiary guarantors in excess of a certain amount and subject to customary reinvestment provisions and certain other exceptions; and
- 50% (with stepdowns to 25% and 0% based upon achievement of specified first lien net leverage ratios) of annual excess cash flow of the Company and its subsidiaries, subject to customary exceptions and limitations.

Security; Guarantees

The 2021 Senior Secured Credit Facilities and the notes offered hereby, when issued, will have the same obligors other than Topco, which guarantees the 2021 Senior Secured Credit Facilities but will not guarantee the notes offered hereby. The 2021 Senior Secured Credit Facilities and the related guarantees are senior secured obligations and are secured on a first-priority basis in the Notes Collateral and a second-priority basis in the ABL Collateral.

Interest

The interest rate per annum applicable to loans issued under the Amended First Lien USD Term Loan Facility and USD denominated loans under the Euro Revolving Credit Facility is based, at the Company's election, on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) the adjusted or unadjusted Term Secured Overnight Financing Rate ("SOFR") applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) SOFR determined by reference to the higher of (a) SOFR plus an adjustment of 0.10% per annum (except with respect to the 2023 First Lien USD Term Loan Facility, which is not subject to an adjustment) and (b) 0.50%, in each case, plus an applicable margin. The interest rate per annum applicable to loans issued under the First Lien Euro Term Loan Facility is based, at the Company's election, on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) adjusted or unadjusted SOFR applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) the adjusted Euro Interbank Offered Rate ("EURIBOR") determined by reference to the higher of (a) adjusted EURIBOR and (b) 0.00%, in each case, plus an applicable margin. The Euro Revolving Credit Facility may be issued in Euros, Sterling, Swiss Francs, Yen, Canadian Dollars and each other currency as approved in accordance with the 2021 Senior Secured Credit Facilities documentation. The interest rate per annum applicable to loans (other than those made in Sterling or USD) issued under the Euro Revolving Credit Facility is based, at the Company's election, on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) SOFR applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) the higher of (a) with respect to any borrowing in (I) Swiss Francs, the ICE Benchmark Administration LIBOR Rate, (II) Euros, EURIBOR, (III) Yen, the Tokyo InterBank Offered Rate ("TIBOR"); or (IV) Canadian Dollars, the Canadian Dollar Offered Rate ("CDOR"), in each case plus an adjustment, and (b) 0.00%, in each case, plus an applicable margin. The interest rate per annum applicable to Sterling denominated loans issued under the Euro Revolving Credit Facility is determined by reference to the higher of (a) the Sterling Overnight Index Average ("SONIA") and (b) 0.00%, in each case, plus an applicable margin.

Fees

The Company pays certain recurring fees with respect to the 2021 Senior Secured Credit Facilities including (i) fees on the unused commitments of the lenders under the Euro Revolving Credit Facility, (ii) letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank and (iii) administration fees.

Covenants

The 2021 Senior Secured Credit Facilities contain a number of customary affirmative and negative covenants that, among other things, limit or restrict the ability of the Company and the guarantors to:

- incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- create or incur certain liens;
- prepay certain indebtedness;
- change the nature of their business;
- enter into transactions with affiliates;

- merge, consolidate or transfer or sell all or substantially all of its assets or experience certain changes of control;
- designate restricted subsidiaries as unrestricted subsidiaries;
- transfer or sell assets; and
- incur restrictions on contractual obligations limiting interactions between the Company and its subsidiaries or limit actions in relation to the 2021 Senior Secured Credit Facilities.

The Euro Revolving Credit Facility contains a springing financial covenant that requires the Company, solely to the extent outstanding loans under the Euro Revolving Credit Facility on the last day of the Company's fiscal quarter exceed a certain threshold, to comply with a maximum first lien net leverage ratio of 7.75 to 1.00. Under the 2021 Senior Secured Credit Facilities consolidated EBITDA includes additional add-backs to net income for certain costs, fees, taxes, losses, charges, write-offs, write-downs and expenses.

Events of Default

The 2021 Senior Secured Credit Facilities contain customary events of default, including: with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; bankruptcy and insolvency events; monetary judgment defaults; actual or asserted invalidity or impairment of any material definitive loan documentation; and a change of control.

2019 Senior Secured Credit Facilities

The Company has an outstanding credit facility consisting of the USD Revolving Credit Facility with Credit Suisse AG, Cayman Islands Branch as administrative agent and collateral agent, and the lenders and financial institutions party thereto from time to time (together with the formerly outstanding credit facilities described below, the "2019 Senior Secured Credit Facilities" and, together with the 2021 Senior Secured Credit Facilities, the "Senior Secured Credit Facilities"). The following is a summary description of certain terms of the 2019 Senior Secured Credit Facilities.

The 2019 Senior Secured Credit Facilities were initially comprised of a senior secured revolving credit facility having an initial commitment of $300 million (the "USD Revolving Credit Facility") and a senior secured term loan facility and a delayed draw term loan facility, both of which have been paid in full. On June 1, 2023, the USD Revolving Credit Facility was amended to extend the maturity of the facility. As a result of the June 1, 2023 amendment to the USD Revolving Credit Facility, the facility was split into two tranches comprised of a $275.0 million tranche of extended revolving commitments (the "Extended USD Revolving Tranche") and a $25.0 million tranche of non-extended revolving commitments (the "Non-Extended USD Revolving Tranche").

Maturity

The Extended USD Revolving Tranche will mature on November 15, 2027 (subject to a springing maturity date based on certain conditions). The Non-Extended USD Revolving Tranche will mature on July 12, 2024.

Security; Guarantees

The 2019 Senior Secured Credit Facilities and the notes offered hereby, when issued, will have the same obligors other than Topco, which guarantees the 2019 Senior Secured Credit Facilities but will not guarantee the notes offered hereby. The 2019 Senior Secured Credit Facilities and the related guarantees are senior secured obligations and are secured on a first-priority basis in the Notes Collateral and a second-priority basis in the ABL Collateral.

Interest

The interest rate per annum applicable to USD denominated loans issued under the USD Revolving Credit Facility is based, at the Company's election, on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) SOFR applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) the SOFR rate determined by reference to the higher of (a) SOFR and (b) 0.00%, in each case, plus an applicable margin. The USD Revolving Credit Facility may be issued in Euros, Sterling, Swiss Francs, Yen, Canadian Dollars and each other currency as approved in accordance with the 2019 Senior Secured Credit Facilities documentation. The interest rate per annum applicable to loans (other than those made in Sterling or USD) issued under the USD Revolving Credit Facility is based, at the Company's election, on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) SOFR applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) the higher of (a) with respect to any borrowing in (I) Swiss Francs or Yen, the ICE Benchmark Administration LIBOR Rate, (II) Euros, EURIBOR, or (III) Canadian Dollars, CDOR, in each case plus an adjustment, and (b) 0.00%, in each case, plus an applicable margin. The interest rate per annum applicable to Sterling denominated loans issued under the USD Revolving Credit Facility is determined by reference to the higher of (a) SONIA and (b) 0.00%, in each case, plus an applicable margin.

Fees

The Company pays certain recurring fees with respect to the 2019 Senior Secured Credit Facilities including, (i) fees on the unused commitments of the lenders under the USD Revolving Credit Facility, (ii) letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank and (iii) administration fees.

Covenants

The 2019 Senior Secured Credit Facilities contain a number of customary affirmative and negative covenants that, among other things, limit or restrict the ability of the Company and the guarantors to:

- incur additional indebtedness (including guarantee obligations);
- incur liens;
- engage in mergers or other fundamental changes;
- sell certain property or assets;
- pay dividends or other distributions;
- make acquisitions, investments, loans and advances;
- prepay certain indebtedness;
- change the nature of their business;
- engage in certain transactions with affiliates; and
- incur restrictions on contractual obligations limiting interactions between the Company and its subsidiaries or limit actions in relation to the 2019 Senior Secured Credit Facilities.

The USD Revolving Credit Facility contains a springing financial covenant that requires the Company, solely to the extent outstanding loans under the USD Revolving Credit Facility on the last day of the Company's fiscal quarter exceed a certain threshold, to comply with a maximum first lien net leverage ratio of 7.75 to 1.00. Under the USD Revolving Credit Facility, consolidated EBITDA includes additional add-backs to net income for certain costs, fees, taxes, losses, charges, write-offs, write-downs and expenses.

Events of Default

The 2019 Senior Secured Credit Facilities contain customary events of default, including: with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; bankruptcy and insolvency events; monetary judgment defaults; actual or asserted invalidity or impairment of any material definitive loan documentation; and a change of control.

ABL Credit Facility

The Company has an outstanding credit facility with Citibank, N.A., as administrative agent and collateral agent, and the lenders and financial institutions party thereto from time to time (the “ABL Credit Facility”). The following is a summary description of certain terms of the ABL Credit Facility.

The ABL Credit Facility is an asset based lending credit facility with a commitment of $1,500 million (subject to a borrowing base).

Maturity

The ABL Credit Facility will mature on May 25, 2026 (subject to a springing maturity date based on certain conditions).

Security; Guarantees

The ABL Credit Facility and the notes offered hereby, when issued, will have the same obligors other than Topco, which guarantees the ABL Credit Facility but will not guarantee the notes offered hereby. The ABL Credit Facility is secured on a first-priority basis in the ABL Collateral (which is comprised of substantially all of the Company’s and each guarantor’s cash and cash equivalents, accounts receivable, inventory and other current and related assets, subject to certain exceptions) and a second-priority lien over the Notes Collateral.

Interest

The interest rate per annum applicable to USD loans issued under the ABL Credit Facility is based on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) adjusted SOFR applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) SOFR determined by reference to the higher of (a) SOFR plus an adjustment of 0.10% per annum and (b) 0.00%, in each case, plus an applicable margin. The ABL Credit Facility may be issued in Euros, Sterling, Yen, Canadian Dollars and each other currency as approved in accordance with the ABL Credit Facility documentation. The interest rate per annum applicable to loans (other than those made in USD or Sterling) issued under the ABL Credit Facility is, at the Company’s election, on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the U.S. prime rate as quoted by The Wall Street Journal, (b) the federal funds effective rate plus 0.50% and (c) (x) adjusted SOFR applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) the higher of (a) with respect to any borrowing in (I) Yen, the ICE Benchmark Administration LIBOR Rate, (II) Euros, EURIBOR, or (III) Canadian Dollars, CDOR, in each case plus an adjustment, and (b) 0.00%, in each case, plus an applicable margin. The interest rate per annum applicable to Sterling denominated loans issued under the ABL Credit Facility is determined by reference to the higher of (a) SONIA and (b) 0.00%, in each case, plus an applicable margin.

Fees

The Company pays certain recurring fees with respect to the ABL Credit Facility including, (i) fees on the unused commitments of the lenders under the ABL Credit Facility, (ii) letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank and (iii) administration fees.

Covenants

The ABL Credit Facility contains a number of customary affirmative and negative covenants that, among other things, limit or restrict the ability of the Company and the guarantors to:

- incur additional indebtedness (including guarantee obligations);
- incur liens;
- engage in mergers or other fundamental changes;
- sell certain property or assets;
- pay dividends or other distributions;
- make acquisitions, investments, loans and advances;
- prepay certain indebtedness;
- change the nature of their business;
- engage in certain transactions with affiliates; and
- incur restrictions on contractual obligations limiting interactions between the Company and its subsidiaries or limit actions in relation to the ABL Credit Facility.

The ABL Credit Facility contains a springing financial covenant that requires the Company, after failure to meet the minimum availability threshold, to comply with a minimum fixed charge coverage ratio (consolidated EBITDA less taxes and capital expenditures to Fixed Charges (as defined in the credit agreement governing the ABL Credit Facility)) of 1.00 to 1.00. Under the ABL Credit Facility, consolidated EBITDA includes additional add-backs to net income for certain costs, fees, taxes, losses, charges, write-offs, write-downs and expenses and Fixed Charges include cash interest expenses and scheduled principal payments in respect of indebtedness.

Events of Default

The ABL Credit Facility contains customary events of default, including: with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; bankruptcy and insolvency events; monetary judgment defaults; actual or asserted invalidity or impairment of any material definitive loan documentation; and a change of control.

Existing Secured Notes

We have outstanding secured notes consisting of the Secured Notes due 2026, $1,225.0 million aggregate principal amount of 4.625% senior secured notes due 2028 (the “USD I Secured Notes due 2028”), $775.0 million aggregate principal amount of 4.625% senior secured notes due 2028 (the “USD II Secured Notes due 2028”), €813.0 million aggregate principal amount of 3.625% senior secured notes due 2028 (the “Euro Notes due 2028”) and £367.7 million aggregate principal amount of 4.875% senior secured notes due 2028 (the “GBP Notes due 2028”) (collectively, the “Existing Secured Notes”). The Secured Notes due 2026 are governed by an indenture dated July 12, 2019 (as supplemented, the “2026 Secured Indenture”). The USD I Secured Notes due 2028, the USD II Secured Notes due 2028, the Euro Notes due 2028 and the GBP Notes due 2028 (collectively, the “Secured Notes due 2028”) are each governed by an indenture dated May 14, 2021 (as supplemented, the “2028 Secured Indenture”) (together with the 2026 Secured Indenture, the “Existing Secured Indentures”).

The Existing Secured Notes were issued and sold in private transactions exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. Accordingly, the Existing Secured Notes and the related guarantees are not registered under the Securities Act and the Existing Secured Notes and the related guarantees may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

Security; Guarantees

The Existing Secured Notes and the notes offered hereby, when issued, will have the same obligors. The Existing Secured Notes and the related guarantees are senior secured obligations and are secured on a first-priority basis in the Notes Collateral and a second-priority basis in the ABL Collateral.

Interest; Maturity

The Secured Notes due 2026 bear interest at a rate of 6.625% per annum. Interest on the Secured Notes due 2026 is payable semi-annually in cash in arrears on January 15 and July 15 of each year. The Secured Notes due 2026 mature on July 15, 2026. We expect to repurchase a portion of the Secured Notes due 2026 with the proceeds from this offering. See “Use of Proceeds.”

The USD I Secured Notes due 2028 bear interest at a rate of 4.625% per annum. Interest on the USD I Secured Notes due 2028 is payable semi-annually in cash in arrears on June 1 and December 1 of each year. The USD I Secured Notes due 2028 mature on June 1, 2028.

The USD II Secured Notes due 2028 bear interest at a rate of 4.625% per annum. Interest on the USD II Secured Notes due 2028 is payable semi-annually in cash in arrears on June 1 and December 1 of each year. The USD II Secured Notes due 2028 mature on June 1, 2028.

The Euro Notes due 2028 bear interest at a rate of 3.625% per annum. Interest on the Euro Notes due 2028 is payable semi-annually in cash in arrears on June 1 and December 1 of each year. The Euro Notes due 2028 mature on June 1, 2028.

The GBP Notes due 2028 bear interest at a rate of 4.875% per annum. Interest on the GBP Notes due 2028 is payable semi-annually in cash in arrears on June 1 and December 1 of each year. The Euro Notes due 2028 mature on June 1, 2028.

Covenants

The Existing Secured Indentures contain a number of customary covenants that, among other things, limit or restrict the issuers’ ability and the ability of their restricted subsidiaries, subject to certain exceptions, to:

- incur or guarantee additional indebtedness or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- create or incur certain liens;

- enter into transactions with affiliates;
- merge, consolidate or transfer or sell all or substantially all of its assets or experience certain changes of control;
- enter into restrictions affecting the ability of restricted subsidiaries that are non-guarantors to make distributions, loans or advances or transfer assets to the issuers or the guarantors;
- designate restricted subsidiaries as unrestricted subsidiaries; and
- transfer or sell assets.

Certain of these covenants will not apply during any period in which the Existing Secured Notes (as applicable) are rated investment grade by two of Fitch, Moody's and S&P.

Events of Default

The Existing Secured Indentures provide for events of default (subject in certain cases to customary grace and cure periods), which include, among others, nonpayment of principal or interest when due, breach of covenants or other agreements in the Existing Secured Indentures, defaults in payment of certain other indebtedness and certain events of bankruptcy or insolvency. Generally, if an event of default occurs, the trustee or the holders of at least 30% in principal amount of the outstanding Existing Secured Notes (as applicable) may declare the principal of and unpaid interest on all of the Existing Secured Notes to be due and payable immediately.

Redemption

Prior to July 15, 2022, we had the option to redeem the Secured Notes due 2026, in whole or in part, at a redemption price equal to 100% of their principal amount plus a make-whole premium, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date. In addition, at any time prior to July 15, 2022, we had the option to redeem up to 40% of the aggregate principal amount of the Secured Notes due 2026 with an amount not to exceed the net cash proceeds from certain equity offerings at the applicable redemption price specified in the 2026 Secured Indenture, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date. Since July 15, 2022, we have had the option to redeem the Secured Notes due 2026, in whole or in part, at the applicable redemption price set forth in the 2026 Secured Indenture, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date.

At any time prior to June 1, 2024, we may, at our option, redeem the Secured Notes due 2028, in whole or in part, at a redemption price equal to 100% of their principal amount plus a make-whole premium, together with accrued and unpaid interest and additional amounts, if any, thereon to, but excluding, the redemption date. In addition, at any time prior to June 1, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of each series of Secured Notes due 2028 with an amount not to exceed the net cash proceeds from certain equity offerings at the applicable redemption price specified in the 2028 Secured Indenture, together with accrued and unpaid interest and additional amounts, if any, thereon to, but excluding, the redemption date. From and after June 1, 2024, we may, at our option, redeem each series of Secured Notes due 2028, in whole or in part, at the applicable redemption price specified in the 2028 Secured Indenture, together with accrued and unpaid interest and additional amounts, if any, thereon to, but excluding, the redemption date.

If we experience certain change of control events, (i) we may be required to repurchase all or part of the Secured Notes due 2026 at 101% of their principal amount, plus accrued and unpaid interest, if any, thereon to, but excluding, the repurchase date and (ii) we may be required to repurchase all or part of the Secured Notes due 2028 at 101% of each series' principal amount, plus accrued and unpaid interest and additional amounts, if any, thereon to, but excluding, the repurchase date.

Existing Unsecured Notes

We have outstanding unsecured notes consisting of $1,050.0 million aggregate principal amount of 9.750% senior notes due 2027 (the "Unsecured Notes due 2027") and $960.0 million aggregate principal amount of 6.000% senior notes due 2029 (the "Unsecured Notes due 2029" and, collectively, the "Existing Unsecured Notes" and, together with the Existing Secured Notes, the "Existing Notes"). The Unsecured Notes due 2027 are governed by an indenture dated July 12, 2019 (as supplemented, the "2027 Unsecured Indenture"). The Unsecured Notes due 2029 are governed by an indenture dated May 14, 2021 (as supplemented, the "2029 Unsecured Indenture" and together with the 2027 Unsecured Indenture, the "Existing Unsecured Indentures").

The Existing Unsecured Notes were issued and sold in private transactions exempt from the registration requirements of the Securities Act, to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. Accordingly, the Existing Unsecured Notes and the related guarantees are not registered under the Securities Act and the Existing Unsecured Notes and the related guarantees may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

Guarantees

The Existing Unsecured Notes and the notes offered hereby, when issued, will have the same obligors. The Existing Unsecured Notes and the related guarantees are senior unsecured obligations.

Interest; Maturity

The Unsecured Notes due 2027 bear interest at a rate of 9.750% per annum. Interest on the Unsecured Notes due 2027 is payable semi-annually in cash in arrears on January 15 and July 15 of each year. The Unsecured Notes due 2027 mature on July 15, 2027.

The Unsecured Notes due 2029 bear interest at a rate of 6.000% per annum. Interest on the notes is payable semi-annually in cash in arrears on June 1 and December 1 of each year. The Unsecured Notes due 2029 mature on June 1, 2029.

Covenants

The Existing Unsecured Indentures contain a number of customary covenants that, among other things, limit or restrict the issuers' ability and the ability of their restricted subsidiaries, subject to certain exceptions, to:

- incur or guarantee additional indebtedness or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- create or incur certain liens;
- enter into transactions with affiliates;
- merge, consolidate or transfer or sell all or substantially all of its assets or experience certain changes of control;
- enter into restrictions affecting the ability of restricted subsidiaries that are non-guarantors to make distributions, loans or advances or transfer assets to the issuers or the guarantors;
- designate restricted subsidiaries as unrestricted subsidiaries; and

- transfer or sell assets.

Certain of these covenants will not apply during any period in which the Existing Unsecured Notes (as applicable) are rated investment grade by two of Fitch, Moody’s and S&P.

Events of Default

The Existing Unsecured Indentures provide for events of default (subject in certain cases to customary grace and cure periods), which include, among others, nonpayment of principal or interest when due, breach of covenants or other agreements in the Existing Unsecured Indentures, defaults in payment of certain other indebtedness and certain events of bankruptcy or insolvency. Generally, if an event of default occurs, the trustee or the holders of at least 30% in principal amount of the outstanding Existing Unsecured Notes (as applicable) may declare the principal of and unpaid interest on all of the Existing Unsecured Notes to be due and payable immediately.

Redemption

Prior to July 15, 2022, we had the option to redeem the Unsecured Notes due 2027, in whole or in part, at a redemption price equal to 100% of their principal amount plus a make-whole premium, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date. In addition, at any time prior to July 15, 2022, we had the option to redeem up to 40% of the aggregate principal amount of the Unsecured Notes due 2027 with an amount not to exceed the net cash proceeds from certain equity offerings at the applicable redemption price specified in the 2027 Unsecured Indenture, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date. Since July 15, 2022, we have had the option to redeem the Unsecured Notes due 2027, in whole or in part, at the applicable redemption price set forth in the 2027 Unsecured Indenture, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date.

At any time prior to June 1, 2024, we may, at our option, redeem the Unsecured Notes due 2029, in whole or in part, at a redemption price equal to 100% of their principal amount plus a make-whole premium, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date. In addition, at any time prior to June 1, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the Unsecured Notes due 2029 with an amount not to exceed the net cash proceeds from certain equity offerings at the applicable redemption price specified in the 2029 Unsecured Indenture, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date. From and after June 1, 2024, we may, at our option, redeem the Unsecured Notes due 2029, in whole or in part, at the applicable redemption price specified in the 2029 Unsecured Indenture, together with accrued and unpaid interest, if any, thereon to, but excluding, the redemption date.

If we experience certain change of control events, we may be required to repurchase all or part of the Existing Unsecured Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, thereon to, but excluding, the repurchase date.

DESCRIPTION OF NOTES

General

Certain terms used in this "Description of Notes" are defined under the subheading "Certain Definitions." In this description, (i) the terms "we," "our" and "us" each refer to Allied Universal Holdco LLC and its consolidated Subsidiaries, (ii) the term "Issuer" refers only to Allied Universal Holdco LLC and not any of its Subsidiaries, (iii) the term "Co-Issuer" refers only to Allied Universal Finance Corporation and not any of its Subsidiaries and (iv) the term "Issuers" refers collectively to the Issuer and the Co-Issuer and not any of their Subsidiaries.

The Issuers will issue $500 million aggregate principal amount of % senior secured notes due 2031 (the "*Notes*") under an indenture to be dated as of , 2024 (the "*Indenture*") among the Issuers, the Guarantors and Wilmington Trust, National Association, as trustee (in such capacity, the "*Trustee*") and as notes collateral agent (in such capacity, the *"Notes Collateral Agent*"). The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. Holders of the Notes will not be entitled to any registration rights and the Indenture will not be qualified under the Trust Indenture Act. We do not intend to have the Notes listed on a securities exchange or to arrange for the quotation thereof on any automated deal quotation system. See "Transfer Restrictions" elsewhere in this Offering Memorandum.

The following description is only a summary of certain provisions of the Notes, the Indenture, the Collateral Documents and the Intercreditor Agreements, does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the Collateral Documents and the Intercreditor Agreements, including the definitions therein of certain terms used below. We urge you to read the Indenture, the Collateral Documents and the Intercreditor Agreements because they, not this description, will define your rights as Holders of the Notes. You may request copies of the Indenture, the Collateral Documents and the Intercreditor Agreements at our address set forth under the heading "Where You Can Find More Information."

Brief Description of Notes

The Notes will be:

- secured senior obligations of the Issuers;
- *pari passu* in right of payment with any existing and future Senior Indebtedness (including Indebtedness under the Senior Credit Facilities and the Existing Notes) of the Issuers;
- secured on a first-priority basis by the Collateral owned by the Issuers (other than Excluded Assets or ABL Collateral), which assets also secure the Issuers' obligations under the Credit Agreements and the Existing Secured Notes ratably on a *pari passu* basis, subject to certain Liens permitted under the Indenture, and secured on a second-priority basis by the ABL Collateral that secures the ABL Credit Facility on a first-priority basis and the obligations under the Credit Agreements and the Existing Secured Notes on a *pari passu* basis, subject to certain Liens permitted under the Indenture;
- effectively senior to any unsecured Indebtedness of the Issuers to the extent of the value of the Collateral securing the Notes, including the Existing Unsecured Notes;
- structurally subordinated to any existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Non-Guarantor Subsidiaries;
- senior in right of payment to any future Subordinated Indebtedness of the Issuers; and
- Guaranteed on a secured senior basis, jointly and severally, by each Guarantor and will also be Guaranteed in the future by each Restricted Subsidiary, if any, subject to certain exceptions, that

Guarantees certain Indebtedness of the Issuers or any Guarantor, including the Senior Credit Facilities and the Existing Notes.

Guarantees

The Guarantors, as primary obligors and not merely as sureties, will, jointly and severally, fully and unconditionally Guarantee, on a secured senior basis, the full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all obligations of the Issuers under the Indenture and the Notes, whether for payment of principal of, premium, if any, or interest or Additional Amounts on or in respect of the Notes, expenses, indemnification or otherwise, on the terms set forth in the Indenture.

From and after the Issue Date, the obligations of the Issuers under the Notes and the Indenture will be, jointly and severally, fully and unconditionally Guaranteed on a secured senior basis (the "*Note Guarantees*") by each entity (other than Allied Universal Topco LLC) that Guarantees the Issuer's obligations under the Senior Credit Facilities and the Existing Notes, subject to release as provided below or elsewhere in this "Description of Notes." Following the Issue Date, Subsidiaries of the Issuer will be required to Guarantee the Notes to the extent described in "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries." At its option, any Parent Entity may Guarantee the Notes, but will not be subject to any of the covenants under the Indenture.

Each Note Guarantee of a Guarantor will be:

- a general secured senior obligation of such Guarantor;
- *pari passu* in right of payment with any existing and future Senior Indebtedness (including Guarantees of the Senior Credit Facilities and the Existing Notes) of such Guarantor;
- secured on a first-priority basis by the Collateral owned by the Guarantors (other than Excluded Assets or ABL Collateral), which assets also secure the Guarantors' obligations under the Credit Agreements and the Existing Secured Notes ratably on a *pari passu* basis, subject to certain Liens permitted under the Indenture, and secured on a second-priority basis by the ABL Collateral that secures the ABL Credit Facility on a first-priority basis and the obligations under the Credit Agreements and the Existing Secured Notes on a *pari passu* basis, subject to certain Liens permitted under the Indenture;
- effectively senior to any unsecured Indebtedness of such Guarantor to the extent of the value of the Collateral of such Guarantor securing the Notes, including such Guarantor's Guarantee of the Existing Unsecured Notes;
- structurally subordinated to any existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Non-Guarantor Subsidiaries; and
- senior in right of payment to any future Subordinated Indebtedness of such Guarantor.

Not all of the Issuer's Subsidiaries will Guarantee the Notes, and Note Guarantees provided may be released in certain circumstances. See "Risk Factors—Risks Related to Our Indebtedness and the Notes—Claims of holders of the notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the notes." In the event of a bankruptcy, liquidation, reorganization or similar proceeding of any of these Non-Guarantor Subsidiaries, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer, the Co-Issuer or a Guarantor, and claims of preferred and minority stockholders (if any) of those Non-Guarantor Subsidiaries and claims against joint ventures generally will have priority with respect to the assets and earnings of those Non-Guarantor Subsidiaries and joint ventures over the claims of creditors of the Issuers, including Holders. As a result, all of the existing and future liabilities of our Non-Guarantors Subsidiaries, including any claims of trade creditors, will be structurally senior to the Notes. Although the Indenture will limit the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. The Indenture will not limit the amount of liabilities that are not considered Indebtedness that may be incurred by the Issuer or its

Restricted Subsidiaries, including the Non-Guarantors Subsidiaries. See "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

As of and for the twelve months ended September 30, 2023, the Issuers and the Guarantors accounted for substantially all of our total revenues, total assets and total liabilities, after excluding intercompany transactions and balances.

The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent the Note Guarantee from constituting a fraudulent conveyance, fraudulent transfer or unjust preference under applicable law, including provisions of the U.S. Bankruptcy Code or any comparable provision of foreign or state law or provincial law to comply with corporate benefit, financial assistance and other laws. In addition, the Note Guarantees provided by Guarantors that are Foreign Subsidiaries will be further limited as required under the Agreed Security Principles.

Notwithstanding the foregoing and the provisions of the covenant described below under "—Certain Covenants—Liens," in respect of guarantees or collateral provided by or over the assets of (or equity interests in) Foreign Subsidiaries, certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles. The following is a non-exhaustive summary of certain terms of the Agreed Security Principles, which include, among others:

(a) general legal and statutory limitations, regulatory restrictions, financial assistance, anti-trust and other competition authority restrictions, corporate benefit, fraudulent preference, equitable subordination, "*transfer pricing*," "*thin capitalisation*," "*earnings stripping*," "*controlled foreign corporation*" and other tax restrictions, "*exchange control restrictions*," "*capital maintenance*" rules and "*liquidity impairment*" rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar principles;

(b) the determination that the applicable time and cost (including adverse effects on taxes (including, in respect of the Issuer and its Restricted Subsidiaries, their investors and/or their shareholders), interest deductibility, stamp duty, registration taxes, notarial costs guarantee fees payable to any Person that is not the Issuer or a Restricted Subsidiary and all applicable legal fees) would be disproportionate to the benefit accruing to the relevant secured parties of obtaining such guarantee or security;

(c) the determination that, in respect of any guarantee or security which it is determined may be required to be discharged and/or released in connection with any corporate, tax structuring or other reorganization of the Issuer and its Restricted Subsidiaries (an "*Anticipated Reorganization*"), the applicable time and cost (including adverse effects on taxes, interest deductibility, stamp duty, registration taxes, notarial costs guarantee fees payable to any person that is not the Issuer or a Restricted Subsidiary and all applicable legal fees) of taking, and then subsequently discharging and/or releasing such guarantee or security in connection with any Anticipated Reorganization, will not be disproportionate to the benefit accruing to the relevant secured parties of obtaining such guarantee or security;

(d) subject to certain exceptions, that members of the Issuer and its Restricted Subsidiaries in any jurisdiction outside of the United States of America (other than Atlas LuxCo 1 S.à r.l. or any Wholly Owned Subsidiary of Atlas LuxCo 1 S.à r.l.) will not be required to give guarantees or enter into Collateral Documents if they are not a Wholly Owned Subsidiary or if it is not within the legal capacity of the relevant members of the Issuer and its Restricted Subsidiaries or if it would conflict with the fiduciary or statutory duties of their directors or contravene any applicable legal, regulatory or contractual prohibition or restriction or have the potential to result in a material risk of personal or criminal liability for any director or officer of or for the Issuer and its Restricted Subsidiaries; *provided* that reasonable efforts (for a period of not more than 10 Business Days but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee or security document shall be subject to such limit;

(e) the agreement that guarantees and security will be limited so that the aggregate of notarial costs and all registration and like taxes and duties relating to the provision of security will not exceed an amount to be agreed between the Issuer and the Credit Agreement Collateral Agent in accordance with the terms of the corresponding Credit Agreements;

(f) the agreement that where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;

(g) the agreement that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

(h) the exclusion from any guarantee or security of any asset subject to a legal requirement, contract, lease, licence, instrument, regulatory constraint (including any agreement with any government or regulatory body) or other third party arrangement, which may prevent or condition the asset from being charged, secured or being subject to the applicable security document (including requiring a consent of any third party, supervisory board or works council (or equivalent)) and any asset which, if subject to the applicable security document, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations with respect to the Issuer and its Restricted Subsidiaries in respect of the asset or require the relevant chargor to take any action materially adverse to the interests of the Issuer and its Restricted Subsidiaries or any member thereof; *provided* that reasonable efforts (for a period of not more than 20 Business Days but without incurring material cost) to obtain consent to charging any asset (where otherwise prohibited) shall be used by the Issuer and its Restricted Subsidiaries if the asset is material and the Issuer is satisfied that such efforts will not involve placing relationships with third parties in jeopardy;

(i) the agreement that the giving of a guarantee, the granting of security and the registration and/or the perfection of the security granted will not be required if it would have a material adverse effect on the ability of the Issuer and its Restricted Subsidiaries to conduct their operations and business in the ordinary course as otherwise permitted by the Notes Documents (including dealing with the secured assets and all contractual counterparties or amending, waiving or terminating (or allowing to lapse) any rights, benefits or obligations, in each case prior to an Event of Default which is continuing);

(j) the agreement that any security document will only be required to be notarised if required by law in order for the relevant security to become effective or admissible in evidence;

(k) the agreement that, on request, no guarantee or security will be required to be given (and no consent shall be required to be sought with respect thereto) by or over any acquired entity or business which are required to guarantee, secure or otherwise credit support Indebtedness acquired in connection with an acquisition which is not prohibited by the Notes Documents (or in each case Refinancing Indebtedness in respect of such Indebtedness) ("*Applicable Debt*") to the extent such indebtedness is permitted by the Notes Documents to remain outstanding after an acquisition. No member of a target group or other entity acquired pursuant to an acquisition not prohibited by the Notes Documents (or the Issuer and its Restricted Subsidiaries making such acquisition) shall be required to become a guarantor or grant security with respect to any Notes Documents if prevented by the terms of the documentation governing the Applicable Debt or if becoming a Guarantor or the granting of any security would give rise to an obligation (including any payment obligation) under or in relation thereto. No security or Lien in favour of the other secured parties will be granted or continue to subsist over any asset of the Issuer and its Restricted Subsidiaries secured for the benefit of any permitted Indebtedness (including Applicable Debt) and to the extent constituting a Lien permitted by the Notes Documents;

(l) the agreement that no title investigations or other diligence on assets will be required and no title insurance will be required;

(m) the agreement that security will not be required over any assets subject to security in favor of a third party (other than in relation to security under general business conditions of account banks which do not prohibit or prevent the creation of security over such accounts) or any cash constituting regulatory capital or customer cash (and such assets or cash shall be excluded from any relevant security document);

(n) the agreement that neither the Issuer nor any Restricted Subsidiary will be required to take any action in relation to any guarantees or security as a result of any assignment, sub-participation or transfer by any relevant secured party (and unless explicitly agreed to the contrary in the Notes Documents the Issuer and its Restricted Subsidiaries shall not bear or otherwise be liable for any taxes, any notarial registration or perfection fees or any other costs, fees or expenses that result from any assignment, sub-participation or transfer by any relevant secured party);

(o) the agreement that each security document shall be deemed not to restrict or condition any transaction not prohibited under the Notes Documents and the security granted under each security document entered into after the Issue Date shall be deemed to be subject to these Agreed Security Principles, before and after the execution of the relevant security document and creation of the relevant security;

(p) the agreement that no security may be provided on terms which are inconsistent with the turnover or sharing provisions (or any substantially equivalent provisions) in the Intercreditor Agreements;

(q) the agreement that the secured parties (or any agent or similar representative appointed by them at the relevant time) will not be able to exercise any power of attorney or set-off granted to them under the terms of the Notes Documents prior to the occurrence of an Event of Default which is continuing;

(r) the agreement that no guarantee or security shall guarantee or secure any "*Excluded Swap Obligations*" defined in accordance with the Loan Syndications and Trading Association's (the "*LSTA*") Market Advisory Update dated February 15, 2013 entitled "*Swap Regulations' Implications for Loan Documentation*," and any update thereto by the LSTA;

(s) the agreement that other than a general security agreement and related filing, no perfection, filing or other action will be required with respect to assets of a type not owned by members of the Issuer and its Restricted Subsidiaries;

(t) the agreement that no fixed security will be required to be granted over real estate, intellectual property, letter of credit rights, tort claims (or the equivalent in any jurisdiction), insurance policies, aircraft, ships and vessels, motor vehicles, governmental contracts or governmental or regulatory licenses;

(u) the agreement that no translation of any document relating to any security or any asset subject to any security will be required to be prepared or provided to the relevant secured party (or any agent or similar representative appointed by them at the relevant time) unless (i) required for such documents to become effective or admissible in evidence, and (ii) an Event of Default is continuing;

(v) the fact that closure, unavailability, or reduced service of any governmental or regulatory systems, any functions or any facilities (including notarial or legal facilities) necessary or customarily used for the granting of security or guarantees, or the taking of any perfection requirements in connection therewith, may affect and/or delay the ability of the Issuer and its Restricted

Subsidiaries to provide a guarantee or security or take any related steps in connection with any perfection requirements; and

(w) the agreement that where the terms of a security document require a party thereto (other than any secured party) to use its "*reasonable efforts*," "*reasonable endeavours*" or a similar or equivalent standard in taking an action thereunder, notwithstanding any meaning to the contrary as a matter of the governing law of such security document, such standards shall be interpreted and construed in accordance with the law of England and Wales and no Default or Event of Default (howsoever described) shall arise under any Notes Documents in respect of a breach of such obligation because a contrary construction of such provision was taken (or would be taken by any applicable court of competent jurisdiction).

By virtue of these limitations, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. If a Note Guarantee were rendered voidable, it could be declared entirely void or subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Note Guarantee could be reduced to zero. See "Risk Factors—Risks Related to Our Indebtedness and the Notes—U.S. federal and state fraudulent conveyance or fraudulent transfer laws permit a U.S. court, under certain circumstances, to avoid the notes and the guarantees, and the liens securing the notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens in respect of the notes and, if that occurs, you may not receive any payments on the notes." The validity and enforceability of the Note Guarantees and the liability of each Guarantor will be subject to the limitations described in "Limitations on the Validity and Enforceability of the Guarantees and Security Interests and Certain Insolvency Law Considerations."

The Note Guarantee of a Guarantor will be automatically and unconditionally released and discharged upon:

(1) any sale, exchange, transfer or other disposition (including by way of merger, amalgamation, consolidation, dividend distribution or otherwise) of (i) the Capital Stock of such Guarantor after which the applicable Guarantor is no longer a Restricted Subsidiary, or (ii) all or substantially all of the assets of such Guarantor (including to the Issuer, the Co-Issuer or another Guarantor), in each case, if such sale, exchange, transfer or other disposition is made in compliance with the applicable provisions of the Indenture;

(2) such Guarantor being (or being substantially concurrently) released or discharged from all of its Guarantees of payment (i) by the Issuer of any Indebtedness of the Issuer under the Senior Credit Facilities or (ii) as a result of the Guarantee of other Indebtedness of the Issuers or a Guarantor which resulted in the creation of such Note Guarantee, except in the case of clause (i) or (ii), a release or discharge by or as a result of payment under such Guarantee (it being understood that a release subject to a contingent reinstatement is still considered a release) and will constitute a release for the purposes of this provision, and that if any such Guarantee is so reinstated, such Note Guarantee shall also be reinstated to the extent that such Guarantor would then be required to provide a Note Guarantee pursuant to the covenant described under the caption "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries";

(3) the designation of any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture or the occurrence of any event after which the Guarantor is no longer a Restricted Subsidiary in compliance with the applicable provisions of the Indenture;

(4) the exercise by the Issuers of their legal defeasance option or covenant defeasance option as provided in "—Legal Defeasance and Covenant Defeasance" or the satisfaction and discharge of the Issuers' obligations under the Indenture as provided in "—Satisfaction and Discharge";

(5) to the extent that such Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (i) of the definition of "Immaterial Subsidiary," upon the release of the Guarantee referred to in such clause;

(6) upon the merger, amalgamation or consolidation of any Guarantor with and into the Issuer, the Co-Issuer or another Guarantor or upon the liquidation of such Guarantor, in each case, in compliance with the applicable provisions of the Indenture;

(7) upon the achievement of Investment Grade Status by the Notes; *provided* that such Note Guarantee shall be reinstated upon the Reversion Date; and

(8) as described under the caption "—Amendment, Supplement and Waiver."

Notwithstanding the foregoing, any Note Guarantee by a Parent Entity may be automatically and unconditionally released and discharged for any reason.

Ranking

The payment of the principal of, premium, if any, and interest on the Notes and the payment of any Note Guarantee will rank *pari passu* in right of payment to all existing and future Senior Indebtedness of the Issuer, the Co-Issuer or the relevant Guarantor, as the case may be, including the obligations of the Issuer, the Co-Issuer and such Guarantor under the Senior Credit Facilities and the Existing Notes.

The Notes and the Note Guarantees will be effectively senior in right of payment to all of the Issuer's, the Co-Issuer's and any Guarantor's existing and future unsecured Indebtedness to the extent of the value of the assets securing the Notes. As of September 30, 2023, on an as adjusted basis after giving effect to this offering of the Notes and the use of proceeds therefrom as described under "Use of Proceeds," the Issuers and the Guarantors would have had Secured Indebtedness of approximately $11,496 million outstanding (excluding capitalized leases), including borrowings and the related guarantees under the Senior Credit Facilities, the Existing Secured Notes and the Notes with $300 million and €25 million available for borrowing under the revolving credit facilities under the Credit Agreements and $559.9 million available for borrowing under the ABL Credit Facility, after giving effect to approximately $410.1 million of outstanding letters of credit at September 30, 2023, which, if drawn, would be Secured Indebtedness.

Although the Indenture will contain limitations on the amount of additional Indebtedness that the Issuer and its Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial and, in any case, such Indebtedness may be Secured Indebtedness or Senior Indebtedness. See "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

Paying Agent and Registrar for the Notes

The Issuers will maintain one or more Paying Agents for the Notes. The initial Paying Agent for the Notes will be the Trustee. The Issuers will also maintain one or more registrars and a transfer agent. The initial registrar and transfer agent with respect to the Notes will be the Trustee. The registrar will maintain a register reflecting ownership of the Notes outstanding from time to time. The registered Holder will be treated as the owner of a Note for all purposes. Only registered Holders will have rights under the Indenture. The Paying Agent will make payments on the Notes, and the transfer agent will facilitate transfer of Notes on behalf of the Issuers. Payments of principal of, premium and Additional Amounts, if any, and interest on the Notes will be payable at the office or agency designated by the Issuers or, at the option of the Issuers, payment of interest may be made by check mailed to the Holders at their respective addresses set forth in the register of Holders. Until otherwise designated by the Issuers, the Issuers' office or agency maintained for such purpose will be the office of the Paying Agent.

The Issuers may change the Paying Agents, the registrars or the transfer agents without prior notice to the Holders. The Issuer or any of its Subsidiaries may act as a Paying Agent, registrar or transfer agent.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the terms of the Indenture and the restrictions set forth in the section of this Offering Memorandum entitled "Transfer Restrictions." The registrar, the Paying Agent and the Trustee may require a Holder 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 Issuers will not be required to transfer or exchange any Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, an Asset Sale Offer or other tender offer. Also, the Issuers will not be required to issue, register the transfer of or exchange any Note during the period of 15 days before the delivery of a notice of redemption of Notes or between a record date and the next succeeding interest payment date.

Principal, Maturity and Interest

The Issuers will issue an aggregate principal amount of $500 million of Notes in this offering. The Notes will mature on , 2031. Subject to compliance with the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuers may issue additional Notes (any such notes, the "*Additional Notes*") from time to time after the Issue Date under the Indenture. Any Additional Notes issued in the future under the Indenture will be identical in all respects to the Notes that we are issuing on the Issue Date, except that the Additional Notes issued in the future may have different issue prices and will have different issue dates, first interest payment dates and first dates from which interest will accrue; *provided* that if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, the Additional Notes will be issued with a separate CUSIP, ISIN or other identifying number. The Notes offered by the Issuers and any corresponding Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture (except as otherwise provided herein), including waivers, amendments, redemptions and offers to purchase. Unless the context requires otherwise, references to "Notes" for all purposes under the Indenture and this "Description of Notes" include any Additional Notes that are actually issued. The Notes will be issued in minimum denominations of $2,000 and any integral multiples of $1,000 in excess thereof. For the avoidance of doubt, none of DTC, the Trustee or any other Agent is required to monitor or enforce the minimum amount.

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 , 2024, to the Holders of record of Notes on the immediately preceding and . Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Security

The Notes, Note Guarantees and the other Notes Obligations will have the benefit of the "*Collateral*," which will consist of (i) the Notes Collateral, as to which the Holders of the Notes, holders of the Credit Agreement Obligations, holders of the Existing Secured Notes and future Other Pari Passu Lien Obligations (if any) will have a first-priority security interest (subject to Permitted Liens) and the ABL Lenders and the other holders of ABL Obligations will have a second-priority security interest, and (ii) the ABL Collateral, as to which the ABL Lenders and the other holders of ABL Obligations will have a first-priority security interest and the Holders of the Notes, holders of the Credit Agreement Obligations, holders of the Existing Secured Notes and future Other Pari Passu Lien Obligations (if any) will have a second-priority security interest (subject to Permitted Liens). The Collateral granted by or over the assets of or equity interests in any Foreign Subsidiary will be subject to the Agreed Security Principles.

Notes Collateral

The Notes and Note Guarantees, together with the Credit Agreement Obligations, the Existing Secured Notes and future Other Pari Passu Lien Obligations (if any), will be secured by first-priority security interests in the Notes Collateral, subject to Permitted Liens. The Notes Collateral generally consists of substantially all present and future tangible and intangible assets of the Issuers and the Guarantors (including, all of the Capital Stock owned by the Issuers or any Guarantor other than Excluded Equity Interests) and in each case other than (i) the ABL Collateral and (ii) Excluded Assets.

Initially, subject to Permitted Liens, only the Notes, the Note Guarantees, the other Notes Obligations, the Existing Secured Notes and the Credit Agreement Obligations will have the benefit of the first-priority security interest in the Notes Collateral. Except for Indebtedness secured by Permitted Liens (including the Credit Agreement Obligations and, subject to the terms described herein, future Indebtedness constituting Other Pari Passu Lien Obligations), no other Indebtedness incurred by the Issuers or any Guarantor may share in the first-priority security interest in the Notes Collateral.

The Issuers and the Guarantors have granted a second-priority Lien on and security interest in the Notes Collateral for the benefit of the ABL Lenders and the other holders of ABL Obligations, which initially will consist of the loans outstanding under the ABL made by the ABL Lenders, obligations with respect to letters of credit issued under the ABL, certain hedging obligations incurred pursuant to a Secured Hedge Agreement and Banking Product Obligations and any other ABL Obligations under the ABL. Any additional Indebtedness that is incurred by the Issuers or any Guarantor in compliance with the terms of the Indenture may also be given a Lien on and security interest in the Notes Collateral that ranks *pari passu* or junior to the Lien of the Noteholder Secured Parties in the Notes Collateral. See "—Certain Covenants—Liens." Except as provided in the ABL Intercreditor Agreement, holders of junior Liens on the Notes Collateral will not be able to take any enforcement action with respect to the Notes Collateral so long as any Notes are outstanding.

ABL Collateral

The Notes and the Note Guarantees, together with the Credit Agreement Obligations, the Existing Secured Notes and future Other Pari Passu Lien Obligations (if any), will be secured by second-priority security interests in the ABL Collateral, subject to Permitted Liens. The ABL Collateral generally consists of the following assets of the Issuers and the Guarantors (other than Excluded Assets) whether now owned or hereafter acquired:

- accounts (including credit card receivables) and all other rights to payment arising from services rendered or from the sale, lease, use or other disposition of inventory, whether such rights to payment constitute payment intangibles, letter-of-credit rights or any other classification of property, or are evidenced in whole or in part by instruments, chattel paper or documents;

- inventory and documents relating to inventory;

- all rights of an unpaid vendor with respect to inventory;

- deposit accounts (other than accounts constituting Excluded Assets separately maintained insurance deposit accounts and deposit accounts maintained solely to hold proceeds of Notes Collateral (a "*Collateral Account*")), commodity accounts, securities accounts and lockboxes, including all money and certificated securities, uncertificated securities (other than Capital Stock of Subsidiaries of the Issuers and the Guarantors), securities entitlements and related investment property (including all cash, marketable securities and other funds held in or on deposit in any deposit account, commodity account or securities account), and all cash and cash equivalents, including cash and cash equivalents securing reimbursement obligations in respect of letters of credit or other ABL Obligations;

- instruments, chattel paper and general intangibles pertaining to the other items of property otherwise comprising ABL Collateral (other than any Capital Stock of Subsidiaries of the Issuers and the Guarantors and intellectual property);

- books and records, supporting obligations, documents and related letters of credit, letter-of-credit rights, commercial tort claims or other claims and causes of action, in each case, to the extent arising out of, related to or given in exchange or settlement of any of the foregoing; and

- all substitutions, replacements, accessions, products and proceeds (including, without limitation, insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) of all or any of the foregoing.

All terms used in the preceding paragraph and defined in the UCC and not otherwise defined in this Offering Memorandum have the meanings given to such terms in the UCC; *provided* that the term “instrument” has the meaning given to such term in Article 9 of the UCC.

Notwithstanding the foregoing, but subject to the provisions of the ABL Intercreditor Agreement, the ABL Collateral will not include any identifiable cash proceeds from a sale, lease, conveyance or other disposition of any Notes Collateral that has been deposited in the Collateral Account in accordance with the terms of the Indenture, the Collateral Documents and the ABL Intercreditor Agreement, until such time as such cash proceeds are released therefrom in accordance with the terms of such agreements.

Limitation on Certain Collateral and Perfection Items

The Issuers and their Subsidiaries will not be required under the terms of the Indenture or the Collateral Documents to deliver landlord lien waivers, estoppels or collateral access letters and will not be required to subject any accounts (other than any Collateral Account), securities accounts or commodities accounts to control agreements; *provided* that Collateral shall not include any Excluded Assets or Excluded Equity Interests. Any Collateral granted by or over the assets of or equity interests in a Foreign Subsidiary will be subject to the Agreed Security Principles.

Possession of the Collateral

Subject to the terms of the Collateral Documents, and unless an Event of Default shall have occurred and be continuing and the Notes Collateral Agent or, subject to the provisions of the Intercreditor Agreements, the ABL Collateral Agent, Credit Agreement Collateral Agent or Existing Secured Notes Collateral Agent shall have commenced enforcement of remedies with respect to the Collateral, the Issuers and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Obligations under the Notes, the Note Guarantees and the Indenture (other than any cash, securities and Cash Equivalents constituting part of the Collateral and deposited with the Notes Collateral Agent or the ABL Collateral Agent, as applicable in accordance with the provisions of the Collateral Documents), to freely operate the Notes Collateral and to collect, invest and dispose of any income therefrom. See “Risk Factors—Risks Related to Our Indebtedness and the Notes—Sales of assets by the issuers and the guarantors could reduce the collateral and the related guarantees.” Any Collateral granted by or over the assets of or equity interests in a Foreign Subsidiary will be subject to the Agreed Security Principles.

Information Regarding Collateral

The Issuers will furnish to the Notes Collateral Agent, with respect to the Issuers or any Guarantor (other than where such Person is a non-U.S. Guarantor), prompt written notice of any change in such Person’s (i) organizational name, (ii) jurisdiction of organization or formation, (iii) identity or organizational structure or (iv) organizational identification number. The Issuers and the Guarantors will agree to make all filings under the UCC or equivalent statutes, or otherwise that are required by applicable law in order for the Notes Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

Further Assurances and After-Acquired Property

Subject to the applicable limitations set forth in the Collateral Documents and subject to the Agreed Security Principles and the Indenture (including with respect to Excluded Assets), the Issuers and the Guarantors shall execute any and all further documents, financing statements, applications for registration, agreements and instruments, and take all further action that may be required under applicable law, or that the Notes Collateral Agent may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the Collateral Documents in the Collateral. Subject to the applicable limitations set forth in the Collateral Documents and the Indenture (including with respect to Excluded Assets), if, after the Issue Date, the Issuers or a Guarantor acquire property that is not automatically subject to a perfected security interest (subject to the Agreed Security Principles) under the Collateral Documents and such property constitutes or would constitute Collateral (including, without limitation, any asset of the Issuers or a Guarantor that becomes Collateral subsequent to the Issue Date as a result of such asset ceasing to be an Excluded Asset) or an entity becomes a Guarantor, then the Issuers or such Guarantor will promptly provide for security over such property (or, in the case of a new Guarantor, its assets of the type that would constitute Collateral under the Collateral Documents) in favor of the Notes Collateral Agent and deliver certain joinder agreements or supplements as required by the Indenture and the Collateral Documents and take all actions required by the Collateral Documents and the Indenture to perfect the liens created by the Collateral Documents.

Notwithstanding the foregoing, until the discharge of the ABL Obligations, the Issuers and the Guarantors shall only be required to comply with the foregoing requirements with respect to any ABL Collateral to the extent that such ABL Collateral is concurrently being pledged to secure the ABL Obligations.

Collateral Documents and Certain Related Intercreditor Provisions

Subject to the Agreed Security Principles, the Issuers, the Guarantors and the Notes Collateral Agent (on behalf of the Trustee and the Holders of the Notes) will enter into one or more Collateral Documents creating and establishing the terms of the security interests that secure the Notes and the Note Guarantees. These security interests will secure the payment and performance when due of all of the obligations of the Issuers and the Guarantors under the Notes, the Indenture, the Note Guarantees and the Collateral Documents, as provided in the Collateral Documents. The Issuers and the Guarantors will complete all filings and other similar actions required by the Collateral Documents in connection with the provision and/or perfection of security interests in the Collateral that may be perfected by the filing of a financing statement under the UCC and the pledge of the Capital Stock of any Domestic Subsidiary (to the extent not constituting an Excluded Asset), in each case on the Issue Date. In addition, the Issuers and the Guarantors shall use their commercially reasonable efforts to complete all other filings and other similar actions required by the Collateral Documents in connection with the provision and/or perfection of security interests on other Collateral on the Issue Date, but to the extent they are unable to do so without undue burden or expense, will in any event complete such actions promptly following the Issue Date. Wilmington Trust, National Association will be appointed, pursuant to the Indenture, as the Notes Collateral Agent. The Trustee, the Notes Collateral Agent, the other Agents and each Holder of Notes and each other holder of, or obligee in respect of, any Obligations in respect of the Notes outstanding at such time are referred to collectively as the "*Noteholder Secured Parties*."

With regard to any property upon which a security interest must be perfected, pursuant to the Collateral Documents and the Agreed Security Principles such security interests and Liens will be created under the Collateral Documents in form and substance reasonably necessary to grant to the Notes Collateral Agent, on behalf of the Holders of the Notes, a security interest in such collateral and the Issuers and the Guarantors shall deliver or cause to be delivered to the Notes Collateral Agent, on behalf of the Holders of the Notes, all such instruments and documents (including certificates, legal opinions and lien searches) as are necessary to evidence compliance with this covenant and required by the Collateral Documents.

ABL Intercreditor Agreement

The Notes Collateral Agent will enter into a joinder, dated as of the Issue Date, among the Issuers, the other grantors party thereto, the Notes Collateral Agent, the Existing Secured Notes Collateral Agent, the Credit Agreement Collateral Agent and the ABL Collateral Agent (the "*ABL Joinder*"), to the ABL Intercreditor Agreement, dated as of July 12, 2019, among the Issuers, the other grantors party thereto, the Existing Secured Notes Collateral Agent, the Credit Agreement Collateral Agent and the ABL Collateral Agent (together with the ABL Joinder, the "*ABL Intercreditor Agreement*"), which ABL Intercreditor Agreement may be further amended and/or supplemented as necessary in the event that additional permitted Other Pari Passu Lien Obligations are incurred. Although the Holders of the Notes will not be party to the ABL Intercreditor Agreement, by their acceptance of the Notes they will agree to be bound by the terms of the ABL Intercreditor Agreement and be deemed to have authorized and directed the Notes Collateral Agent to execute, deliver and perform its obligations under the ABL Intercreditor Agreement. If any other Indebtedness is designated as Other Pari Passu Lien

Obligations and is permitted by the terms of the Indenture, the Existing Secured Notes Indentures, the Credit Agreements and the ABL (or any other applicable Credit Facility) to be secured by the Collateral on a *pari passu* basis with the Notes and the Note Guarantees, the representatives of the holders of such Other Pari Passu Lien Obligations will also become party to the ABL Intercreditor Agreement and the Pari Passu Intercreditor Agreement. See also "—Pari Passu Intercreditor Arrangements."

Pursuant to the terms of the ABL Intercreditor Agreement, prior to the discharge of the Obligations with respect to the Notes, the Note Guarantees and the Indenture, the Existing Secured Notes and the Credit Agreement Obligations (and Other Pari Passu Lien Obligations (if any)), the "Applicable Authorized Representative" under the Pari Passu Intercreditor Agreement will determine the time and method by which the security interests in the Notes Collateral will be enforced and, prior to the Discharge of the ABL Obligations, the ABL Collateral Agent will determine the time and method by which the security interests in the ABL Collateral will be enforced.

Lien Subordination

Notwithstanding the time, order or method of creation, attachment or perfection of any Lien in respect of any ABL Collateral and notwithstanding any provision of any applicable law, any security document or any other document or instrument, the Notes Collateral Agent will agree on behalf of the Noteholder Secured Parties that the Liens of the Notes Collateral Agent in respect of the ABL Collateral shall be expressly subordinate and junior in right, priority, operation and effect to any Lien of the ABL Collateral Agent in respect of the ABL Collateral. The ABL Intercreditor Agreement provides for subordination of the ABL Collateral Agent's Lien with respect to the Notes Collateral and the priority of the Notes Collateral Agent's, the Existing Secured Notes Collateral Agent's and the Credit Agreement Collateral Agent's Liens with respect to the Notes Collateral.

No Action with Respect to the ABL Collateral

The ABL Intercreditor Agreement provides that, with respect to the ABL Collateral, none of the Noteholder Secured Parties (or holders of Credit Agreement Obligations, holders of the Existing Secured Notes or holders of Other Pari Passu Lien Obligations (if any)) may (or may direct the Notes Collateral Agent, the Existing Secured Notes Collateral Agent, the Credit Agreement Collateral Agent or any representative with respect to Other Pari Passu Lien Obligations, if applicable, to) (i) commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise exercise or join any other person in exercising any right, remedy or power with respect to, or otherwise take any action to enforce its interest in or realize upon, or take any other action available to it in respect of any ABL Collateral, other than certain limited protective measures, (ii) challenge or question in any proceeding the validity or enforceability of any ABL Obligations or related security document, or the validity, attachment, perfection or priority of any Lien securing ABL Obligations, or the validity or enforceability of the priorities, rights or duties established by or other provisions of the ABL Intercreditor Agreement, (iii) take or cause to be taken any action the purpose or intent of which is, or could be, to interfere with, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the ABL Collateral by any ABL Secured Parties, (iv) (A) direct the ABL Collateral Agent or any holder of ABL Obligations to exercise any right, remedy or power with respect to the ABL Collateral or (B) consent to the exercise by any ABL Secured Party of any right, remedy or power with respect to the ABL Collateral, (v) itself institute any suit or assert in any suit or insolvency or liquidation proceeding any claim against any ABL Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to, and no ABL Secured Party shall be liable for, any action taken or omitted to be taken by such ABL Secured Party with respect to any ABL Collateral and (vi) seek, and such Noteholder Secured Parties waive any right, to have any ABL Collateral or any part thereof marshaled upon any foreclosure or other disposition of such ABL Collateral. In addition to the foregoing, the ABL Intercreditor Agreement provides that the ABL Collateral Agent has the exclusive right to take any enforcement action with respect to the ABL Collateral without any consultation with and without the consent of any Noteholder Secured Party (or holder of Credit Agreement Obligations, holder of the Existing Secured Notes or holder of Other Pari Passu Lien Obligations (if any)). The ABL Intercreditor Agreement provides reciprocal limitations on the ABL Secured Parties' rights to take action with respect to the Notes Collateral.

Collateral Access Rights

If the ABL Collateral Agent takes any enforcement action with respect to the Lien on the ABL Collateral, the Pari Notes Debt Secured Parties (i) shall cooperate with the ABL Collateral Agent (at the sole cost and expense of the ABL Collateral Agent and subject to the condition that the Pari Notes Debt Secured Parties shall have no obligation or duty to take any action or refrain from taking any action that could reasonably be expected to result in the incurrence of any liability or damage to the Pari Notes Debt Secured Parties) in its efforts to enforce its security interest in the ABL Collateral and to finish any work-in-process and assemble the ABL Collateral, (ii) shall not take any action designed or intended to hinder or restrict in any respect the ABL Collateral Agent from enforcing its security interest in the ABL Collateral or from finishing any work-in-process or assembling the ABL Collateral, and (iii) subject to the rights of any landlords under real estate leases, shall permit the ABL Collateral Agent, its employees, agents, advisers and representatives, at the sole cost and expense of the ABL Secured Parties and upon reasonable advance notice, to enter upon and use the Notes Collateral (including equipment, processors, computers and other machinery related to the storage or processing of records, documents or files), for a period not to exceed 180 days after the taking of such enforcement action, for purposes of taking reasonable actions to protect, secure and otherwise enforce the rights of the ABL Secured Parties in and to the ABL Collateral; *provided*, *however*, that nothing contained in the ABL Intercreditor Agreement shall restrict the rights of any Pari Notes Debt Agent from selling, assigning or otherwise transferring any Notes Collateral prior to the expiration of such 180-day period if the purchaser, assignee or transferee thereof agrees to be bound by these provisions. If any stay or other order prohibiting the exercise of remedies with respect to the ABL Collateral has been entered by a court of competent jurisdiction, such 180-day period shall be tolled during the pendency of any such stay or other order.

Each Pari Notes Debt Agent and each Pari Notes Debt Secured Party, in its capacity as a secured party (or as a purchaser, assignee or transferee, as applicable), and to the extent of its interest therein, has granted or will grant to the ABL Collateral Agent and the ABL Secured Parties a nonexclusive, irrevocable, royalty-free, worldwide license to use, license or sublicense any and all intellectual property now owned or hereafter acquired included as part of the Notes Collateral (and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof) as is or may be necessary or advisable in the ABL Collateral Agent's reasonable judgment for the ABL Collateral Agent to collect or otherwise realize upon any accounts receivable comprising ABL Collateral, in each case solely in connection with any exercise of remedies available to the ABL Secured Parties; provided that (i) any such license shall terminate upon the sale of the applicable ABL Collateral and shall not extend or transfer to the purchaser of such ABL Collateral, (ii) the ABL Collateral Agent's use of such intellectual property shall be reasonable and lawful, and (iii) any such license is granted on an "AS-IS" basis, without any representation or warranty whatsoever. Furthermore, each Pari Notes Debt Agent agrees that, in connection with any exercise of remedies available to any Pari Notes Debt Agent in respect of Notes Collateral, such Pari Notes Debt Agent shall provide written notice to any purchaser, assignee or transferee of intellectual property pursuant to such exercise of remedies, that the applicable intellectual property is subject to such license.

Tracing of Proceeds of ABL Collateral and Notes Collateral

The ABL Intercreditor Agreement provides that, prior to an issuance of any Enforcement Notice with respect to Collateral or the commencement of any insolvency or liquidation proceeding, any proceeds of Collateral, whether or not deposited under account agreements, which are used by any Grantor to acquire other property which is Collateral shall not (solely as between the ABL Collateral Agent, the ABL Secured Parties, on the one hand, and the Pari Notes Debt Agents and the Pari Notes Debt Secured Parties, on the other hand) be treated as proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. In addition, unless and until the discharge of ABL Obligations occurs, the Pari Notes Debt Agents and the Pari Notes Debt Secured Parties by consent to the application, prior to the receipt by the ABL Collateral Agent of an Enforcement Notice issued by any Pari Notes Debt Agent, of cash or other proceeds of Collateral, deposited under control agreements to the repayment of ABL Obligations pursuant to the ABL documents; *provided* that after the receipt by the ABL Collateral Agent of an Enforcement Notice from any Pari Notes Debt Agent, any identifiable proceeds of Notes Collateral (whether or not deposited under account agreements with the ABL Collateral Agent) shall be treated as Notes Collateral.

No Duties of the ABL Secured Parties

The ABL Intercreditor Agreement provides that none of the ABL Secured Parties have any duty or liability and each Noteholder Secured Party (and each holder of Credit Agreement Obligations, holder of the Existing Secured Notes or holder of Other Pari Passu Lien Obligations (if any)) waives, under the ABL Intercreditor Agreement, all claims against any of the ABL Secured Parties arising out of any and all actions any ABL Secured Party may take or permit or omit to take (including with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, the ABL Collateral) in accordance with the ABL Intercreditor Agreement or any other agreement related thereto or the collection of the ABL Obligations or the valuation, use, protection or release of any security for the ABL Obligations. In addition, the ABL Intercreditor Agreement also provides that the ABL Collateral Agent is entitled to sell, transfer or otherwise dispose of or deal with the ABL Collateral without regard to the second-priority security interest of the Notes Collateral Agent on such ABL Collateral or any rights to which any Noteholder Secured Party (or holder of Credit Agreement Obligations, holder of the Existing Secured Notes or holder of Other Pari Passu Lien Obligations (if any)) would otherwise be entitled as a result of such second-priority security interest.

Payment Over; No New Liens Reinstatement

Each Pari Notes Debt Agent will agree that if it shall obtain possession of any ABL Collateral or shall realize any proceeds or payment in respect of any such Collateral, pursuant to any security document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies, at any time prior to the associated discharge of ABL Obligations secured, or intended to be secured, by such Collateral, then it shall hold such Collateral, proceeds or payment in trust for the ABL Secured Parties and transfer such Collateral, proceeds or payment, as the case may be, to the ABL Collateral Agent reasonably promptly after receiving written notice from the ABL Secured Parties that it has possession of such Collateral or proceeds or payments in respect thereof.

In addition to the foregoing, the ABL Intercreditor Agreement provides that the Grantors will not, and will not permit their Subsidiaries to, grant any new Lien to the Notes Collateral Agent or any other Pari Notes Debt Agent on any of their property unless such Grantor or, as the case may be, such Subsidiary, has granted (or offered to grant with a reasonable opportunity for such Lien to be accepted) a Lien on such property in favor of the ABL Collateral Agent for the benefit of the ABL Secured Parties as security for the ABL Obligations, with the priorities set forth in the ABL Intercreditor Agreement. To the extent that any Collateral is subject to a Lien securing the Obligations under the Notes, the Note Guarantees and the Indenture and is not subject to a Lien securing the ABL Obligations, the Notes Collateral Agent will (x) hold and be deemed to have held such Lien and security interest on such property for the benefit of the holders of ABL Obligations with respect to such property as security for the ABL Obligations, or (y) if directed by the holders of the ABL Obligations with respect to such property constituting ABL Collateral, take any actions that are necessary to make such Lien subject to the ABL Intercreditor Agreement and provide the benefit of such Lien to the holders of the ABL Obligations with respect to such property. The Grantors will agree to similar provisions regarding additional Liens on the Notes Collateral, and the ABL Secured Parties will agree to reciprocal limitations and release and assignment provisions with respect to their rights in the Notes Collateral.

In the event that any of the ABL Obligations shall be paid and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference or other avoidance under the U.S. Bankruptcy Code, or any similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of the ABL Intercreditor Agreement shall be fully applicable thereto until all such ABL Obligations shall again have been paid in full in cash.

Agreements with Respect to Bankruptcy, Insolvency or Liquidation Proceedings

If the Issuers or any other Grantor becomes subject to a bankruptcy case or any other voluntary or involuntary insolvency or liquidation proceeding and, as a debtor-in-possession, moves for approval of financing under Section 364 of the U.S. Bankruptcy Code ("*Post-Petition Financing*") or the use of cash collateral under Section 363 of the U.S. Bankruptcy Code, the ABL Intercreditor Agreement provides that the Noteholder Secured Parties (and the holders of Credit Agreement Obligations, holders of the Existing Secured Notes and holders of

Other Pari Passu Lien Obligations (if any)) will not raise an objection, and will waive any claim such person may have, to any such financing or to the Liens on the ABL Collateral securing the same, or to any use of cash collateral that constitutes ABL Collateral or to any grant of administrative expense priority under Section 364 of the U.S. Bankruptcy Code, unless (A) the ABL Secured Parties, or ABL Collateral Agent, shall then oppose or object to such Post-Petition Financing or such Liens or such use of cash collateral, (B) such Liens are neither senior to, nor rank equal with, the ABL Secured Parties' Liens upon any property of the estate in such insolvency or liquidation proceeding or (C) such Post-Petition Financing shall not provide that cash collateral consisting of ABL Collateral (including ABL Collateral arising after the commencement of such insolvency proceeding) shall be required to be remitted to the ABL Collateral Agent in accordance with the ABL Intercreditor Agreement for permanent application to the ABL Obligations unless otherwise agreed by the ABL Collateral Agent. To the extent such Post-Petition Financing Liens are senior to, or rank equal with, the ABL Secured Parties' Liens, each Pari Notes Debt Agent will, for itself and on behalf of the other Pari Notes Debt Secured Parties of the applicable series, subordinate their Liens on the ABL Collateral to (i) the ABL Secured Parties' Liens (and all adequate protection liens on the ABL Collateral granted to the ABL Secured Parties) and the Post-Petition Financing Liens and (ii) any "carve out" for professional fees and United States Trustee fees and other payments from the ABL Collateral agreed to by the ABL Collateral Agent, so long as the Pari Notes Debt Secured Parties retain their valid, perfected and unvoidable Liens on all the ABL Collateral, including proceeds thereof arising after the commencement of any insolvency or liquidation proceeding, with the same priority as existed prior to the commencement of the case under the U.S. Bankruptcy Code.

The ABL Secured Parties will agree to reciprocal limitations with respect to any Post-Petition Financing secured with Liens on the Notes Collateral on a senior basis to those of the ABL Secured Parties.

Each Pari Notes Debt Secured Party will agree that it will not object to or oppose (i) a sale or other disposition of any ABL Collateral (or any portion thereof) under Section 363 of the U.S. Bankruptcy Code or any other provision of the U.S. Bankruptcy Code if the ABL Secured Parties shall have consented to such sale or disposition of such ABL Collateral and all secured parties' Liens will attach to the proceeds of the sale or other disposition with the same priorities set forth in the ABL Intercreditor Agreement or (ii) any lawful exercise by any holder of claims in respect of any ABL Obligations of the right to credit bid such claims under Section 363(k) of the U.S. Bankruptcy Code or any other applicable provision of the U.S. Bankruptcy Code or in any sale in foreclosure of ABL Collateral.

Adequate Protection and Cash Collateral

The ABL Intercreditor Agreement provides that the Noteholder Secured Parties (and holders of Credit Agreement Obligations, holders of the Existing Secured Notes and holder of Other Pari Passu Lien Obligations (if any)) will not oppose (or support the opposition of any other Person) in any insolvency or liquidation proceeding to (A) any motion or other request by any ABL Secured Party for adequate protection with respect to ABL Collateral Agent's Liens upon the ABL Collateral, including any claim of any ABL Secured Party to post-petition interest, fees, or expenses as a result of the Lien on the ABL Collateral (so long as any post-petition interest, fees, or expenses paid as a result thereof is not paid from the proceeds of Notes Collateral and is allowable under Section 506(b) of the U.S. Bankruptcy Code), a request for the application of proceeds of ABL Collateral to the ABL Obligations, and request for additional or replacement Liens on post-petition assets of the same type as the ABL Collateral and/or a superpriority administrative claim, or (B) any objection by any ABL Secured Party to any motion, relief, action or proceeding based on such ABL Secured Party claiming a lack of adequate protection with respect to the Liens on the ABL Collateral. In addition, the ABL Collateral Agent, for itself and on behalf of the ABL Secured Parties, may seek adequate protection of its junior interest in the Notes Collateral in the form of an additional or replacement Lien on post-petition assets of the same type as the Notes Collateral and/or a superpriority administrative claim, subject to the provisions of the ABL Intercreditor Agreement; *provided* that each Pari Notes Debt Agent is also granted adequate protection in the same form that is granted to the ABL Collateral Agent, which additional or replacement Lien on post-petition assets of the same type as the Notes Collateral or superpriority administrative claim (as applicable) is senior to that granted to the ABL Collateral Agent in respect of the Notes Collateral. Such Lien on post-petition assets of the same type as the Notes Collateral and/or superpriority administrative claim, if granted to the ABL Collateral Agent, will be subordinated to the adequate protection Liens and/or superpriority administrative claims (as applicable) granted in favor of each Pari Notes Debt Agent on such post-petition assets, and, if applicable, to the debtor-in-possession financing Liens of each Pari Notes Debt Agent or any other Pari Notes Debt Secured Party on such post-petition assets of the same type as the Notes Collateral. If the ABL Collateral Agent, for itself and on behalf of the ABL Secured Parties, seeks or requires (or is otherwise granted) adequate protection of its junior interest in the Notes Collateral in the form of an additional or replacement Lien on post-petition assets of the same type as the Notes Collateral and/or a superpriority administrative claim, then the ABL Collateral Agent, for itself and the ABL Secured Parties, will agree that each Pari Notes Debt Agent shall also be granted an additional or replacement Lien on such post-petition assets and/or a superpriority administrative claim as adequate protection of its senior interest in the Notes Collateral and that the ABL Collateral Agent's additional or replacement Lien on post-petition assets of the same type as the Notes Collateral and/or superpriority administrative claim (as applicable) shall be subordinated to the additional or replacement Lien on post-petition assets of the same type as the Notes Collateral and/or superpriority administrative claim of each Pari Notes Debt Agent on the same basis as the Liens of the ABL Collateral Agent on, and claims with respect to, the Notes Collateral are subordinated to the Liens of each Pari Notes Debt Agent on, and claims with respect to, the Notes Collateral under the ABL Intercreditor Agreement. If the ABL Collateral Agent or any ABL Secured Party receives as adequate protection a Lien on post-petition assets of the same type as the ABL Collateral, then such post-petition assets shall also constitute ABL Collateral to the extent of any allowed claim of the ABL Secured Parties secured by such adequate protection Lien and shall be subject to the ABL Intercreditor Agreement.

Refinancings of and Amendments to the Senior Credit Facilities, the Notes and Other Pari Passu Lien Obligations

Subject to the limitations set forth in the Indenture, the Senior Credit Facilities may be amended, renewed, replaced, exchanged, extended, modified or supplemented from time to time in any manner, all without affecting the subordination of the Liens in favor of the Noteholder Secured Parties and the other Pari Notes Debt Secured Parties relative to the Liens in favor of the ABL Secured Parties.

Pari Passu Intercreditor Arrangements

The Notes Collateral Agent will enter into a joinder, dated as of the Issue Date, among the Issuers, the other grantors party thereto, the Notes Collateral Agent, the Existing Secured Notes Collateral Agent and the Credit Agreement Collateral Agent (the "*Pari Passu Joinder*") to the Pari Passu Intercreditor Agreement, dated as of July 12, 2019, among the Issuers, the other grantors party thereto, the Existing Secured Notes Collateral Agent and the Credit Agreement Collateral Agent (together with the Pari Passu Joinder, the "*Pari Passu Intercreditor Agreement*"), which Pari Passu Intercreditor Agreement may be further amended and/or supplemented as necessary in the event that additional permitted Other Pari Passu Lien Obligations are incurred.

By their acceptance of the Notes, the Holders will agree to be bound by the terms of the Pari Passu Intercreditor Agreement and will be deemed to have authorized and directed the Notes Collateral Agent to execute, deliver and perform its obligations under the Pari Passu Intercreditor Agreement. The term "Collateral" as used in the description of the Pari Passu Intercreditor Agreement means the Collateral on which the collateral agents of two or more classes of Indebtedness having Pari Passu Lien Priority have a valid and perfected Lien. Under the Pari Passu Intercreditor Agreement, the Holders will be represented by the Notes Collateral Agent, the holders of the Existing Secured Notes will be represented by the Existing Secured Notes Collateral Agent, the holders of the Credit Agreement Obligations will be represented by the Credit Agreement Collateral Agent and the holders of each class of Other Pari Passu Lien Obligations will be represented by their designated agent (each, an "*Authorized Representative*"). The Pari Passu Intercreditor Agreement provides for the priorities and other relative rights among the Holders of the Notes, the holders of the Credit Agreement Obligations, the holders of the Existing Secured Notes and the holders of the Other Pari Passu Lien Obligations, including, among other things, that:

(1) notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens on the Collateral securing the Notes, the Credit Agreement Obligations, the Existing Secured Notes and the Other Pari Passu Lien Obligations, the Liens securing all such Indebtedness shall be of equal priority; and

(2) the Obligations in respect of the Notes, the Credit Agreement Obligations, the Existing Secured Notes and the Other Pari Passu Lien Obligations may be increased, extended, renewed, replaced, restated, supplemented, restructured, refunded, refinanced or otherwise amended from time to

time, in each case, to the extent permitted by the Indenture, the Credit Agreements, the Existing Secured Notes Indentures and the documentation governing the Other Pari Passu Lien Obligations.

The Pari Passu Intercreditor Agreement also provides that only the "*Applicable Authorized Representative*" will have the right to direct foreclosures and take other actions with respect to the Collateral. Upon completion of this offering, we expect the Credit Agreement Collateral Agent will be the Applicable Authorized Representative until such time as the occurrence of a Non-Controlling Authorized Representative Enforcement Date (such date, the "*Applicable Authorized Agent Change Date*"). Following the Applicable Authorized Agent Change Date, the Major Non-Controlling Authorized Representative, will become the Applicable Authorized Representative.

As of any date, the "*Major Non-Controlling Authorized Representative*" is the Authorized Representative of the largest class of Indebtedness having Pari Passu Lien Priority then-outstanding (other than the same class as the class of Indebtedness represented by then Applicable Authorized Representative). The "*Non-Controlling Authorized Representative Enforcement Date*" is the date that is 120 days (throughout which 120-day period the applicable Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (a) an event of default under the terms of the class of Indebtedness represented by such Authorized Representative and (b) the Notes Collateral Agent's and each other Authorized Representative's receipt of written notice from that Authorized Representative certifying that (i) such Authorized Representative is the Major Non-Controlling Authorized Representative and that an event of default with respect to the class of Indebtedness having Pari Passu Lien Priority represented by the Major Non-Controlling Authorized Representative has occurred and is continuing and (ii) such class of Indebtedness having Pari Passu Lien Priority is currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of that class of Indebtedness having Pari Passu Lien Priority; *provided* that such event of default under the terms of the class of Indebtedness represented by such Authorized Representative shall be continuing at the end of such 120-day period; *provided*, *further*, that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Collateral (1) at any time the Applicable Authorized Representative has commenced and is diligently pursuing any enforcement action with respect to such Collateral; (2) at any time the Issuers or any other Grantor that has granted a security interest in such Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding or (3) at any time the Applicable Authorized Representative is stayed under the ABL Intercreditor Agreement from pursuing enforcement action with respect to such Collateral.

Pursuant to the Pari Passu Intercreditor Agreement (i) only the Applicable Collateral Agent will and will have the right to exercise, or refrain from exercising, any rights, remedies and powers with respect to the Collateral, including any action to enforce their respective security interest in or realize upon any Collateral and any right, remedy or power with respect to any Collateral under any intercreditor agreement (other than the Pari Passu Intercreditor Agreement), and then only on the instructions of the Applicable Authorized Representative, (ii) the Applicable Collateral Agent shall not be required to, and shall not, follow any instructions or directions with respect to Collateral (including with respect to any intercreditor agreement with respect to any Collateral) from any Non-Controlling Secured Party, it being understood and agreed that, notwithstanding any such instruction or direction by the Applicable Authorized Representative, the Applicable Collateral Agent shall not be required to take any action that, in its opinion, could expose such collateral agent to liability or be contrary to any security document or applicable law, and (iii) no Non-Controlling Secured Party shall, or shall instruct the Applicable Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, take any other action to enforce its security interest in or realize upon, or exercise any other right, remedy or power with respect to (including any right, remedy or power under any intercreditor agreement other than the Pari Passu Intercreditor Agreement) any Collateral, whether under any credit document, applicable law or otherwise, it being agreed that only the Applicable Collateral Agent, acting on the instructions of the Applicable Authorized Representative and in accordance with the applicable security documents, shall be entitled to take any such actions or exercise any such rights, remedies and powers with respect to Collateral. Notwithstanding the equal priority of the Liens established under the Pari Passu Intercreditor Agreement, the Applicable Collateral Agent (acting on the instructions of the Applicable Authorized Representative) may deal with the Collateral as if such collateral agent had a senior Lien on such Collateral. No Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Applicable Collateral Agent, the Applicable Authorized Representative or any Controlling Secured Party, or any other exercise by the Applicable Collateral Agent, the Applicable Authorized Representative or any Controlling Secured Party of any rights, remedies or powers with respect to the Collateral, or seek to cause either Collateral Agent to do so.

"*Additional Collateral Agent*" means, with respect to the Collateral (x) for so long as the Notes are the only class of Indebtedness outstanding, the Notes Collateral Agent and (y) at any other time, the Collateral Agent of the same class as the Authorized Representative that is the Applicable Authorized Representative with respect to such Collateral at such time.

"*Applicable Collateral Agent*" means (i) until the earlier of (x) the discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Credit Agreement Collateral Agent and (ii) from and after the earlier of (x) the discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Additional Collateral Agent.

"*Controlling Secured Parties*" means, at any time with respect to any Collateral, (i) at any time when the Credit Agreement Collateral Agent is the Applicable Collateral Agent, the Credit Agreement Secured Parties and (ii) at any other time, the Pari Notes Debt Secured Parties of the same class as the Authorized Representative that is the Applicable Authorized Representative with respect to such Collateral at such time.

"*Non-Controlling Secured Parties*" means, at any time with respect to any Collateral, the Pari Notes Debt Secured Parties that are not Controlling Secured Parties at such time with respect to such Collateral.

If (i) an event of default has occurred and is continuing under any Indebtedness having Pari Passu Lien Priority, and any Authorized Representative or Pari Notes Debt Secured Party is taking action to enforce rights in respect of any Collateral, (ii) any distribution is made with respect to any Collateral in any bankruptcy case of the Issuers or any other Grantor or (iii) any Authorized Representative or Pari Notes Debt Secured Party receives any payment with respect to any Collateral pursuant to any intercreditor agreement (other than the Pari Passu Intercreditor Agreement), the proceeds of any sale, collection or other liquidation of any such Collateral by any Authorized Representative or Pari Notes Debt Secured Party on account of such enforcement of rights or exercise of remedies, and any such distributions or payments received by Authorized Representative or Pari Notes Debt Secured Party, will be applied among the Indebtedness having Pari Passu Lien Priority to the payment in full of all such Indebtedness having Pari Passu Lien Priority on a ratable basis, after payment of all amounts owing to the Notes Collateral Agent, any other collateral agent with respect to Indebtedness having Pari Passu Lien Priority and the other Authorized Representatives, in their capacities as such. None of the holders of Indebtedness having Pari Passu Lien Priority may institute any suit or assert in any suit or other proceeding any claim against the Notes Collateral Agent, any other collateral agent with respect to Indebtedness having Pari Passu Lien Priority or any other holder of Other Pari Passu Lien Obligations seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Collateral. In addition, none of the holders of Indebtedness having Pari Passu Lien Priority may seek to have any Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral. If any holder of Indebtedness having Pari Passu Lien Priority obtains possession of any Collateral or realizes any proceeds or payment in respect thereof, in each case, as a result of the enforcement of remedies, at any time prior to the discharge of each of such Indebtedness, then it must hold such Collateral, proceeds or payment in trust for the other holders of Indebtedness having Pari Passu Lien Priority and promptly transfer such Collateral, proceeds or payment to the Applicable Authorized Representative to be distributed in accordance with the Pari Passu Intercreditor Agreement.

The Pari Passu Intercreditor Agreement provides that the holders of Indebtedness having Pari Passu Lien Priority of each class (and not the holders of Indebtedness having Pari Passu Lien Priority of any other class) bear the risk of (a) any determination by a court of competent jurisdiction that (i) any Indebtedness having Pari Passu Lien Priority of such class is unenforceable under applicable law or is subordinated to any other obligations (other than to any Indebtedness having Pari Passu Lien Priority of any other class), (ii) any Indebtedness having Pari Passu Lien Priority of such class does not have a valid and perfected Lien on any of the Collateral securing any Indebtedness having Pari Passu Lien Priority of any other class and/or (iii) any intervening security interest exists securing any other obligations (other than Other Pari Passu Lien Obligations) on a basis ranking prior to the security interest of such class of Indebtedness having Pari Passu Lien Priority but junior to the security interest of any other class of Indebtedness having Pari Passu Lien Priority, or (b) the existence of any Collateral securing Indebtedness having Pari Passu Lien Priority of any other class that does not constitute Collateral with respect to Indebtedness having Pari Passu Lien Priority of such class (any condition referred to in clause (a) or (b) with respect to Indebtedness having Pari Passu Lien Priority of such class being referred to as an "*Impairment*" of such class). In the event an Impairment exists with respect to Indebtedness having Pari Passu Lien Priority of any class, the results of such Impairment shall be borne solely by the holders of Indebtedness having Pari Passu Lien Priority of such class, and the rights of such holders (including the right to receive distributions in accordance with the Pari Passu Intercreditor Agreement) shall be modified to the extent necessary so that the results of such Impairment are borne solely by such holders.

Release of Collateral

The Issuers and the Guarantors will be entitled to the releases of property and other assets included in the Collateral from the Liens securing the Notes including pursuant to the Agreed Security Principles or under any one or more of the following circumstances:

- to enable the sale or other disposition of such property or assets, including Capital Stock (other than to the Issuers or a Guarantor), to the extent not prohibited under the covenant described under the caption "—Repurchase at the Option of Holders—Asset Sales";
- in the case of a Guarantor that is released from its Note Guarantee, the release of the property and assets of such Guarantor;
- to the extent such Collateral is comprised of property leased to the Issuers or a Guarantor, upon termination or expiration of such lease;
- with respect to Collateral that is Capital Stock, upon the dissolution or liquidation of the issuer of that Capital Stock that is not prohibited by the Indenture;
- with respect to any Collateral that becomes an "Excluded Asset" or that becomes subject to certain Permitted Liens; or
- as described under the caption "—Amendment, Supplement and Waiver" below.

In the event of a sale, transfer or other disposition of the ABL Collateral or any such ABL Collateral becoming excluded collateral under the ABL Debt Documents (regardless of whether or not an Event of Default has occurred and is continuing under the Notes Documents at the time of such sale, transfer or other disposition or any such ABL Collateral becoming excluded collateral under the ABL Debt Documents), the Lien on such ABL Collateral securing the Notes and the Note Guarantees will terminate and be released automatically and without further action if the Liens of the ABL Collateral Agent on such Collateral are released and if such sale, transfer or other disposition either (A) is then not prohibited by the Notes Documents or (B) occurs in connection with the foreclosure upon or other exercise of rights and remedies with respect to such ABL Collateral (including, in connection with any liquidation of ABL Collateral consented to by the ABL Collateral Agent); *provided* that such Lien securing the Notes and the Note Guarantees shall remain in place with respect to any proceeds of a sale, transfer or other disposition under this paragraph that remain after the associated discharge of ABL Obligations. The first-priority Liens on the Notes Collateral securing the Notes and the Note Guarantees shall also terminate and be released automatically in connection with a sale, transfer or disposition of Notes Collateral that occurs in connection with the foreclosure of, or other exercise of remedies with respect to, Notes Collateral by any collateral agent under the Pari Passu Intercreditor Agreement (except with respect to the proceeds of such sale, transfer or disposition).

The security interests in all Collateral securing the Notes also will be released upon (i) payment in full of the principal of, together with accrued and unpaid interest and Additional Amounts (if any) on, the Notes and all other obligations (other than contingent indemnity obligations for which no demand has been made) under the Indenture, the Note Guarantees under the Indenture and the Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest and Additional Amounts (if any), is paid, or (ii) a legal defeasance or covenant defeasance under the Indenture as described below under the caption "—Legal

Defeasance and Covenant Defeasance" or a discharge of the Indenture as described under the caption "—Satisfaction and Discharge."

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuers are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Notes as described under the caption "—Repurchase at the Option of Holders." As market conditions warrant, we and our equity holders, including the Investors, their respective Affiliates and members of our management, may from time to time seek to purchase our outstanding debt securities or loans, including the Notes, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our Indebtedness, including the Indenture, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt, including borrowings under our Senior Credit Facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series. In addition, any such purchases made at prices below the "adjusted issue price" (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which amounts may be material, and in related adverse tax consequences to us.

Optional Redemption

Except as set forth below, the Issuers will not be entitled to redeem Notes at their option prior to , 2027.

At any time prior to , 2027, the Issuers may redeem the Notes, in whole or in part, at their option, on one or more occasions, upon such notice as is described under the caption "—Selection and Notice," at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date of redemption (the "*Redemption Date*"), subject to the rights of Holders of such Notes on the relevant record date to receive interest due on the relevant interest payment date.

At any time and from time to time on or after , 2027, the Issuers may redeem the Notes, in whole or in part, at their option, on one or more occasions, upon notice as described under the caption "—Selection and Notice," at the redemption prices (expressed as percentages of principal amount of such Notes to be redeemed) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the applicable Redemption Date (*provided* that if the redemption date is on or after the record date and on or before the corresponding interest payment date, then Holders in whose names the Notes are registered at the close of business on such record date will receive interest on the repurchase date) if redeemed during the twelve-month period beginning on of each of the years indicated below:

Year	Percentage
2027	%
2028	%
2029 and thereafter	100.000%

In addition, at any time and from time to time prior to , 2027, the Issuers may, at their option, on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture (including the principal amount of any applicable Additional Notes issued under the Indenture) at a redemption price equal to % of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, the applicable Redemption Date (*provided* that, in each case, if the redemption date is on or after the record date and on or before the corresponding interest payment date, then Holders in whose names the Notes are registered at the close of business on such record date will receive interest on the redemption date) with the net cash proceeds received by the Issuers from one or more Equity Offerings; *provided* that (a) at least 40% of the sum of the aggregate principal amount of the then-outstanding Notes issued under the Indenture (including any Additional Notes) (other than Notes or Additional Notes held by the Issuer or any of its

Restricted Subsidiaries) remain outstanding immediately after the occurrence of each such redemption, unless all such Notes are redeemed substantially concurrently and (b) each such redemption occurs not later than 180 days after the date of closing of each such Equity Offering.

In addition, at any time and from time to time on or before , 2027, the Issuers may, at their option, on one or more occasions, redeem up to 10% of the then outstanding aggregate principal amount of the Notes issued under the Indenture during each of the twelve-month periods ending after the Issue Date, upon notice as described under the caption "—Selection and Notice," at a redemption price equal to 103% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the Redemption Date.

Other Redemption Terms

Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer, Alternate Offer or Asset Sale Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer and the Issuers, or any third party making such tender offer in lieu of the Issuers, purchases all of the Notes validly tendered and not validly withdrawn by such Holders, the Issuers or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a redemption price equal to the price offered to each other Holder (excluding any early tender or incentive fee) in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, the Redemption Date. In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes have validly tendered and not validly withdrawn Notes in a tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, Notes owned by an Affiliate of the Issuer or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable.

Any notice of any redemption may be given prior to the redemption thereof, and any such redemption or notice may, at the Issuers' discretion, be subject to one or more conditions precedent, including, without limitation, the consummation or occurrence of an incurrence or issuance of debt or equity, a Change of Control, an Asset Sale or other transaction or event. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuers' discretion, the Redemption Date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied (or waived by the Issuers in their sole discretion). Such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions are not satisfied (or waived by the Issuers in their sole discretion) by the Redemption Date, or by the Redemption Date as so delayed, or at any time in the Issuers' discretion if in the good faith judgment of the Issuers any or all of such conditions will not be satisfied. In addition, the Issuers may provide in such notice that payment of the redemption price and performance of the Issuers' obligations with respect to such redemption may be performed by another Person.

If the optional Redemption Date for the Notes is on or after a record date and on or before the corresponding interest payment date, the accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the Redemption Date will be paid on the Redemption Date to the Holder in whose name the Note is registered at the close of business on such record date in accordance with the applicable procedures of DTC, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuers.

The Notes to be redeemed shall be selected in accordance with the procedures in the manner described under the caption "—Selection and Notice."

Redemption for Taxation Reasons

The Issuers may redeem the Notes, at their option, in whole, but not in part, upon giving not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date) and all Additional Amounts, if any, then due or that will become due on the Tax Redemption Date as a result of the redemption or otherwise if the Issuers determine in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in official position regarding the application, administration or interpretation of such laws, treaties, regulations, protocols or rulings (including a holding, judgment or order by a government agency or court of competent jurisdiction)

(each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"), any Payor, with respect to the Notes or a Note Guarantee is, or on the next date on which any amount would be payable in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to such Payor (including the appointment of a new paying agent or, where such action would be reasonable, payment through another Payor); *provided* that no Payor shall be required to take any measures that in the Issuers' good-faith determination would result in the imposition on such person of any material legal or regulatory burden or the incurrence by such person of additional material costs, or would otherwise result in any material adverse consequences to such person.

In the case of any Payor, the Change in Tax Law with respect to a given Relevant Taxing Jurisdiction must become effective on or after the later of the date of this Offering Memorandum or the date a jurisdiction becomes a Relevant Taxing Jurisdiction. Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication, mailing or delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that they are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to their right so to redeem have been satisfied (including that the obligation to pay such Additional Amounts cannot be avoided by the Payor taking reasonable measures available to it) and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Payor would be obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

The foregoing provisions will apply *mutatis mutandis* to the laws and official positions of any jurisdiction in which any successor to a Payor is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein. The foregoing provisions will survive any termination, defeasance or discharge of the Indenture.

Withholding Taxes

All payments made by or on behalf of the Issuer, the Co-Issuer or any Guarantor or any successor in interest to any of the foregoing (each, a "*Payor*") on or with respect to the Notes or any Note Guarantee will be made without withholding or deduction for, or on account of, any Taxes unless such withholding or deduction is required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Notes or Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax, by such Payor; or

(2) any other jurisdiction in which a Payor that actually makes a payment on the Notes or its Note Guarantee is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority

thereof or therein having the power to tax (each of clauses (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law from any payments made by or on behalf of the Payors or the Paying Agent with respect to any Note or Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received by such Holder or the Trustee, as the case may be, in respect of such payments on any such Note or Note Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed or levied but for the existence of any actual or deemed present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over, the relevant Holder, if such Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or exercise or enforcements of any rights under such Note, the Indenture or a Note Guarantee;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor (such request being made at a time that would enable such Holder or beneficial owner acting reasonably to comply with that request), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax;

(3) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder;

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment on the Notes or any Note Guarantee;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(6) any Taxes payable under Sections 1471 through 1474 of the Code, as of the date of this Offering Memorandum (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant thereto, and any intergovernmental agreements implementing the foregoing (including any legislation or other official guidance relating to such intergovernmental agreements) ("*FATCA*");

(7) any Taxes imposed or withheld solely by reason of the Holder, or a fiduciary, settlor, beneficiary, member or shareholder of the Holder if the Holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary Holder, being considered as being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or a corporation that has accumulated earnings to avoid United States federal income tax; or

(8) any U.S. federal, state or local Taxes; or

(9) any combination of items (1) through (8) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority of the Relevant Taxing Jurisdiction in accordance with applicable law.

The Payor will use reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each relevant taxing authority of each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee and the Paying Agent(s). If, notwithstanding the efforts of such Payor to obtain such receipts, the same are not obtainable, such Payor will provide the Trustee with other reasonable evidence of such payments. Such receipts or other evidence will be made available by the Trustee to Holders on reasonable written request.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate and such other information as promptly as practicable after the date that is 30 days prior to the payment date, and otherwise in accordance with the requirements of DTC). The Trustee and the Paying Agent(s) will accept, without further inquiry, such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes, any Note Guarantee or this "Description of Notes" there is mention of, in any context:

(1) the payment of principal;

(2) redemption prices or purchase prices in connection with a redemption or purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Note Guarantee;

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay the Holder for any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes or similar charges or levies that arise in any Relevant Taxing Jurisdiction from the execution, delivery, registration or enforcement of any Notes, the Indenture or any other document or instrument in relation thereto (other than, in each case, in connection with a transfer of any of the Notes after this offering and limited, solely to the extent of such taxes or similar charges or levies that arise from the receipt of any payments of principal or interest on the Notes, to any such taxes or similar charges or levies that are not excluded under clauses (1) through (3) and (5) through (6) above), payable due to a registration, submission or filing by a party of any Notes, the Indenture or any other document or instrument in relation thereto where such registration, submission or filing is or was not required to maintain or preserve the rights of the party under such documents.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, transfer by a Holder or a beneficial owner, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a

Payor is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes or the Note Guarantee is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Certain Tax Matters

Either of the Issuers or any other Payor may withhold from any interest payment made on any Note to or for the benefit of any person who is not a "United States person," as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax (including any withholding imposed under FATCA), and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to the Issuer or other Payor such that an exemption from U.S. federal withholding tax (including any withholding imposed under FATCA) would apply to such payment; *provided* that the foregoing shall not limit the Issuers' obligations hereunder to pay Additional Amounts.

Selection and Notice

If the Issuers are redeeming less than all of the Notes issued under the Indenture at any time, the Trustee or Paying Agent, as applicable, will select the Notes to be redeemed (1) if the Notes are listed on an exchange, as certified to the Trustee or Paying Agent, as applicable, by the Issuers, in compliance with the requirements of such exchange or in accordance with customary DTC procedures or (2) on a *pro rata* basis to the extent practicable, or, if the *pro rata* basis is not practicable for any reason, by lot or by such other method as the Trustee or Paying Agent, as applicable, deems fair and appropriate in accordance with DTC procedures. No Notes of $2,000 or less can be redeemed in part.

Notices of purchase or redemption shall be delivered electronically or mailed by first-class mail, postage prepaid, at least 10 days but, except as set forth under "—Optional Redemption," not more than 60 days before the purchase or redemption date to each Holder of Notes to be redeemed (with a copy to the Trustee and the Paying Agent) at such Holder's registered address or otherwise in accordance with the procedures of DTC, except that redemption notices may be delivered 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 purchased or redeemed in part only, any notice of purchase or redemption that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased or redeemed. If the Issuers request the Trustee or the Paying Agent to give notice of purchase or redemption on its behalf, the Issuers will give written notice to the Trustee and the Paying Agent at least five Business Days prior to the date on which notice of redemption is to be sent (or such shorter period as agreed by the Trustee or the Paying Agent).

With respect to Notes represented by certificated notes, upon request, the Issuers will issue a new Note in a principal amount equal to the unpurchased or unredeemed portion of the original Note in the name of the Holder upon cancellation of the original Note; *provided* that new Notes will only be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. Subject to the satisfaction (or waiver) of any conditions precedent relating thereto, Notes called for purchase or redemption become due on the date fixed for purchase or redemption. On and after the Redemption Date, unless the Issuers default in the payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption.

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control occurs, unless the Issuers have previously or substantially concurrently therewith electronically delivered or mailed a redemption notice with respect to all the outstanding Notes as described under the caption "—Optional Redemption," the Issuers will make an offer to purchase all of the Notes pursuant to the offer described below (the "*Change of Control Offer*") at a price in cash (the "*Change of Control Payment*") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date of purchase (*provided* that if the repurchase date is on or after the record date and on or before the corresponding interest payment date, then Holders in whose names the Notes are registered at the close of business on such record date will receive interest on the repurchase date). Within 30 days following any Change of Control, the Issuers will send notice of such Change of Control Offer by electronic delivery in accordance with the procedures of DTC, or first-class mail, with a copy to the Trustee and the Paying Agent, to each Holder of Notes to the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of DTC, with the following information:

(1) that a Change of Control Offer is being made pursuant to this covenant, and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuers;

(2) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 60 days from the date such notice is mailed or otherwise delivered (the "*Change of Control Payment Date*"), subject to extension (in the case where such notice is mailed or otherwise delivered prior to the occurrence of the Change of Control) in the event that the occurrence of the Change of Control is delayed;

(3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their tendered Notes and their election to require the Issuers to purchase such Notes; *provided* that the Paying Agent receives, not later than the close of business on the second Business Day prior to the expiration date of the Change of Control Offer, a facsimile transmission, electronic transmission or letter (or otherwise in accordance with the procedures of DTC) setting forth the name of the Holder of the Notes, the principal amount of Notes tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that Holders whose Notes are being purchased only in part will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess thereof;

(8) if such notice is delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and describing each such condition, and, if applicable, stating that, in the Issuers' discretion, the Change of Control Payment Date may be delayed until such time (including more than 60 days after the date the notice of such Change of Control was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied (or waived by the Issuers in their sole discretion), or such purchase may not occur and such notice may be rescinded in the event that any or all such conditions are not satisfied (or waived by the Issuers in their sole discretion) by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed, or such notice may be rescinded at any time in the Issuers' discretion if in the good faith judgment of the Issuers any or all of such conditions will not be satisfied. In addition, the Issuers may provide in such notice that payment of the purchase price and performance of the Issuers' obligations with respect to such Change of Control Offer may be performed by another Person; and

(9) the other instructions, as determined by the Issuers, consistent with the covenant described hereunder, that a Holder must follow in order to have its Notes repurchased.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Issuers may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

On the Change of Control Payment Date, the Issuers will, to the extent permitted by law,

(1) accept for payment all Notes issued by them or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the Paying Agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered, and

(3) deliver, or cause to be delivered, to the Trustee or the registrar for cancellation the Notes so accepted together with an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to and purchased by the Issuers.

Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the Holders to require that the Issuers repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Senior Credit Facilities and the Existing Notes Indentures provide, the Indenture will provide, and future credit agreements or other agreements relating to Indebtedness to which the Issuer (or one of its Affiliates) becomes a party may provide, that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control or a change of control under the Existing Notes and the Notes). If we experience a change of control that triggers a default under the Senior Credit Facilities or such other indebtedness, we could seek a waiver of such default or seek to refinance the Senior Credit Facilities or such other indebtedness. In the event we do not obtain such a waiver or refinance the Senior Credit Facilities or such other indebtedness, such default could result in amounts outstanding under the Senior Credit Facilities or such other indebtedness being declared due and payable.

Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources and sufficient funds may not be available when necessary to make any required repurchases. See "Risk Factors—Risks Related to our Indebtedness and the Notes—We may not be able to finance a change of control offer or asset sale offer required by the indenture that will govern the notes."

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Initial Purchasers and us. We have no present intention to engage in a transaction involving a Change of Control after the Issue Date, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Liens." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Issuers will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer, (ii) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described under the caption "—Optional Redemption," unless and until there is a default in the payment of the redemption price on the applicable Redemption Date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied or (iii) in connection with or in contemplation of any Change of Control, the Issuers (or any Affiliate of the Issuers) have made an offer to purchase (an "*Alternate Offer*") any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and have purchased all Notes properly tendered in accordance with the terms of the Alternate Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer or Alternate Offer may be made in advance of a Change of Control, conditional upon such Change of Control.

The definition of "*Change of Control*" includes a disposition of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuers' obligations to make an offer to repurchase the Notes as a result of a Change of Control, including the definition of Change of Control, may be waived or modified (at any time, including after a Change of Control) with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

Asset Sales

The Indenture will provide that from and after the Issue Date, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (at the time of contractually agreeing to such Asset Sale), as determined in good faith by the Issuer, of the assets subject to such Asset Sale; and

(2) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed have a fair market value in excess of the greater of $980.0 million and 50.0% of LTM EBITDA, at least 75% of the consideration from such Asset Sale, together with all other Asset Sales since the Issue Date (on a cumulative basis) (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that each of the following will be deemed to be cash or Cash Equivalents for purposes of this clause (2):

    (a) any liabilities, contingent or otherwise, of the Issuer or such Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Notes that (x) are assumed by the transferee of any such assets (or a third party in connection with such transfer) or (y) are otherwise cancelled or terminated in connection with the transaction with such transferee (other than intercompany debt owed to the Issuer or its Restricted Subsidiaries) and, in each case, for which the Issuer and all of its Restricted Subsidiaries have been released;

(b) any securities, notes or other obligations or assets received by the Issuer or such Restricted Subsidiary from such transferee or in connection with such Asset Sale (including earnouts and similar obligations) that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) or by their terms are required to be satisfied for cash or Cash Equivalents within 180 days following the closing of such Asset Sale;

(c) Indebtedness of any Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Sale (other than intercompany debt owed to the Issuer or any Restricted Subsidiary), to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Sale;

(d) consideration consisting of Indebtedness of the Issuers (other than intercompany debt owed to the Issuer or any Restricted Subsidiary and other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuers or any Restricted Subsidiary;

(e) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in such Asset Sale having an aggregate fair market value, as determined by the Issuer in good faith, taken together with all other Designated Non-cash Consideration received pursuant to this clause (e) that is at that time outstanding, not to exceed the greater of $590.0 million and 30.0% of LTM EBITDA at the time of the receipt of such Designated Non-cash Consideration (with the fair market value of each such item of Designated Non-cash Consideration being measured pursuant to this clause (e) at the Issuer's option, either at the time of contractually agreeing to such Asset Sale or at the time received and, in either case, without giving effect to subsequent changes in value); and

(f) any Investment, Capital Stock, assets, property or capital or other expenditure of the kind referred to in clause (2) of the second paragraph in this "—Repurchase at the Option of Holders—Asset Sales."

Within 540 days after the later of (i) the date of such Asset Sale and (ii) receipt of any Net Proceeds of any Asset Sale (as may be extended by an Acceptable Commitment or a Second Commitment as set forth below, the "*Proceeds Application Period*"), the Issuer or such Restricted Subsidiary, at its option, may apply an amount equal to the Applicable Percentage of such Net Proceeds (the "*Available Proceeds*") from such Asset Sale:

(1) to reduce, prepay, repay or purchase:

(a) to the extent such Available Proceeds are from an Asset Sale of Notes Collateral, Obligations with Pari Passu Lien Priority (including the Senior Credit Facilities and the Existing Secured Notes) or any Refinancing Indebtedness in respect thereof, and, in the case of revolving obligations, to correspondingly reduce commitments with respect thereto; *provided* that, to the extent either Issuer or any Restricted Subsidiary will so repay any such Indebtedness (other than the Notes), the Issuer will reduce Obligations under the Notes on a *pro rata* basis by, at its option, (i) redeeming Notes as provided under the caption "—Optional Redemption," (ii) purchasing Notes through open-market purchases or (iii) by making an offer (in accordance with the procedures set forth herein for an Asset Sale Offer) to all Holders to purchase their Notes at a purchase price equal to or higher than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest and Additional Amounts, if any, on the principal amount of the Notes to be repurchased to the date of repurchase;

(b) to the extent such Available Proceeds resulted from an Asset Sale not consisting of Notes Collateral, Obligations in respect of other Secured Indebtedness (including the Notes), and, in the case of revolving commitments, to correspondingly reduce commitments with respect thereto;

(c) Obligations in respect of the Notes or any other Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary (and, in the case of revolving commitments, to correspondingly reduce commitments with respect thereto); *provided* that, to the extent either Issuer or any Restricted Subsidiary will so repay any such Indebtedness (other than the Notes), the Issuer will reduce Obligations under the Notes on a *pro rata* basis by, at its option, (i) redeeming Notes as provided under the caption "—Optional Redemption," (ii) purchasing Notes through open-market purchases or (iii) by making an offer (in accordance with the procedures set forth herein for an Asset Sale Offer) to all Holders to purchase their Notes at a purchase price equal to or higher than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest and Additional Amounts, if any, on the principal amount of the Notes to be repurchased to the date of repurchase; or

(d) Obligations in respect of Indebtedness of a Non-Guarantor Subsidiary, other than Indebtedness owed to the Issuer or another Restricted Subsidiary;

provided, in the case of clause (c) above, (i) if an offer to purchase any Indebtedness of the Issuer or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no Available Proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of a Restricted Subsidiary of the Issuer declines the repayment of such Indebtedness owed to it from such Available Proceeds, such amount will be deemed repaid to the extent of the declined Available Proceeds; or

(2) (i) to invest (including capital expenditures) in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary); or (ii) to invest (including capital expenditures) in any one or more businesses, properties or assets that replace the businesses, properties and/or assets that are the subject of such Asset Sale, with any such investment made by way of a capital or other lease valued at the present value of the minimum amount of payments under such lease (as reasonably determined by the Issuer); *provided* that, in the case of this clause (2), a binding commitment shall be treated as a permitted application of the Available Proceeds from the date of such commitment so long as the Issuer or such other Restricted Subsidiary enters into such commitment or intent with the good faith expectation that such Available Proceeds will be applied to satisfy such commitment within 180 days of such commitment (or, if later, 540 days after the receipt of such Available Proceeds) (an "*Acceptable Commitment*") and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Available Proceeds are applied in connection therewith, the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a "*Second Commitment*") within 180 days of such cancellation or termination (or, if later, 540 days after the receipt of such Available Proceeds); *provided further* that if any Second Commitment is later cancelled or terminated for any reason before such Available Proceeds are applied, then such Available Proceeds shall constitute Excess Proceeds on the date of such cancellation or termination; or

(3) any combination of the foregoing;

provided that (1) pending the final application of the amount of any such Available Proceeds pursuant to this covenant, the Issuer or the applicable Restricted Subsidiaries may apply such Available Proceeds temporarily to reduce Indebtedness (including under the Senior Credit Facilities) or otherwise apply such Available Proceeds in any manner not prohibited by the Indenture, and (2) the Issuer (or any Restricted Subsidiary, as the case may be) may elect to invest in Additional Assets prior to receiving the Available Proceeds attributable to any given Asset Sale (*provided* that such investment shall be made no earlier than execution of a definitive agreement for the relevant Asset Sale, and consummation of the relevant Asset

Sale) and deem the amount so invested to be applied pursuant to and in accordance with clause (b) above with respect to such Asset Sale.

To the extent that any portion of Net Proceeds or Available Proceeds payable in respect of the Notes is denominated in a currency other than Dollars, the amount thereof payable in respect of the Notes shall not exceed the net amount of funds in Dollars that is actually received by the Issuer upon converting such portion into Dollars.

Notwithstanding any other provisions of this covenant, (i) to the extent that any of or all the Available Proceeds of any Asset Sale received or deemed to be received by a Foreign Subsidiary (a "*Foreign Disposition*") is (x) prohibited or delayed by applicable local law, (y) restricted by applicable organizational documents or any agreement or (z) subject to other onerous organizational or administrative impediments from being repatriated under applicable local law, an amount equal to the portion of such Net Proceeds so affected will not be required to be applied in compliance with this covenant, and such amounts shall not be so applied so long, but only so long, as the applicable local law, documents or agreements will not permit repatriation (the Issuer hereby agrees to use reasonable efforts (as determined in the Issuer's reasonable business judgment) to otherwise cause the applicable Foreign Subsidiary to within one year following the date on which the respective payment would otherwise have been required, promptly take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation), and if within one year following the date on which the respective payment would otherwise have been required, such repatriation of any of such affected Net Proceeds is permitted under the applicable local law, applicable organizational impediment or other impediment, an amount equal to such Net Proceeds (net of additional Taxes that would be payable or reserved against as a result of such repatriation but only to the extent such Taxes do not reduce Net Proceeds pursuant to the definition thereof) will be promptly (and in any event not later than five Business Days after such repatriation could be made) applied in compliance with this covenant and (ii) to the extent that the Issuer has determined in good faith that repatriation of any of or all the Net Proceeds of any Foreign Disposition would have an adverse Tax consequence (which for the avoidance of doubt, includes, but is not limited to, any prepayment out of such Net Proceeds whereby doing so the Issuer, any of its Subsidiaries, any Parent Entity or any of their respective affiliates and/or equity owners would incur a Tax liability, including a Tax dividend, deemed dividend pursuant to Code Section 956 or a withholding Tax), an amount equal to the Net Proceeds so affected may be retained by the applicable Foreign Subsidiary. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default.

When the Available Proceeds from the Asset Sale that are not invested or applied as provided and within the time period set forth in the preceding paragraph (it being understood that any portion of such Available Proceeds used to make an offer to purchase Notes as described in clause (1)(a) or (1)(c) above, will be deemed to have been so applied whether or not such offer is accepted) exceeds the greater of $780.0 million and 40.0% of LTM EBITDA (such amount of Available Proceeds that are less than or equal to the greater of $780.0 million and 40.0% of LTM EBITDA, "*Declined Excess Proceeds*," and such amount of Available Proceeds that are in excess of the greater of $780.0 million and 40.0% of LTM EBITDA, "*Excess Proceeds*"), then subject to the limitations with respect to Foreign Dispositions set forth above, the Issuers will make an offer (an "*Asset Sale Offer*") to all Holders of the Notes and, at the option of the Issuers, to any holders of any Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of the Notes and such Pari Passu Indebtedness that is, in the case of the Notes, in an amount equal to at least $2,000 or an integral multiple of $1,000 in excess thereof that may be purchased out of the Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to 100.0% of the principal amount thereof (or accreted value thereof, if less), plus accrued and unpaid interest and Additional Amounts, if any, thereon to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture (and, in respect of such Pari Passu Indebtedness, such other price, if any, as may be provided for by the terms of such Pari Passu Indebtedness). The Issuers will commence an Asset Sale Offer with respect to Excess Proceeds within 30 days after the expiration of the Proceeds Application Period by delivering the notice required pursuant to the terms of the Indenture, with a copy to the Trustee and the Paying Agent. The Issuers may, at their option, satisfy the foregoing obligations with respect to any Available Proceeds from an Asset Sale by making an Asset Sale Offer with respect to such Available Proceeds prior to the expiration of the Proceeds Application Period (the "*Advance Offer*") with respect to all or a part of the Available Proceeds (the "*Advance Portion*") in advance of being required to do so by the Indenture or with respect to any Declined Excess Proceeds.

To the extent that the aggregate principal amount (or accreted value, as applicable) of Notes and such Pari Passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds (or in the case of an Advance Offer, the Advance Portion), the Issuers may include any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) in Declined Excess Proceeds, and use such Declined Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount (or accreted value, as applicable) of Notes or the Pari Passu Indebtedness surrendered by such holders thereof exceeds the amount of Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Issuers shall select the Notes (while the Notes are in global form, pursuant to the procedures of DTC) and such Pari Passu Indebtedness to be purchased on a pro rata basis based on the accreted value or aggregate principal amount of the Notes or such Pari Passu Indebtedness tendered; *provided* that no Notes will be selected and purchased in an unauthorized denomination. Upon completion of any such Asset Sale Offer, the amount of Available Proceeds and Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) will be reset to zero. An Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Indenture, Notes and/or Note Guarantees (but the Asset Sale Offer may not condition tenders on the delivery of such consents).

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Issuers may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The provisions under the Indenture relating to the Issuers' obligations to make an offer to repurchase the Notes as a result of an Asset Sale may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

The Senior Credit Facilities may prohibit or limit, and future credit agreements or other agreements to which the Issuers become parties may prohibit or limit, the Issuers from purchasing any Notes pursuant to this covenant. In the event the Issuers are prohibited from purchasing the Notes, the Issuers could seek the consent of their lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such consent or repay such borrowings, the Issuers will remain prohibited from purchasing the Notes. In such case, the Issuers' failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture. For the avoidance of doubt, the consummation of the Transactions shall not be prohibited by the covenants below under "—Certain Covenants."

Covenant Suspension

If on any date following the Issue Date (i) the Notes have achieved Investment Grade Ratings from two Rating Agencies ("*Investment Grade Status*") and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Issuer and its Restricted Subsidiaries will not be subject to the following covenants (collectively, the "*Suspended Covenants*"):

(1) "Repurchase at the Option of Holders—Change of Control";

(2) "Repurchase at the Option of Holders—Asset Sales";

(3) "—Limitation on Restricted Payments";

(4) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(5) clause (3) of the first paragraph of "—Merger, Consolidation or Sale of All or Substantially All Assets";

(6) "—Transactions with Affiliates";

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

(8) "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries."

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") the Notes cease to have such Investment Grade Status, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events unless and until the Notes subsequently attain Investment Grade Status (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an Investment Grade Status).

The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to in this description as the "*Suspension Period*." Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Available Proceeds shall be reset to zero.

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any of its Subsidiaries or events occurring prior to such reinstatement, or any actions taken at any time pursuant to any contractual obligation arising prior to the Reversion Date, will give rise to a Default, Event of Default or breach of any kind under the Indenture, the Notes or the Note Guarantees nor shall the Issuer or any of its Subsidiaries bear any liability for such actions or events. With respect to Restricted Payments made after any such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under the first paragraph of "—Limitation on Restricted Payments." All Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified as having been incurred or issued pursuant to clause (3) of the second paragraph of the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under the caption "—Transactions with Affiliates." Any encumbrance or restriction on the ability of any Non-Guarantor Subsidiary to take any action described in clauses (1) through (3) of the covenant described under the caption "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (a) of the second paragraph of the covenant described under the caption "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries." On and after the Reversion Date, all Liens created during the Suspension Period will be considered Permitted Liens pursuant to clause (7) of such definition. No Restricted Subsidiary of the Issuer shall be required to comply with the covenant described under the caption "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries" after such reinstatement with respect to any guarantee entered into by such Restricted Subsidiary during any Suspension Period except that such Restricted Subsidiary shall execute and deliver a supplemental indenture to the Indenture providing for a Note Guarantee by such Restricted Subsidiary pursuant to the provisions of such covenant to the extent required and to the extent such Restricted Subsidiary has not already provided a Note Guarantee.

On and after each Reversion Date, the Issuer and its Subsidiaries will be permitted to consummate the transactions contemplated by any contract entered into during the Suspension Period, so long as such contract and such consummation would have been permitted during such Suspension Period.

The Notes may never achieve or maintain Investment Grade Status.

The Trustee shall have no duty to monitor the ratings of the Notes, determine whether a Covenant Suspension Event or Reversion Date has occurred or notify Holders of the same.

Limitation on Restricted Payments

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

(I) declare or pay any dividend or make any payment or distribution on account of the Issuer's, or any of its Restricted Subsidiaries' Equity Interests, including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(a) dividends, payments or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer or a Parent Entity or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock);

(b) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Subsidiary of the Issuer, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities; or

(c) dividends or distributions payable to any Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity which is guaranteed by the Issuers or any Restricted Subsidiary; *provided* that the net proceeds of such Indebtedness of such Parent Entity shall be contributed to the Issuers or any Restricted Subsidiary;

(II) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any Parent Entity, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Issuer or a Restricted Subsidiary;

(III) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness, other than:

(a) Indebtedness permitted under clauses (7), (8) and (9) of the second paragraph of the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

(b) prepayments, redemptions, repurchases, defeasance and other payments, acquisitions or retirements in respect of Subordinated Indebtedness prior to their scheduled maturity purchased 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 prepayment, redemption, purchase, repurchase, defeasance or other acquisition or retirement; and

(IV) make any Restricted Investment;

(all such payments and other actions set forth in clauses (I) through (IV) (other than any exception thereto) above being collectively referred to as "*Restricted Payments*"), unless, at the time of such Restricted Payment:

(1) other than in the case of a Restricted Investment, immediately after giving effect to such Restricted Payment on a *pro forma* basis, (i) the Issuer could incur \$1.00 of additional Indebtedness pursuant

to the first paragraph of the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (ii) the Consolidated Total Net Debt Ratio would have been no greater than 6.50 to 1.00; and

(2) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made (and not returned or rescinded) by the Issuer and its Restricted Subsidiaries after July 12, 2019 (and including Restricted Payments permitted by clause (1) (without duplication) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the sum of (without duplication):

(a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) beginning on July 1, 2019 to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit (which amount shall not be less than zero); *plus*

(b) 100% of the aggregate amount of cash and the fair market value, as determined in good faith by the Issuer, of marketable securities or other property received by the Issuer and its Restricted Subsidiaries after July 12, 2019 or that becomes part of the capital of the Issuer or any Restricted Subsidiary through consolidation, amalgamation or merger following July 12, 2019 (other than net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (12)(a) of the second paragraph of the covenant under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") from the issue or sale of:

(i) (A) Equity Interests of the Issuer, including Treasury Capital Stock (as defined below), but excluding cash proceeds and the fair market value, as determined in good faith by the Issuer, of marketable securities or other property received from the sale of:

(x) Equity Interests to any future, present or former employees, directors, officers, members of management, distributors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or any Parent Entity after July 12, 2019 to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph; and

(y) Designated Preferred Stock; and

(B) to the extent such net cash proceeds or other property are actually contributed to the capital of the Issuer or any Restricted Subsidiary (without the issuance of additional Equity Interests of such Restricted Subsidiary), Equity Interests of any Parent Entity (excluding Contributed Holdings Investments and contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph); or

(ii) debt securities of the Issuer or any Restricted Subsidiary that have been converted into or exchanged for such Equity Interests of the Issuer or any Parent Entity;

provided, *however*, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below) applied in accordance with clause (2) of the next succeeding paragraph, (X) Equity Interests or convertible debt securities of the Issuer sold to a Restricted Subsidiary, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; *plus*

(c) 100% of the aggregate amount of cash, Cash Equivalents and the fair market value, as determined in good faith by the Issuer, of marketable securities or other property contributed to the capital of the Issuer after July 12, 2019 (including the aggregate principal amount of any Indebtedness contributed to the Issuer or its Restricted Subsidiaries for cancellation) or that becomes part of the capital of the Issuer through consolidation, amalgamation or merger after July 12, 2019, in each case not involving cash consideration payable by the Issuer (other than net cash proceeds to the extent such net cash proceeds (i) have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (12)(a) of the second paragraph of the covenant under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (ii) are contributed by a Restricted Subsidiary or (iii) constitute Excluded Contributions and Contributed Holdings Investments); *plus*

(d) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by the Issuer, of marketable securities or other property received by the Issuer or a Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of, or other returns of Investments from, Restricted Investments made by the Issuer or its Restricted Subsidiaries (including cash distributions and cash interest received in respect of Restricted Investments) and repurchases and redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries (other than by the Issuer or a Restricted Subsidiary) and repayments of loans or advances and releases of guarantees that constitute Restricted Investments made by the Issuer or its Restricted Subsidiaries, in each case after July 12, 2019; or

(ii) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of the Equity Interests of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than, in each case, to the extent of the amount of the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (11) of the next succeeding paragraph or to the extent of the amount of such Investment that constituted a Permitted Investment and will increase the amount available under clause (11) of the next succeeding paragraph or the applicable clause of the definition of "Permitted Investment," as the case may be) or a dividend from an Unrestricted Subsidiary after July 12, 2019; *plus*

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after July 12, 2019, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith by the Issuer at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged, amalgamated or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (11) of the next succeeding paragraph or to the extent of the amount of such Investment that constituted a Permitted Investment made after July 12, 2019 and will increase the amount available under clause (11) of the next succeeding paragraph or the applicable clause of the definition of "Permitted Investment," as the case may be; *plus*

(f) the greater of $980.0 million and 50.0% of LTM EBITDA.

The foregoing provisions will not prohibit any of the following (collectively, "*Permitted Payments*"):

(1) the payment of any dividend or other distribution or the consummation of any redemption, repurchase or retirement within 60 days after the date of declaration of such dividend or other distribution or giving of the redemption notice with respect to such redemption, as the case may be, if at the date of declaration or notice, the payment of such dividend or other distribution or in respect of such redemption, repurchase or retirement, as the case may be, would have complied with the provisions of the Indenture;

(2) (a) the prepayment, redemption, purchase, repurchase, defeasance, discharge, retirement or other acquisition of any (i) Equity Interests ("*Treasury Capital Stock*") of the Issuer or any Restricted Subsidiary, including any accrued and unpaid dividends thereon, or Subordinated Indebtedness of the Issuer, the Co-Issuer or any Guarantor or (ii) Treasury Capital Stock of any Parent Entity, including any accrued and unpaid dividends thereon, in the case of each of clause (i) and (ii), in exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale (other than to the Issuer or a Restricted Subsidiary) of, Equity Interests of the Issuer or any Parent Entity to the extent contributed to the Issuer or any Restricted Subsidiary (in each case, other than any Disqualified Stock) ("*Refunding Capital Stock*"), (b) the declaration and payment of dividends on the Treasury Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of the Refunding Capital Stock and (c) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the prepayment, defeasance, discharge, redemption, purchase, repurchase, exchange or other acquisition or retirement for value of (i) Subordinated Indebtedness of the Issuer, the Co-Issuer or a Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness, Preferred Stock or Disqualified Stock of the Issuer, the Co-Issuer or a Guarantor, (ii) Preferred Stock or Disqualified Stock of the Issuer, the Co-Issuer or a Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Preferred Stock or Disqualified Stock, as applicable, of the Issuer, the Co-Issuer or a Guarantor or (iii) Preferred Stock or Disqualified Stock of a Restricted Subsidiary that is not a Guarantor made by exchange for, or out of the proceeds of the sale or issuance of, Preferred Stock or Disqualified Stock, as applicable, of a Restricted Subsidiary that is not a Guarantor, that, in each case with respect to clauses (i) through (iii), is incurred in compliance with the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(4) Restricted Payments to pay for the prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition of Equity Interests or Indebtedness of the Issuer or any Parent Entity held by any future, present or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any Parent Entity pursuant to any management equity plan, stock option plan, phantom equity plan or any other management,

employee benefit or other compensatory plan or agreement (and any successor plans or arrangements thereto), employment, termination or severance agreement, or any stock subscription or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by the Issuer or any Parent Entity in connection with such prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition), including any Equity Interests rolled over, accelerated or paid out by or to any employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any Parent Entity in connection with any transaction; *provided*, *however*, that the aggregate Restricted Payments made under this clause (4) do not exceed the greater of $390.0 million and 20.0% of LTM EBITDA in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of the greater of $780.0 million and 40.0% of LTM EBITDA in any calendar year); *provided* that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Issuer and, to the extent contributed to the Issuer, the cash proceeds from the sale of Equity Interests of any Parent Entity, in each case to any future, present or former employees, directors, officers, managers, contractors, distributors, advisors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Entity after July 12, 2019, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (2) of the preceding paragraph; *plus*

(b) the cash proceeds of key man life insurance policies received by the Issuer (or by any Parent Entity to the extent contributed to the Issuer) or its Restricted Subsidiaries after July 12, 2019; *plus*

(c) the amount of any bona fide cash bonuses otherwise payable to any future, present or former directors, consultants, officers, employees, managers, advisors or contractors (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Entity that are foregone in return for the receipt of Equity Interests, the fair market value of which is equal to or less than the amount of such cash bonuses, which, if not used in any year, may be carried forward to any subsequent fiscal year; *less*

(d) the amount of any Restricted Payments previously made with the cash proceeds described in clauses (a), (b) and (c) of this clause (4);

provided, *further*, that the Issuers may elect to apply all or any portion of the aggregate increase contemplated by sub-clauses (a), (b) and (c) of this clause (4) in any fiscal year; *provided, further* that (i) cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any future, present or former directors, consultants, officers, employees, managers or contractors (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any Restricted Subsidiary or any Parent Entity in connection with a repurchase of Equity Interests of the Issuer or any Parent Entity and (ii) the repurchase of Equity Interests deemed to occur upon the exercise of options, warrants or similar instruments if such Equity Interests represent all or a portion of the exercise price thereof and payments, in lieu of the issue of fractional shares of such Equity Interests or withholding to pay other taxes payable in connection therewith, in the case of each of clauses (i) and (ii), will not be deemed to constitute a Restricted Payment for purposes of the Indenture;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary, in each case issued in accordance with the covenant

described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Issuer or any of its Restricted Subsidiaries after the Issue Date;

(b) the declaration and payment of dividends to any Parent Entity, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such Parent Entity issued after the Issue Date; *provided* that the amount of dividends paid pursuant to this clause (b) shall not exceed the aggregate amount of cash actually contributed to the capital of the Issuer from the sale of such Designated Preferred Stock; or

(c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph.

(7) Restricted Payments by any Restricted Subsidiary to the Issuer or any Parent Entity to the extent the proceeds of such Restricted Payments are contributed or loaned or advanced to the Issuer or another Restricted Subsidiary;

(8) the declaration and payment of dividends or the payment of other distributions by the Issuer or a Restricted Subsidiary to, or the making of loans or advances to, any of their respective Parent Entities to allow payments by the Issuer or any Parent Entity in respect of withholding or similar Taxes payable in connection with any grant or vesting of an Equity Interest to or by, or repurchase, or dividend or other distribution to facilitate a repurchase, of an Equity Interest from, any future, present or former employee, director, officer, manager, contractor or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), or in connection with any purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Equity Interests in consideration of such payments, including deemed repurchases in connection with the exercise, conversion or exchange of stock options, warrants or other incentive interests and the vesting of restricted stock and restricted stock units or any deemed repurchases of Equity Interests, representing a portion of the exercise, conversion or exchange price of such options or warrants or other incentive interest;

(9) (a) the declaration and payment of dividends on the common stock or Equity Interests of the Issuer or any Parent Entity (and any equivalent declaration and payment of a distribution of any security exchangeable for such common stock or Equity Interests to the extent required by the terms of any such exchangeable securities and any Restricted Payment to any such Parent Entity to fund the payment by such Parent Entity of dividends on such entity's Equity Interests) following a public offering of such common stock or Equity Interests (or such exchangeable securities, as applicable), in an amount in any fiscal year not to exceed the sum of (i) up to 7.0% of (x) aggregate proceeds from any Equity Offering received by or contributed to the Issuer or any of its Restricted Subsidiaries or (y) in the case of a SPAC IPO, to the extent of any cash held by the SPAC IPO Entity prior to the consummation of the SPAC IPO and remaining following the consummation of the SPAC IPO in addition to the net proceeds (whether funded directly to the SPAC IPO Entity or a predecessor, successor or subsidiary thereof) raised through a substantially concurrent private investment in public equity offering (including by means of a forward purchase) and (ii) an aggregate amount not to exceed 7.0% of Market Capitalization; or (b) in lieu of all or a portion of the dividends permitted by clause (a), any prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition of the Issuer's Equity Interests (and any equivalent declaration and payment of a distribution of any security exchangeable for such common stock or Equity Interests to the extent required by the terms of any such exchangeable securities and any Restricted Payment to any such Parent Entity to fund the payment by such Parent Entity of dividends on such entity's Capital Stock) for aggregate consideration that,

when taken together with dividends permitted by clause (a), does not exceed the amount contemplated by clause (a);

(10) Restricted Payments that are made (a) in an amount not to exceed the amount of Excluded Contributions or (b) in an amount equal to the amount of net cash proceeds from an asset sale or disposition in respect of property or assets acquired, if the acquisition of such property or assets was financed with Excluded Contributions;

(11) Restricted Payments (including loans or advances) in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11) not to exceed the greater of $780.0 million and 40.0% of LTM EBITDA;

(12) distributions or payments of Receivables Fees, sales contributions and other transfers of Receivables Assets and purchases of Receivables Assets pursuant to any repurchase obligation related thereto, in each case in connection with a Receivables Facility;

(13) Restricted Payments made in connection with the Transactions and any fees, costs and expenses (including all legal, accounting and other professional fees, costs and expenses) related thereto, including Transaction Costs, or used to fund amounts owed to Affiliates in connection with the Transactions (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts);

(14) (A) the repurchase, redemption, defeasance, discharge or other acquisition or retirement for value of any Subordinated Indebtedness in accordance with the 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 all Notes validly tendered by Holders in connection with such Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired or retired for value; and (B) consisting of Acquired Indebtedness (other than Indebtedness incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition);

(15) the declaration and payment of dividends or the payment of other distributions by the Issuer or a Restricted Subsidiary to, or the making of loans or advances to the Issuer or any Parent Entity required for any Parent Entity to pay, in each case without duplication,

(a) franchise, excise and similar taxes and other fees, taxes and expenses required to maintain their corporate existence;

(b) (i) with respect to any taxable period in which the Issuer and/or any of its Subsidiaries is a member of (or the Issuer is a disregarded entity for U.S. federal income tax purposes wholly owned by a member of) a consolidated, combined, unitary or similar tax group (a "*Tax Group*") for U.S. federal and/or applicable foreign, state or local income tax purposes of which the Issuer or Parent Entity of the Issuer is the common parent, the portion of U.S. federal, state and/or local income Taxes of such Tax Group for such taxable period that is attributable to the Issuer and/or its consolidated subsidiaries; provided that, for each taxable period, the amount of such payments made in respect of such taxable period in the aggregate will not exceed the amount of such Taxes that the Issuer and/or its applicable subsidiaries would have been required to pay if they were a stand-alone Tax Group with the Issuer as the corporate common parent of such stand-alone Tax Group and (ii) with respect to any taxable period for which the Issuer or a Restricted Subsidiary is (or the Issuer or a Restricted Subsidiary is a disregarded entity for U.S. federal income tax purposes wholly-owned by) is a partnership for U.S. federal and/or applicable state or local income tax purposes (a "*Partnership*"), the portion of the U.S. federal, state or local income Taxes of the Partnership's direct owner(s) (or, where a direct owner is a pass-through entity, indirect owner(s)) for such taxable period that is attributable to the Issuer or such Restricted Subsidiary, as applicable, in an amount not to exceed the product of (x) the highest combined marginal federal and applicable state and/or local statutory tax rate (after taking into account the deductibility of state and local income tax for U.S. federal income tax purposes and the character of the income in question) applicable to any direct (or, where the direct owner is a pass-through entity, the first indirect non pass-through) equity owner of the Partnership for the taxable period in question and (y) the taxable income of the Partnership for such period that is included in the taxable income of such equity owners of the Partnership under the U.S. federal income tax principles, reduced by all taxable losses of the Partnership with respect to any prior taxable year of the Partnership to the extent such losses were not previously taken into account for purposes of computing distributions permitted under this clause (b) and such losses are of a character that would permit such losses to be deducted by the direct or indirect owners of the Partnership against the current taxable income of the Partnership; provided that, in either the case of (1) or (2), any amounts distributed hereunder shall be without duplication of any such taxes paid or withheld with respect to the same taxable income to the extent such payment or withholding actually reduces the tax liability of the applicable Tax Group or the applicable Partnership's direct or indirect owners, as applicable; *provided*, *further*, that, in either the case of (1) or (2), any amounts distributed hereunder in respect of any Taxes attributable to the income of Unrestricted Subsidiaries may be made only to the extent that such subsidiaries have made cash payments to the Issuers, any Guarantors or any Restricted Subsidiary for the purpose of such distribution (any distributions permitted under this clause (b) collectively, "*Tax Distributions*");

(c) salary, bonus, severance and other benefits payable to, and indemnities provided to or on behalf of, employees, directors, officers, consultants, contractors and managers of any Parent Entity and any payroll, social security or similar Taxes thereof and obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the ownership or operation of the Issuer and its Subsidiaries;

(d) (1) general corporate or other operating, administrative, legal, compliance, professional and overhead costs and expenses (including expenses relating to auditing and other accounting matters) of any Parent Entity and (2) Public Issuer Costs;

(e) fees and expenses (including ongoing compliance costs and listing expenses) related to any equity or debt offering of a Parent Entity (whether or not consummated);

(f) indemnification claims made by future, present or former directors or officers, employees, directors, managers, consultants or contractors of such parent entity attributable to the ownership or operations of the Issuer and its Restricted Subsidiaries;

(g) fees and expenses (x) due and payable by the Issuer and its Restricted Subsidiaries related to the Transactions and (y) otherwise permitted to be paid by the Issuer and any Restricted Subsidiaries under the Indenture;

(h) to the extent constituting a Restricted Payment, amounts due and payable pursuant to the Sponsor Management Agreement or any other investor management agreement entered into with the Investors after the Issue Date, which agreement shall be on terms not materially less favorable to the Issuer and its Restricted Subsidiaries than the terms of the Sponsor Management Agreement in effect on the Issue Date;

(i) to finance any Investment that, if made by the Issuers, would be permitted by the Indenture; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment and (B) any Parent Entity shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests but not including any loans or advances made pursuant to clause (16) of the definition of "Permitted Investments") to be contributed to the Issuer or its Restricted Subsidiaries or (2) the Person formed or acquired to merge into or amalgamate or consolidate with the Issuer or any of its Restricted Subsidiaries to the extent such merger, amalgamation or consolidation is permitted under the covenant described under the caption "—Merger, Consolidation or Sale of All or Substantially All Assets" in order to consummate such Investment (any such property or assets so contributed, merged or amalgamated shall constitute "*Contributed Holdings Investment*" and shall be disregarded for purposes of determining any amount calculated under the Indenture with respect to contributions to the capital of the Issuer or any of its Restricted Subsidiaries); and

(j) amounts that would otherwise be permitted to be paid pursuant to the covenant described under the caption "—Transactions with Affiliates";

(16) any Restricted Payment made in connection with Permitted Intercompany Activities or Permitted Tax Restructurings;

(17) the distribution, by dividend or otherwise, or other transfer or disposition of shares of Equity Interests in one or more Unrestricted Subsidiaries, or Indebtedness owed to any Parent Entity, the Issuer or any Restricted Subsidiary by Unrestricted Subsidiaries (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets) (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents);

(18) any Restricted Payment; *provided* that on a *pro forma* basis after giving effect to such Restricted Payment, the Consolidated Total Net Debt Ratio would be equal to or less than 5.25 to 1.00;

(19) redemptions in whole or in part of any of its Equity Interests for another class of its Equity Interests (other than Disqualified Stock) or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests;

(20) payments to the Issuer, or loans, advances, dividends or distributions to any Parent Entity, to permit such Person (a) to make payments in lieu of fractional Equity Interests to holders of Equity Interests of the Issuer or any Parent Entity and (b) to honor any conversion request by a holder of convertible Indebtedness and make cash payments in lieu of fractional shares in connection with any such conversion and may make payments on convertible Indebtedness in accordance with its terms;

(21) payments or distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with the covenant described under the caption "—Merger, Consolidation or Sale of All or Substantially All Assets";

(22) the conversion of any Subordinated Indebtedness to Equity Interests (other than Disqualified Stock) of the Issuer or any Parent Entity, and any payment that is intended to prevent any Subordinated Indebtedness from being treated as an "applicable high yield discount obligation" within the meaning of Section 163(i)(1) of the Code;

(23) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment;

(24) Investments or other Restricted Payments in an aggregate amount not to exceed an amount equal to the sum of Total Leverage Excess Proceeds and Declined Excess Proceeds; and

(25) (i) the redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Indebtedness of the Issuers or any Guarantor in an aggregate amount outstanding at the time made, taken together with all other redemptions, defeasances, repurchases, exchanges or other acquisitions or retirements of Subordinated Indebtedness made pursuant to this clause (25), not to exceed the greater of $590.0 million and 30.0% of LTM EBITDA at such time, and (ii) the redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Indebtedness of the Issuers or any Guarantor, so long as, immediately after giving *pro forma* effect to the payment of any such Restricted Payment and the incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Net Debt Ratio shall be no greater than 5.50 to 1.00.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of more than one of clauses (1) through (25) above or is entitled to be made pursuant to the first paragraph of this covenant and/or one or more of the clauses contained in the definition of "Permitted Investments," the Issuer will be entitled to divide, classify and subsequently divide and reclassify such Restricted Payment or Investment (or portion thereof) between such clauses (1) through (25) and such first paragraph and/or one or more of the clauses contained in the definition of "Permitted Investments," in a manner that otherwise complies with this covenant.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment, property or assets other than cash shall be determined conclusively by the Issuer acting in good faith.

In connection with any commitment, definitive agreement or similar event relating to an Investment, the Issuer or applicable Restricted Subsidiary may designate such Investment as having occurred on the date of the commitment, definitive agreement or similar event relating thereto (such date, the "*Election Date*") if, after giving *pro forma* effect to such Investment and all related transactions in connection therewith and any related *pro forma* adjustments, the Issuer or any of its Restricted Subsidiaries would have been permitted to make such Investment on the relevant Election Date in compliance with the Indenture, and any related subsequent actual making of such Investment will be deemed for all purposes under the Indenture to have been made on such Election Date, including for purposes of calculating any ratio, compliance with any test, usage of any baskets hereunder (if applicable) and EBITDA or LTM EBITDA and for purposes of determining whether there exists any Default or Event of Default (and all such calculations on and after the Election Date until the termination, expiration, passing, rescission, retraction or rescindment of such commitment, definitive agreement or similar event shall be made on a *pro forma* basis giving effect thereto and all related transactions in connection therewith).

Unrestricted Subsidiaries may use value transferred from the Issuer and its Restricted Subsidiaries in a Permitted Investment to purchase or otherwise acquire Indebtedness or Capital Stock of the Issuer, any Parent Entity or any of the Issuer's Restricted Subsidiaries, and to transfer value to the holders of the Capital Stock of the Issuer or any Restricted Subsidiary or any Parent Entity and to Affiliates thereof, and such purchase, acquisition, or transfer will not be deemed to be a "direct or indirect" action by the Issuer or its Restricted Subsidiaries.

If the Issuer or a Restricted Subsidiary makes a Restricted Payment which at the time of the making of such Restricted Payment would in the good faith determination of the Issuer be permitted under the provisions of the Indenture, such Restricted Payment shall be deemed to have been made in compliance with the Indenture notwithstanding any subsequent adjustments made in good faith to the Issuer's financial statements affecting Consolidated Net Income or EBITDA or LTM EBITDA of the Issuer for any period.

For the avoidance of doubt, this covenant shall not restrict the making of, or dividends or other distributions in amounts sufficient to make, any "AHYDO catch-up payment" with respect to any Indebtedness of any Parent Entity, the Issuer or any of its Restricted Subsidiaries permitted to be incurred under the Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, incur any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided*, *however*, that the Issuer and its Restricted Subsidiaries may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any of its Restricted Subsidiaries may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if either (i) the Fixed Charge Coverage Ratio on a consolidated basis for the Issuer and its Restricted Subsidiaries' most recently ended four 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 2.00 to 1.00, as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period, or (ii) the Consolidated Total Net Debt Ratio would have been no greater than 6.50 to 1.00, in each case determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom but without giving effect to any simultaneous incurrence of Indebtedness pursuant to clause (1)(b) in the second paragraph of this covenant); *provided*, *however*, that, on a *pro forma* basis, together with any amounts incurred or issued, as applicable, and outstanding by Non-Guarantor Subsidiaries pursuant to clause 12(b) and (14) of the following paragraph, no more than the greater of $1,955.0 million and 100.0% of LTM EBITDA of Indebtedness, Disqualified Stock or Preferred Stock at any one time outstanding and incurred or issued, as applicable, pursuant to this paragraph shall be incurred or issued, as applicable, by Non-Guarantor Subsidiaries; *provided*, *further, however* that the foregoing limitation shall not apply to Indebtedness of any Person that becomes a Restricted Subsidiary in connection with an acquisition or any other Investment not prohibited by the provisions of the covenant described under the caption "—Limitation on Restricted Payments" (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into the Issuer or a Restricted Subsidiary) if such Indebtedness is outstanding prior to such Person becoming a Restricted Subsidiary and to the extent such Indebtedness is not incurred in contemplation of such acquisition or Investment.

The foregoing limitations will not apply to:

(1) the incurrence of Indebtedness under Senior Credit Facilities by the Issuer or any of its Restricted Subsidiaries and Guarantees in respect of such Indebtedness and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof); *provided* that, immediately after giving effect to any such incurrence, the aggregate principal amount of all Indebtedness incurred under this clause (1) and outstanding at any one time does not exceed the sum of (a) the sum of (i) $4,767,250,000, (ii) $300,000,000, (iii) €300,000,000 and (iv) €716,000,000 *plus* (b) the greater of (i) $1,600.0 million and (ii) the Borrowing Base, *plus* (c) the greater of $1,955.0 million and 100.0% of LTM EBITDA *plus* (d) an additional amount after all amounts have been incurred under clauses (1)(a), (b) and (c), if after giving *pro forma* effect to the incurrence of such additional amount and the application of the proceeds therefrom, the Consolidated Secured Net Debt Ratio would be (i) no greater than 5.50 to 1.00 outstanding at any one time, and any Refinancing Indebtedness in respect thereof or (ii) in the case of any such Indebtedness incurred to finance any investment or acquisition or incurred as a result of Person being acquired by the Issuer or any Restricted Subsidiary or merged into or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture, equal to or less than it was immediately prior to such acquisition or merger, in each case as of the date on which such additional Indebtedness is incurred, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom but without giving effect to any simultaneous incurrence of Indebtedness pursuant to clause 1(b)); *provided* that for the purposes of determining the amount that may be incurred under this clause (1)(d), all Indebtedness incurred under this clause (1)(d) shall be deemed to be secured by Liens;

(2) the incurrence by the Issuer, the Co-Issuer and any Guarantor of Indebtedness represented by the Notes issued on the Issue Date and any replacement Notes therefor (including any Note Guarantee thereof) (other than any Additional Notes);

(3) the incurrence of Indebtedness of the Issuer and its Restricted Subsidiaries in existence on the Issue Date (other than Indebtedness described in clauses (1) and (2) but including the Existing Notes) and any Guarantee thereof;

(4) the incurrence of (a) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred by the Issuer or any of its Restricted Subsidiaries, to finance the purchase, lease, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or other assets, including assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets; provided that, at the time of any such incurrence of Indebtedness, Disqualified Stock or Preferred Stock (and after giving *pro forma* effect thereto), the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock incurred pursuant to this clause (4), when aggregated with the outstanding amount of Refinancing Indebtedness in respect of Indebtedness initially incurred in reliance on this clause (4), does not exceed the greater of $780.0 million and 40.0% of LTM EBITDA (for the avoidance of doubt, Unsecured Capitalized Leases shall be permitted in an unlimited amount pursuant to clause (31)) and (b) Attributable Indebtedness;

(5) (a) Indebtedness incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with past practice or industry practice, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims, performance completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation and (b) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, trade creditors or other Persons incurred in the ordinary course of business or consistent with past practice or industry practice;

(6) Indebtedness consisting of obligations under deferred compensation (including indemnification obligations, obligations in respect of purchase price adjustments, earn-outs, incentive non-competes and other contingent obligations), guarantees or other similar arrangements incurred or assumed in connection with any acquisition or other investment or any disposition;

(7) Indebtedness of the Issuer owing to a Restricted Subsidiary (or to any Parent Entity which is substantially contemporaneously transferred to the Issuer or any Restricted Subsidiary); *provided* that any subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary) or any pledge of such Indebtedness constituting a Permitted Lien (but not foreclosure thereon) shall be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (7);

(8) Indebtedness of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary (or to any Parent Entity which is substantially contemporaneously transferred to the Issuer or any Restricted Subsidiary); *provided* that any subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary) or any pledge of such Indebtedness constituting a Permitted Lien (but not foreclosure thereon) shall be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (8);

(9) shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted

Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of such shares of Preferred Stock not permitted by this clause (9);

(10) Hedging Obligations not entered into for speculative purposes;

(11) obligations in respect of self-insurance and obligations in respect of performance, bid, appeal and surety bonds, performance, banker's acceptance facilities and completion guarantees, statutory, export or import indemnities, customs and completion guarantees (not for borrowed money) and similar obligations provided by the Issuer or any of its Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice;

(12) (a) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate outstanding principal amount up to 200.0% of the net cash proceeds received by the Issuer since immediately after the Issue Date from the issue or sale of Equity Interests of or otherwise contributed to the Issuer to the capital of the Issuer or any Restricted Subsidiary (in each case, other than Excluded Contributions or proceeds of Disqualified Stock or sales of Equity Interests to the Issuer or any of its Subsidiaries) as determined in accordance with clauses (3)(b) and (3)(c) of the first paragraph of the covenant described under the caption "—Limitation on Restricted Payments" to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of the covenant described under the caption "—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof) and (b) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred or issued, as applicable, pursuant to this clause (12)(b) and the outstanding amount of Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or any Restricted Subsidiary which serves to refinance any Indebtedness, Disqualified Stock or Preferred Stock incurred as permitted under this clause (12)(b) or any Indebtedness, Disqualified Stock or Preferred Stock issued to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, does not, at the time of any such incurrence of Indebtedness (and after giving *pro forma* effect thereto), exceed the greater of $1,170.0 million and 60.0% of LTM EBITDA;

(13) the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness or issuance by the Issuer or any Restricted Subsidiary of Disqualified Stock or the issuance by any Restricted Subsidiary of Preferred Stock which serves to refund, refinance, replace, exchange, renew, repay, extend or defease (including pursuant to any defeasance or discharge mechanism) (collectively, "*refinance*" and "*refinances*," with "*refinanced*" and "*refinancing*" having a correlative meaning) any Indebtedness (or unutilized commitment in respect of Indebtedness), incurred (or established) or Disqualified Stock or Preferred Stock issued in connection with the Indebtedness described under the first paragraph of this covenant and clauses (1), (2), (3), (4) and (12) above, this clause (13) and clauses (14) and (20) below or any Indebtedness incurred or Disqualified Stock or Preferred Stock issued to so extend, replace, refund, refinance, renew or defease such Indebtedness Disqualified Stock or Preferred Stock (including such Indebtedness, Disqualified Stock or Preferred Stock of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary), including Indebtedness that refinances Refinancing Indebtedness, and Indebtedness incurred pursuant to a commitment that refinances any Indebtedness or unutilized commitment (the "*Refinancing Indebtedness*"); *provided*, *however*, that such Refinancing Indebtedness:

(a) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or requires no or nominal payments in cash (other than interest payments) prior to the date that is 91 days after the maturity date of the Notes),

(b) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases (i) Indebtedness subordinated in right of payment to the Notes or any Note Guarantee thereof, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Note Guarantee thereof at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively, and

(c) shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer;

(ii) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(iii) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

and *provided, further*, that subclause (a) of this clause (13) will not apply to any refunding or refinancing of any outstanding Secured Indebtedness;

(14) Indebtedness, Disqualified Stock or Preferred Stock of (x) the Issuer or a Restricted Subsidiary incurred or issued to finance any investment or acquisition or (y) Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture; *provided* that, such Indebtedness, Disqualified Stock or Preferred Stock is in an aggregate amount not to exceed (i) the greater of $685.0 million and 35.0% of LTM EBITDA at the time of incurrence, *plus* (ii) unlimited additional Indebtedness if after giving *pro forma* effect to such acquisition, investment, merger, amalgamation or consolidation either:

(a) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of this covenant; or

(b) (i) the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries would be equal to or greater than it was immediately prior to such acquisition, investment or merger or (ii) the Consolidated Total Net Debt Ratio would be equal to or less than it was immediately prior to such acquisition or merger, in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom); or

(c) such Indebtedness constitutes Acquired Indebtedness (other than Indebtedness incurred in contemplation of the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary); *provided* that, in the case of this clause (c), the only obligors with respect to such Indebtedness shall be those Persons who were obligors of such Indebtedness prior to such acquisition, merger, amalgamation or consolidation;

provided, *however* that the foregoing limitation shall not apply to Indebtedness of any Person that becomes a Restricted Subsidiary in connection with an acquisition or any other Investment not prohibited by the provisions of the covenant described under the caption "—Limitation on Restricted Payments" (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into the Issuer or a Restricted Subsidiary) if such Indebtedness is outstanding prior to such Person becoming a Restricted Subsidiary and to the extent such Indebtedness is not incurred in contemplation of such acquisition or Investment;

(15) Indebtedness in respect of (a) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice or industry practice from customers for the purchase of goods or services or (b) Cash Management Obligations, Bank Products provided by banks or other financial institutions to the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with past practice or industry practice and other Indebtedness in respect of netting services, automated clearinghouse arrangements, overdraft protections, credit or debit card, purchase card, electronic funds transfer, cash pooling or setting off arrangements and similar arrangements, in each case, in connection with deposit accounts or from the honoring of a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice or industry practice;

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

(17) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of the Indenture or any guarantee by or co-borrower obligation of a Restricted Subsidiary of Indebtedness or other obligations of the Issuer so long as the incurrence of such Indebtedness incurred by the Issuer is permitted under the terms of Indenture;

(18) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements;

(19) Indebtedness consisting of Indebtedness issued by the Issuer or any of its Restricted Subsidiaries to future, current or former officers, directors, employees, managers, consultants and contractors thereof, their respective Controlled Investment Affiliates or Immediate Family Members and permitted transferees thereof, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any Parent Entity that is not prohibited by the covenant described under the caption "—Limitation on Restricted Payments";

(20) Indebtedness of Non-Guarantor Subsidiaries; *provided* that, at the time of any such incurrence of Indebtedness (and after giving *pro forma* effect thereto), the aggregate amount of Indebtedness incurred under this clause (20), when aggregated with the outstanding amount of Refinancing Indebtedness of any Non-Guarantor Subsidiary incurred as permitted under this clause (20), does not exceed the greater of $780.0 million and 40.0% of LTM EBITDA in the aggregate; *provided, further*, that the foregoing limitation shall not apply to Indebtedness of any Person that becomes a Restricted Subsidiary in connection with an Investment not prohibited under the Indenture (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into the Issuer or a Restricted Subsidiary) if such Indebtedness is outstanding prior to such Person becoming a Restricted Subsidiary and to the extent such Indebtedness is not incurred in contemplation of such Investment;

(21) Indebtedness representing deferred compensation or stock-based compensation owed to employees of any Parent Entity, the Issuer or its Restricted Subsidiaries incurred in the ordinary

course of business or consistent with past practice or industry practice or in connection with any Investment or any acquisition (by merger, consolidation, amalgamation or otherwise);

(22) Settlement Indebtedness;

(23) customer deposits and advance payments received in the ordinary course of business or consistent with past practice from customers for the purchase of goods inductor services;

(24) (a) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business or consistent with past practice or industry practice on arm's length commercial terms and (b) Indebtedness in respect of any Receivables Facility;

(25) any obligation, or guaranty of any obligation, of the Issuer or any Restricted Subsidiary to reimburse or indemnify a Person extending credit to customers of the Issuer or a Restricted Subsidiary incurred in the ordinary course of business or consistent with past practice or industry practice for all or any portion of the amounts payable by such customers to the Person extending such credit;

(26) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; *provided* that the terms of such Indebtedness are consistent with those entered into with respect to similar Indebtedness prior to the Issue Date, including, if so consistent, that (1) the repayment of such Indebtedness is conditional upon such customer ordering a specific amount of goods or services and (2) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;

(27) Indebtedness incurred by the Issuer or any of its Restricted Subsidiaries to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy or discharge the Notes, or exercise the Issuers' legal defeasance or covenant defeasance, in each case, in accordance with the Indenture;

(28) Indebtedness of the Issuer or any of its Restricted Subsidiaries arising pursuant to any Permitted Intercompany Activities and Permitted Tax Restructurings;

(29) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (29) and then outstanding, will not exceed the Available RP Capacity Amount (determined on the date of such incurrence);

(30) Indebtedness incurred in connection with any Sale and Lease-Back Transaction;

(31) Unsecured Capitalized Leases;

(32) Indebtedness to the seller of any business or assets permitted to be acquired by the Issuer or any Restricted Subsidiary under the Indenture; *provided* that the aggregate amount of Indebtedness incurred pursuant to this clause (32) and then outstanding will not exceed the greater of $390.0 million and 20.0% of LTM EBITDA;

(33) obligations in respect of Disqualified Stock in an amount not to exceed the greater of $200.0 million and 10.0% of LTM EBITDA outstanding at the time of incurrence;

(34) Indebtedness incurred for the benefit of joint ventures in an aggregate principal amount not to exceed the greater of $490.0 million and 25.0% of LTM EBITDA outstanding at the time of incurrence and any Refinancing Indebtedness in respect thereof; and

(35) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (34).

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness incurred pursuant to and in compliance with, this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) at any time, whether at the time of incurrence or upon the application of all or a portion of the proceeds thereof or subsequently, meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (35) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, may divide and classify and may subsequently re-divide and reclassify such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or a portion thereof) in one of the above clauses or under the first paragraph of this covenant (it being understood that any Indebtedness incurred pursuant to one of the clauses of the second paragraph of this covenant shall cease to be deemed incurred or outstanding for purposes of such clause but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness under the first paragraph of this covenant); *provided* that all Indebtedness outstanding under the Senior Credit Facilities on the Issue Date will be treated as incurred on the Issue Date under clause (1) of the preceding paragraph and may not be reclassified;

(2) at the time of incurrence or reclassification, the Issuer will be entitled to divide and classify or re-divide or reclassify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above;

(3) in the event that the Issuer or a Restricted Subsidiary enters into or increases commitments under a Credit Facility, the Fixed Charge Coverage Ratio, the Consolidated Secured Net Debt Ratio or the Consolidated Total Net Debt Ratio, as applicable, for borrowings and reborrowings thereunder (and including issuance and creation of letters of credit and bankers' acceptances thereunder) shall be determined on the date of such Credit Facility or such increase in commitments (assuming that the full amount thereof has been borrowed as of such date), and, if such Fixed Charge Coverage Ratio, Consolidated Secured Net Debt Ratio or Consolidated Total Net Debt Ratio, as applicable, test is satisfied with respect thereto at such time, any borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) shall be permitted under this covenant irrespective of the Fixed Charge Coverage Ratio, the Consolidated Secured Net Debt Ratio or the Consolidated Total Net Debt Ratio, as applicable, at the time of any borrowing or reborrowing thereunder (or the issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this paragraph shall be the "*Reserved Indebtedness Amount*" as of such date for purposes of the Fixed Charge Coverage Ratio, the Consolidated Secured Net Debt Ratio or the Consolidated Total Net Debt Ratio, as applicable);

(4) in the event that the Issuer or a Restricted Subsidiary incurs Indebtedness in connection with any Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Sales) in accordance with the terms of the Indenture, when calculating the availability under any basket or ratio under the Indenture or compliance with any provision of the Indenture, at the option of the Issuer (the Issuer's election to exercise such option, an "*LCT Election*"), the date of determination for availability under any such basket or ratio, including the Fixed Charge Coverage Ratio, the Consolidated Secured Net Debt Ratio or the Consolidated Total Net Debt Ratio, as applicable, and whether any such action or transaction is permitted (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing

Default or Event of Default)) under the Indenture will, at the option of the Issuer, be deemed to be the date (the "*LCT Test Date*") either (a) that a definitive agreement for such Limited Condition Transaction is entered into (or if applicable, the date of delivery of an irrevocable declaration of a Restricted Payment or similar event) or (b) solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a "Rule 2.7 announcement" of a firm intention to make an offer (or equivalent announcement in another jurisdiction) (an "*LCT Public Offer*") in respect of a target of a Limited Condition Transaction and, in each case, if, after giving *pro forma* effect to the Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Sales) and any related pro forma adjustments, the Issuer or any of its Restricted Subsidiaries would have been permitted to take such actions or consummate such transactions on the relevant LCT Test Date in compliance with such ratio, test or basket (and any related requirements and conditions), such ratio, test or basket (and any related requirements and conditions) shall be deemed to have been complied with (or satisfied) for all purposes (in the case of Indebtedness, for example, whether such Indebtedness is committed, issued, assumed or incurred at the LCT Test Date or at any time thereafter); *provided* that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Issuer may elect, in its sole discretion, to redetermine all such ratios, tests or baskets on the basis of such financial statements, in which case, such date of redetermination shall thereafter be the applicable LCT Test Date for purposes of such ratios, tests or baskets, (b) except as contemplated in the foregoing clause (a), compliance with such ratios, test or baskets (and any related requirements and conditions) shall not be determined or tested at any time after the applicable LCT Test Date for such Limited Condition Transaction and any actions or transaction related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Sales) and (c) Consolidated Interest Expense for purposes of the Fixed Charge Coverage Ratio will be calculated using an assumed interest rate as reasonably determined by the Issuer.

For the avoidance of doubt, if the Issuer has made an LCT Election: (1) if any of the ratios, tests or baskets, including the Fixed Charge Coverage Ratio, the Consolidated Secured Net Debt Ratio or the Consolidated Total Net Debt Ratio, as applicable, after giving *pro forma* effect to such Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Sales) and any related pro forma adjustments, for which compliance was determined or tested as of the LCT Test Date would at any time after the LCT Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in such ratio, test or basket (including due to fluctuations in the EBITDA or Total Assets of the Issuer or the Person subject to such Limited Condition Transaction), such ratios, tests or baskets will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations; (2) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of an Default or Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing); and (3) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Condition Transaction following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for redemption, purchase or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes (or, if applicable, the irrevocable notice is terminated, expires or passes or, as applicable, the offer in respect of an LCT Public Offer for, such acquisition is terminated), as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving *pro forma* effect to such Limited Condition Transaction;

(5) accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP will not be deemed to be an incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant;

(6) for purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(7) the principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing;

(8) in the case of any Refinancing Indebtedness, the amount of Indebtedness being incurred to finance the aggregate amount of accrued and unpaid interest and Additional Amounts, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing will not be deemed to be an incurrence or issuance of Indebtedness for purposes of this covenant;

(9) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on a clause of the second paragraph of this covenant, measured by reference to a percentage of LTM EBITDA at the time of incurrence, if such refinancing would cause the percentage of LTM EBITDA restriction to be exceeded if calculated based on the percentage of LTM EBITDA on the date of such refinancing, such percentage of LTM EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus accrued and unpaid interest and Additional Amounts, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, costs, fees and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing;

(10) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the termination of a particular amount of Indebtedness shall not be included;

(11) the Indenture will not treat (x) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (y) Senior Indebtedness as subordinated or junior to any other Senior Indebtedness merely because it has a junior priority with respect to the same collateral or is secured by different collateral or because it is guaranteed by different obligors;

(12) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to any clause of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(13) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(14) 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; and

(15) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies.

Liens

The Issuer will not, and will not permit the Co-Issuer or any Guarantor to, directly or indirectly, create, incur, assume or permit to exist any Lien (except Permitted Liens) (each, an "*Initial Lien*") that secures Obligations under any Indebtedness or any related Guarantee, on any asset or property of the Issuer, the Co-Issuer or any Guarantor, unless:

(1) in the case of Initial Liens on any Collateral, (i) such Initial Lien expressly has Junior Lien Priority on the Collateral relative to the Notes and the related Note Guarantees or (ii) such Lien is a Permitted Lien; or

(2) in the case of any Initial Lien on any asset or property that is not Collateral, (i) the Notes or the Note Guarantees are equally and ratably secured with (or on a senior basis to, in the case such Initial Lien secured any Subordinated Indebtedness) the Obligations secured by such Initial Lien until such time as such Obligations are no longer secured by such Initial Lien or (ii) such Initial Lien is a Permitted Lien,

except that the foregoing shall not apply to Liens securing the Notes and the related Note Guarantees.

Any Lien created for the benefit of Holders of the Notes pursuant to this covenant shall provide by its terms that such Lien will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "*Increased Amount*" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Merger, Consolidation or Sale of All or Substantially All Assets

The Issuer

The Issuer may not consolidate or merge with or into, or sell, transfer, lease or convey all or substantially all of its assets, in one transaction or a series of related transactions, to any Person, unless:

(1) the Issuer is the surviving Person or the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized or existing under the laws of the United Kingdom, a European Union member state, the jurisdiction of organization of the Issuer or the United States, any state thereof, the District of Columbia, or any territory thereof, Canada, Norway, Switzerland or Japan, and the Successor Company, if other than the Issuer, expressly assumes all the obligations of the Issuer under the Notes, the Collateral Documents and the Intercreditor Agreements pursuant to supplemental indentures or other documents or instruments;

(2) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(3) immediately after giving *pro forma* effect to such transaction, either

(a) the applicable Successor Company or the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," or

(b) (i) the Fixed Charge Coverage Ratio for the Successor Company or the Issuer and its respective Restricted Subsidiaries would not be lower than the Fixed Charge Coverage Ratio for the Issuer immediately prior to such transaction or (ii) the Consolidated Total Net Debt Ratio would not be higher than it was immediately prior to such transaction;

(4) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture; *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above; and

(5) to the extent any assets of the Person which is merged or consolidated with or into the Issuer are assets of the type which would constitute Collateral under the Collateral Documents, the Issuer or the Successor Company, as applicable, will take such action, if any, as may be reasonably necessary to cause such assets to be made subject to the Lien of the applicable Collateral Documents in the manner and to the extent required in the Indenture or the applicable Collateral Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Collateral Documents.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture, the Collateral Documents, the Intercreditor Agreements and the Notes, and the Issuer will automatically and unconditionally be released and discharged from its obligations thereunder.

The foregoing provisions (other than the requirements of clause (2) of this section) shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary.

Any reference in the Indenture to a merger, consolidation, conveyance, disposal, assignment, sale or disposition or similar term, shall be deemed to apply to a division of or by a limited liability company, corporation or partnership, or an allocation of assets to a series of or one or more limited liability companies, partnerships or corporations, or the unwinding of such a division or allocation, as if it were a merger, consolidation, conveyance, disposal, assignment, sale or disposition, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, corporation or partnership shall be deemed to constitute the formation of a separate Person, and any such division shall constitute a separate Person under the Indenture (and each division of any limited liability company, corporation or partnership that is a subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

The Co-Issuer

The Co-Issuer may not consolidate or merge with or into, or sell, transfer, lease or convey all or substantially all of its assets, in one transaction or a series of related transactions, to any Person, unless:

(1) concurrently therewith, a corporate Wholly Owned Subsidiary that is a Restricted Subsidiary of the Issuer organized or existing under the laws of the United Kingdom, a European Union member state, the jurisdiction of organization of the Co-Issuer or the United States, any state thereof, the District of Columbia, or any territory thereof, Canada, Norway, Switzerland or Japan, is the Successor Company and the Successor Company, if other than the Co-Issuer, expressly assumes all the obligations of the Co-Issuer under the Notes, the Collateral Documents and the Intercreditor Agreements pursuant to supplemental indentures or other documents or instruments;

(2) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(3) the Co-Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture; *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clause (2) above; and

(4) to the extent any assets of the Person which is merged or consolidated with or into the Co-Issuer are assets of the type which would constitute Collateral under the Collateral Documents, the Co-Issuer or the Successor Company, as applicable, will take such action, if any, as may be reasonably necessary to cause such assets to be made subject to the Lien of the applicable Collateral Documents in the manner and to the extent required in the Indenture or the applicable Collateral Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Collateral Documents.

The Guarantors

Subject to certain limitations described in the Indenture governing release of a Note Guarantee upon the sale, disposition or transfer of a Guarantor, no Guarantor may consolidate or merge with or into, or sell, transfer, lease or convey all or substantially all of its assets, in one transaction or a series of related transactions, to any Person (other than the Issuer, the Co-Issuer or another Guarantor), unless:

(1) (a) the Person is the Issuer, the Co-Issuer or any other Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; or either (x) the Issuer, the Co-Issuer or a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all the obligations of the Guarantor under its Note Guarantee and the Indenture; (b) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and (c) to the extent any assets of the Person which is merged or consolidated with or into such Guarantor are assets of the type which would constitute Collateral under the Collateral Documents, such Guarantor or the Successor Company, as applicable, will take such action, if any, as may be reasonably necessary to cause such assets to be made subject to the Lien of the applicable Collateral Documents in the manner and to the extent required in the Indenture or the applicable Collateral Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Collateral Documents; or

(2) the transaction is not prohibited by the first paragraph of the covenant described under the caption "—Repurchase at the Option of Holders—Asset Sales."

Subject to certain limitations described in the Indenture, the Successor Company will succeed to, and be substituted for, such Guarantor under the Indenture and such Guarantor's Note Guarantee.

Notwithstanding the foregoing,

(1) the Issuer or the Co-Issuer may consolidate or otherwise combine with, merge into or transfer all or part of its property or assets to the Co-Issuer (if it is not such entity) or a Guarantor;

(2) the Issuer or the Co-Issuer may consolidate or otherwise combine with or merge into an Affiliate of the Issuer for the purpose of reincorporating the Issuer or the Co-Issuer in another jurisdiction, or changing the legal form of the Issuer or the Co-Issuer;

(3) any Guarantor may (i) consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer, the Co-Issuer or another Guarantor (or to a Restricted Subsidiary if that Restricted Subsidiary becomes a Guarantor), (ii) consolidate or otherwise combine with or merge into an Affiliate solely for the purpose of reincorporating the Guarantor in another jurisdiction of organization or changing the legal domicile of the Guarantor, (iii) convert into a corporation, partnership, limited partnership, limited liability corporation or trust organized or existing under the laws of the jurisdiction of organization of such Guarantor, (iv) consolidate or amalgamate with or merge into or transfer all or part of its properties and assets to a Restricted Subsidiary that is neither a Guarantor nor the Co-Issuer so long as (A) to the extent constituting an Investment, such Investment is otherwise permitted under the covenant described under the caption "—Limitation on Restricted Payments" or (B) to the extent constituting an Asset Sale, such Asset Sale is for fair market value (as determined in good faith by the Issuer) and any promissory note or other non-cash consideration received in respect thereof is a permitted Investment in a Restricted Subsidiary that is neither a Guarantor nor the Co-Issuer in accordance with the covenant described under the caption "—Limitation on Restricted Payments," or (v) liquidate or dissolve or change its legal form if the Issuer determines in good faith that such action is in the best interests of the Issuer;

(4) any Restricted Subsidiary that is not the Co-Issuer or a Guarantor may consolidate or otherwise combine with or merge into or transfer all or part of its properties and assets to the Issuer, the Co-Issuer or any other Restricted Subsidiary;

(5) the Issuer and its Restricted Subsidiaries may consummate any Permitted Tax Restructuring; and

(6) the Transactions will be permitted without compliance with this "Merger, Consolidation or Sale of All or Substantially All Assets" covenant.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

A sale, lease or other disposition by the Issuer of any part of its assets shall not be deemed to constitute the sale, lease or other disposition of substantially all of its assets for purposes of the Indenture if the fair market value of the assets retained by the Issuer exceeds 100% of the aggregate principal amount of all outstanding Notes and any other outstanding Indebtedness of the Issuer that ranks equally with, or senior to, the Notes with respect to such assets. Such fair market value shall be established by the delivery to the Trustee of an independent expert's certificate stating the independent expert's opinion of such fair market value as of a date not more than 90 days before or after such sale, lease or other disposition. This paragraph is not intended to limit the Issuer's sales, leases or other dispositions of less than substantially all of its assets.

Transactions With Affiliates

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, enter into or conduct any transaction with any Affiliate of the Issuer (each of the foregoing, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of the greater of $200.0 million and 10.0% of LTM EBITDA, unless:

(1) such Affiliate Transaction taken as a whole is on terms that are not materially less favorable to the Issuer or its relevant Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of $295.0 million and 15.0% of LTM EBITDA, the terms of such transaction have been approved by a majority of the Board of Directors of the Issuer.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors of the Issuer, if any.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Issuer, any Restricted Subsidiary and/or any entity that becomes a Restricted Subsidiary as a result of such transaction, or between or among Restricted Subsidiaries and (b) any merger, amalgamation or consolidation with any Parent Entity; *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, amalgamation or consolidation is otherwise permitted under the Indenture;

(2) Restricted Payments or other transactions permitted to be made or undertaken by the provisions of the Indenture described above under the caption "—Limitation on Restricted Payments" (including Permitted Payments) and the definition of "Permitted Investments";

(3) the payment of management, consulting, monitoring, refinancing, transaction, advisory, indemnities and other fees, costs and expenses to any Permitted Holder (whether directly or indirectly), including to its affiliates or its designees, pursuant to any management services or similar agreements or the management services or other relevant provisions in an investor rights agreement, limited partnership agreement, limited liability company agreement or other equityholders' agreement, as the case may be, as in effect from time to time (plus any unpaid management, consulting, monitoring, refinancing, transaction, advisory, indemnities and other fees, costs and expenses accrued in any prior year) and any exit and termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public offering) pursuant to such agreement, in each case as in effect on the Issue Date or any amendment thereto or replacement thereof (so long as any such amendment or replacement is not materially disadvantageous, in the good faith judgment of the Board of Directors of the Issuer, to the Holders when taken as a whole as compared to the management services or similar agreements in effect immediately prior to such amendment or replacement);

(4) the payment of fees, costs, compensation and expenses paid to, and indemnities (including under insurance policies) and reimbursements, employment and severance arrangements and employee benefit and pension expenses provided on behalf of, or for the benefit of, future, current or former directors, employees, officers, managers, contractors, distributors, advisors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Restricted Subsidiaries or any Parent Entity (whether directly or indirectly and including through their Controlled Investment Affiliates or Immediate Family Members);

(5) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view meet the requirements of clause (1) of the preceding paragraph;

(6) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or arrangement as in effect as of the Issue Date, or any amendment, modification, supplement, extension, renewal, refinancing or replacement thereof in accordance with the other terms of this covenant or so long as any such amendment, modification, supplement, extension, renewal, refinancing or replacement is not disadvantageous in any material respect to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Issue Date and performance of obligations thereunder;

(7) the existence of, or the performance, by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any equityholders, investor rights or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any similar agreements which it (or any Parent Entity) may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries (or any Parent Entity) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (7) to the extent that the terms of any such existing agreement together with all amendments thereto are not otherwise more disadvantageous in any material respect to the Holders when taken as a whole than those in effect on the Issue Date;

(8) transactions with customers, vendors, clients, suppliers, contractors, joint venture partners, distributors or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practice or industry practice, and which are fair to the Issuer and its Restricted Subsidiaries, in the reasonable determination of the Issuer, or are on terms, taken as a whole, that are not materially less favorable as might reasonably have been obtained at such time from an unaffiliated party;

(9) the issuance, transfer or sale of (a) Equity Interests or other payments, awards or grants in cash, securities or otherwise to any Parent Entity, Permitted Holder or to any future, current or former director, officer, employee, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any Parent Entity or any of its Subsidiaries and issuances of Equity Interests of the Issuer to the extent otherwise permitted by the Indenture and (b) directors' qualifying shares and shares issued to foreign nationals as required under applicable law;

(10) sales of accounts receivable, or participations therein, Receivables Assets or related assets in connection with any Receivables Facility;

(11) payments by the Issuer or any of its Restricted Subsidiaries to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities (including, without limitation, in connection with acquisitions, divestitures or financing), which payments are approved by a majority of the Board of Directors of the Issuer in good faith or a majority of the Disinterested Directors of the Issuer in good faith;

(12) payments, Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Issuer and its Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any Parent Entity pursuant to any management equity plan or stock option plan, phantom equity plan or any other management or employee

benefit plan or other compensatory plan or agreement or any stock subscription or shareholder agreement, and any employment agreements, termination or severance agreement, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, managers, contractors, consultants or advisors (or their respective Controlled Investment Affiliates or Immediate Family Members) that are, in each case, approved by the Issuer in good faith;

(13) (a) investments by Affiliates in securities or loans of the Issuer or any of its Restricted Subsidiaries (and payment of reasonable out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered generally to other investors on the same or more favorable terms and (b) payments to Affiliates in respect of securities or loans of the Issuer or any of its Restricted Subsidiaries contemplated in the foregoing subclause (a) or that were acquired from Persons other than the Issuer and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(14) transactions with a Person (including a joint venture or an Unrestricted Subsidiary) that is an Affiliate of the Issuer or an Associate or similar entity solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an Equity Interest in or controls such Person;

(15) the Transactions and the payments made in connection with the Transactions (including the offering of the Notes), including the payment of fees, costs and expenses, including Transaction Costs;

(16) employment and severance arrangements between the Issuer and its Restricted Subsidiaries and their respective officers and employees in the ordinary course of business or otherwise in connection with the Transactions (including loans and advances pursuant to clause (16) of the definition of Permitted Investments);

(17) payments by the Issuer and the Restricted Subsidiaries or pursuant to any tax sharing agreement or arrangement among any Parent Entity, the Issuer and the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, to the extent such payments are permitted by clause 15(b) of the definition of "Permitted Payments";

(18) payments to or from, and transactions with, any Subsidiary or any joint venture in the ordinary course of business or consistent with past practice or industry practice (including, without limitation, any cash management activities or arrangements related thereto);

(19) (i) any lease or sublease entered into between the Issuer or any Restricted Subsidiary, as lessee or sublessee and any Affiliate of the Issuer, as lessor or sublessor and (ii) any operational services or other arrangement entered into between the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer, in each case, which is approved by the Issuer in good faith;

(20) intellectual property licenses or sublicenses (including the provision of software under an open source license) and research and development agreements in the ordinary course of business or consistent with past practice or industry practice;

(21) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or Equity Interests in any Restricted Subsidiary permitted under "—Repurchase at the Option of Holders—Asset Sales" or entered into with any Business Successor, in each case, that the Issuer determines in good faith is either fair to the Issuer or otherwise on customary terms for such type of arrangements in connection with similar transactions;

(22) any issuance, sale or transfer of Equity Interests (other than Disqualified Stock or Designated Preferred Stock) of the Issuer, any Parent Entity or any of its Restricted Subsidiaries and the granting of registration and other customary rights (and the performance of the related obligations) in connection therewith or any contribution to capital of the Issuer or any Restricted Subsidiary;

(23) payment to any Permitted Holder of all out of pocket expenses incurred by such Permitted Holder in connection with its direct or indirect investment in the Issuer and its Subsidiaries;

(24) any purchases by the Issuer's Affiliates of Indebtedness or Disqualified Stock of the Issuer or any of its Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Issuer's Affiliates; *provided* that such purchases by the Issuer's Affiliates are on the same terms as such purchases by such Persons who are not the Issuer's Affiliates;

(25) any management equity plan, stock option plan, phantom equity plan or any other management, employee benefit or other compensatory plan or agreement (and any successor plans or arrangements thereto), employment, termination or severance agreement, or any stock subscription or equityholder agreement between the Issuer or its Restricted Subsidiaries and any distributor, employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) approved by the reasonable determination of the Issuer or entered into in connection with the Transactions;

(26) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under the definition of "Unrestricted Subsidiary" and pledges of Capital Stock of Unrestricted Subsidiaries;

(27) the payment of fees, costs and expenses related to registration rights and indemnities provided to equityholders pursuant to equityholders, investor rights, registration rights or similar agreements;

(28) transactions undertaken in the ordinary course of business pursuant to membership in a purchasing consortium; and

(29) Permitted Intercompany Activities, Intercompany License Agreements and related transactions.

In addition, if the Issuer or any of its Restricted Subsidiaries (i) purchases or otherwise acquires assets or properties from a Person which is not an Affiliate, the purchase or acquisition by an Affiliate of the Issuer of an interest in all or a portion of the assets or properties acquired shall not be deemed an Affiliate Transaction (or cause such purchase or acquisition by the Issuer or a Restricted Subsidiary to be deemed an Affiliate Transaction) or (ii) sells or otherwise disposes of assets or other properties to a Person who is not an Affiliate, the sale or other disposition by an Affiliate of the Issuer of an interest in all or a portion of the assets or properties sold shall not be deemed an Affiliate Transaction (or cause such sale or other disposition by the Issuer or a Restricted Subsidiary to be deemed an Affiliate Transaction).

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries that are not the Co-Issuer or the Guarantors to, create or otherwise cause to become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(1) (a) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries on its Capital Stock, or

(b) pay any Indebtedness owed to the Issuer, the Co-Issuer or any of the Issuer's Restricted Subsidiaries that is a Guarantor;

(2) make loans or advances to the Issuer, the Co-Issuer or any of the Issuer's Restricted Subsidiaries that is a Guarantor; or

(3) sell, lease or transfer any of its properties or assets to the Issuer, the Co-Issuer or any of the Issuer's Restricted Subsidiaries that is a Guarantor;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(a) contractual encumbrances or restrictions in effect on the Issue Date;

(b) contractual encumbrances or restrictions pursuant to the Senior Credit Facilities, including any Guarantee thereof, the related security documents, any related intercreditor agreements and any other related documentation and related Hedging Obligations;

(c) contractual encumbrances or restrictions pursuant to the ABL, the Notes Documents, the Existing Secured Notes (including any Guarantees thereof), the Existing Unsecured Notes (including any Guarantees thereof), the related indentures and any other related documentation;

(d) Purchase Money Obligations and Capitalized Lease Obligations that impose restrictions on the property so acquired;

(e) applicable law or any applicable rule, regulation or order or required by any regulatory authority;

(f) any agreement or other instrument of a Person or relating to Capital Stock or Indebtedness of a Person acquired by or merged, consolidated or otherwise combined with or into the Issuer or any of its Restricted Subsidiaries in existence at the time of such acquisition or at the time it merges with or into the Issuer or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person or at the time such Person was designated as a Restricted Subsidiary (but, in any such case, not created in contemplation thereof);

(g) contracts for the direct or indirect sale or other disposition of assets or the sale of the Issuer or a Subsidiary, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(h) (a) Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under the captions "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens" and (b) restrictions on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);

(i) restrictions on cash (or Cash Equivalents) or other deposits or restrictions on net worth imposed by customers, in each case, under contracts entered into in the ordinary course of business or consistent with past practice or industry practice;

(j) other Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred or issued subsequent to the Issue Date pursuant to the provisions of the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(k) customary provisions in joint venture agreements or arrangements and other similar agreements relating to such joint venture;

(l) customary provisions contained in leases, sub-leases, licenses, sub-licenses, equityholder agreements, asset sale agreements, organizational documents or other similar agreements, including with respect to intellectual property and other agreements;

(m) restrictions created in connection with any Receivables Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Receivables Facility;

(n) restrictions on cash (or Cash Equivalents) or other deposits imposed by agreements entered into in the ordinary course of business or consistent with past practice (or other restrictions on cash or deposits constituting Permitted Liens);

(o) customary provisions restricting subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement;

(p) customary net worth provisions contained in real property leases entered into by Subsidiaries, so long as the Issuer has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Issuer and its Subsidiaries to meet their ongoing obligations;

(q) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice or industry practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(r) any encumbrance or restriction arising pursuant to an agreement or instrument which, if it relates to any Indebtedness, shall only be permitted if such Indebtedness is permitted to be incurred pursuant to the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole (i) are not materially less favorable to the Holders than the encumbrances and restrictions contained in the Senior Credit Facilities, together with the security documents associated therewith or the Indenture as in effect on the Issue Date (as determined by the Issuer) or (ii) either (A) the Issuer determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes or (B) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument;

(s) any encumbrance or restriction with respect to a Guarantor or a Foreign Subsidiary or Receivables Subsidiary which was previously an Unrestricted Subsidiary pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became a Restricted Subsidiary; *provided* that such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of the Issuer or any other Restricted Subsidiary other than the assets and property of such Subsidiary;

(t) any encumbrance or restriction contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements;

(u) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(v) any encumbrance or restriction existing by reason of any lien permitted under "—Liens"; and

(w) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) above imposed by any amendments, extensions, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (v) above; *provided* that such amendments, extensions, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no less favorable in any material respect to the Holders with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, extension, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

The Issuer will not permit any of its Wholly Owned Domestic Subsidiaries, and, subject to the Agreed Security Principles, Foreign Subsidiaries organized in Luxembourg and the United Kingdom, in each case, that are Restricted Subsidiaries (and non-Wholly Owned Domestic Subsidiaries if such non-Wholly Owned Domestic Subsidiaries guarantee other capital markets debt securities of the Issuer in a principal amount in excess of the greater of $200.0 million and 10.0% of LTM EBITDA), other than the Co-Issuer, a Guarantor, a Receivables Subsidiary or a Foreign Subsidiary that is not organized in Luxembourg or the United Kingdom, to guarantee the payment of (i) any syndicated Credit Facility permitted under clause (1) of the second paragraph of the covenant described under the caption "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (ii) capital markets debt securities of the Issuer, the Co-Issuer or any other Guarantor, in each case, unless such Restricted Subsidiary within 60 days executes and delivers a supplemental indenture to the Indenture providing for a Note Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuers or any Guarantor (x) if the Notes are subordinated in right of payment to such Indebtedness, the Note Guarantee under the supplemental indenture shall be subordinated to such Restricted Subsidiary's guarantee with respect to such Indebtedness substantially to the same extent as the Notes are subordinated to such Indebtedness and (y) if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Note Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Note Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes or such Guarantor's Note Guarantee; *provided* that this covenant shall not be applicable (i) to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, (ii) to guarantees of any Receivables Facility by any Receivables Subsidiary and (iii) in the event that the Note Guarantee of the Issuers' obligations under the Notes or the Indenture by such Subsidiary would not be permitted under applicable law or regulatory authority. The Issuer may elect, in its sole discretion, to cause or allow, as the case may be, any Subsidiary or any of its Parent Entities that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary or Parent Entity shall not be required to comply with the 60 day period described above and such Note Guarantee may be released at any time in the Issuer's sole discretion so long as any Indebtedness of such Subsidiary or Parent Entity then outstanding could have been incurred by such Subsidiary or Parent Entity (either (x) when so incurred or (y) at the time of the release of such Note Guarantee) assuming such Subsidiary or Parent Entity were not a Guarantor at such time.

Each Person that becomes a Guarantor after the Issue Date shall also become a party to the applicable Collateral Documents and Intercreditor Agreements (as applicable) and shall as promptly as practicable execute and deliver such security instruments, financing statements, mortgages, deeds of trust and other related real estate deliverables (in substantially the same form as those executed and delivered with respect to the Collateral on the Issue Date or on the date first delivered in the case of Collateral that the Indenture provides may be delivered after the Issue Date (to the extent, and substantially in the form, delivered on the Issue Date or the date first delivered, as applicable) but no greater scope) as may be necessary to vest in the Notes Collateral Agent a perfected first-priority security interest (subject to Permitted Liens) in properties and assets that constitute Notes Collateral and a perfected second-priority security interest (subject to Permitted Liens) in properties and assets that constitute ABL Collateral, in either case, as security for such Guarantor's Note Guarantee and as may be necessary to have such property or asset added to the Collateral as required under the Collateral Documents and the Indenture, and thereupon all provisions of the Indenture relating to the Collateral shall be deemed to relate to such properties and assets to the same extent and with the same force and effect.

If any Guarantor becomes an Immaterial Subsidiary, the Issuer shall have the right, by delivery of a supplemental indenture executed by the Issuer to the Trustee, to cause such Immaterial Subsidiary to automatically and unconditionally cease to be a Guarantor, subject to the requirement described in the first paragraph above that such Subsidiary shall be required to become a Guarantor if it ceases to be an Immaterial Subsidiary (except that if such Subsidiary has been properly designated as an Unrestricted Subsidiary it shall not be so required to become a Guarantor or execute a supplemental indenture); *provided*, *further*, that such Immaterial Subsidiary shall not be permitted to Guarantee the Senior Credit Facilities, the Existing Notes or other Indebtedness of the Issuers or the other Guarantors, unless it again becomes a Guarantor.

The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent the Note Guarantee from constituting a fraudulent conveyance, fraudulent transfer or unjust preference under applicable law, including provisions of the U.S. Bankruptcy Code or any comparable provision of foreign or state law or provincial law to comply with corporate benefit, financial assistance and other laws. See "Risk Factors—Risks Related to Our Indebtedness and the Notes—U.S. federal and state fraudulent conveyance or fraudulent transfer laws permit a U.S. court, under certain circumstances, to avoid the notes and the guarantees, and the liens securing the notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens in respect of the notes and, if that occurs, you may not receive any payments on the notes" and "Limitations on the Validity and Enforceability of the Guarantees and Security Interests and Certain Insolvency Law Considerations."

Reports

The Indenture will provide that so long as any Notes are outstanding, the Issuer shall deliver to the Trustee, within 15 days after the time periods specified below:

(i) within 125 days after the end of each fiscal year of the Issuer ending after the Issue Date (or if such day is not a Business Day, on the next succeeding Business Day) (or, in the case of financial statements for the fiscal year ended December 31, 2023, on or before the date that is 150 days after the end of such fiscal year (or if such day is not a Business Day, on the next succeeding Business Day)), the financial statements of the Issuer for such year prepared in accordance with GAAP, together with a report thereon by the Issuer's independent auditors, and a "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to such financial statements substantially in the form which would be included in an Annual Report on Form 10-K (as in effect on the Issue Date) filed with the SEC by the Issuer (if the Issuer were required to prepare and file such form) but subject to exceptions consistent with the presentation of information in the Offering Memorandum;

(ii) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Issuer (or if such day is not a Business Day, on the next succeeding Business Day) (or, in the case of financial statements for the fiscal quarters ended March 31, 2024 and June 30, 2024, on or before the date that is 90 days after the end of such fiscal quarter (or if such day is not a Business Day, on the next succeeding Business Day)), beginning with the first such fiscal quarter ending after the Issue Date, the financial statements of the Issuer for such quarter prepared in accordance with GAAP, together with a "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to such financial statements substantially in the form which would be included in a Quarterly Report on Form 10-Q (as in effect on the Issue Date) filed with the SEC by the Issuer (if the Issuer were required to prepare and file such form) but subject to exceptions consistent with the presentation of information in the Offering Memorandum; and

(iii) promptly (and not required to be sooner than the filing deadlines applied to a Current Report on Form 8-K (as in effect on the Issue Date)) after the occurrence of any of the following events, information substantially in the form of the information that would be required to be included in a Current Report on Form 8-K (as in effect on the Issue Date) filed with the SEC by the Issuer (if the Issuer were required to prepare and file such form) but subject to exceptions consistent with the presentation of information in the Offering Memorandum; *provided* that the foregoing shall not obligate the Issuer to make available (i) any information regarding the occurrence of any of the following events if the Issuer determines in its reasonable determination that such event that would otherwise be required to be disclosed is not material to the Holders or the business, assets, operations, financial positions or prospects of the Issuer and its Restricted Subsidiaries taken as a whole, (ii) an exhibit or a summary of the terms of, any employment or compensatory arrangement, agreement, plan or understanding between the Issuer or any of its Subsidiaries and any director, manager or executive officer of the Issuer or any of its Subsidiaries, (iii) copies of any agreements, financial statements or other items that would be required to be filed as exhibits to a current report on Form 8-K or (iv) any trade secrets, privileged or confidential information obtained from another Person and competitively sensitive information:

(a) the entry into or termination of material agreements;

(b) significant acquisitions or dispositions (which shall only be with respect to acquisitions or dispositions that are significant pursuant to the definition of "*Significant Subsidiary*");

(c) bankruptcy;

(d) cross-default under direct material financial obligations;

(e) a change in the Issuer's certifying independent auditor;

(f) the appointment or departure of directors or executive officers (with respect to the principal executive officer, president, principal financial officer, principal accounting officer and principal operating officer only);

(g) non-reliance on previously issued financial statements; and

(h) change of control transactions.

In addition, to the extent not satisfied by the foregoing, for so long as the Notes remain outstanding, the Issuer will furnish to Holders thereof and prospective investors in such Notes, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) (as in effect on the Issue Date) of the Securities Act.

Notwithstanding the foregoing, the Issuer shall not be required to provide (i) segment reporting and disclosure (including any required by FASB Accounting Standards Codification Topic 280), (ii) separate financial statements or other information contemplated by Rules 3-03(e), 3-05, 3-09, 3-10, 3-16 or 4-08 of Regulation S-X (or any successor provisions) or any schedules required by Regulation S-X, (iii) information required by Regulation G under the Exchange Act or Item 10, Item 302, Item 402 or Item 601 of Regulation S-K (or any successor provision), (iv) XBRL exhibits, (v) earnings per share information, (vi) information regarding executive compensation and related party disclosure related to SEC Release Nos. 33-8732A, 34-54302A and IC-27444A, and (vii) other information customarily excluded from an offering memorandum, including any information that is not otherwise of the type and form currently included in the Offering Memorandum relating to the Notes. In addition, notwithstanding the foregoing, the Issuer will not be required to (i) comply with Sections 302, 906 and 404 of the Sarbanes-Oxley Act of 2002, as amended, or (ii) otherwise furnish any information, certificates or reports required by Items 307 or 308 of Regulation S-K (or any successor provision). To the extent any such information is not so filed or furnished, as applicable, within the time periods specified above and such information is subsequently filed or furnished, as applicable, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured; *provided* that such cure shall not otherwise affect the rights of the Holders under "—Events of Default and Remedies" if Holders of at least 30% in aggregate principal amount of the outstanding Notes have declared the principal, premium, if any, interest and any other monetary obligations on all the outstanding Notes to be due and payable immediately and such declaration shall not have been rescinded or cancelled prior to such cure.

The requirements set forth in the preceding paragraphs may be satisfied by (i) delivering such information electronically to the Trustee and (ii) the Issuer using commercially reasonable efforts to post copies of such information on a website (which may be nonpublic and may be maintained by the Issuer or a third party) to which access will be given to Holders and prospective purchasers of the Notes (which prospective purchasers will be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act or non-U.S. persons (as defined in Regulation S under the Securities Act) that certify their status as such to the reasonable satisfaction of the Issuer). To the extent the Issuer determines in good faith that it cannot make such reports available in the manner described in the preceding sentence after the use of its commercially reasonable efforts, the Issuer shall furnish such reports to the Holders, upon their request. The Issuer may condition the delivery of any such reports to such Holders and prospective purchasers of the Notes on the agreement of such Persons to (i) treat all such reports (and the information contained there) and information as confidential, (ii) not use such reports (and the information contained therein) and information for any purpose other than their investment or potential investment in the Notes and (iii) not publicly disclose any such reports (and the information contained therein) and information.

The Indenture will permit the Issuer to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to a Parent Entity; *provided* that the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such Parent Entity, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a standalone basis, on the other hand. For the avoidance of doubt, the consolidating information referred to in the proviso in the preceding sentence need not be audited.

The obligations under this covenant may be satisfied by having the applicable entity furnish reports containing the information contemplated hereby to the Holders of the Notes or filed reports containing the information contemplated hereby with the SEC.

If the Issuer has designated any of its Subsidiaries as an Unrestricted Subsidiary and such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Issuer, then the annual and quarterly information required by clauses (1) and (2) of the first paragraph of this covenant will include a presentation of selected financial metrics (in the Issuer's sole discretion) of such Unrestricted Subsidiaries as a group in the "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Delivery of reports, information and documents to the Trustee under the Indenture is for informational purposes only and the information and the Trustee's receipt of the foregoing shall not constitute actual or constructive notice of any information contained therein, or determinable from information contained therein including the Issuer's compliance with any of its covenants thereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate). The Trustee shall have no duty to review or analyze reports delivered to it.

Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (3) under the caption "—Events of Default and Remedies" until 270 days after the date any report hereunder is due.

Events of Default and Remedies

The Indenture will provide that each of the following is an Event of Default with respect to the Notes:

(1) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes;

(2) default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(3) failure by the Issuers or any Guarantor for 60 days after receipt of written notice given by the Trustee on behalf of the Holders or by the Holders of not less than 30% in aggregate principal amount of the then outstanding Notes to comply with any of its obligations, covenants or agreements (other than a default referred to in clauses (1) and (2) above) contained in the Indenture or the Notes; *provided that* in the case of a failure to comply with the Indenture provisions described under the caption "—Certain Covenants—Reports," such period of continuance of such default or breach shall be 270 days after written notice described in this clause (3) has been given;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) or the payment of which is guaranteed by the Issuer or any Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the Issue Date, if both:

    (a) such default either (i) results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or (ii) results in the acceleration of such Indebtedness prior to its stated final maturity; and

    (b) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregates to the greater of $685.0 million and 35.0% of LTM EBITDA or more at any one time outstanding;

(5) failure by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) to pay final non-appealable judgments aggregating in excess of the greater of $685.0 million and 35.0% of LTM EBITDA (net of amounts covered by indemnities provided by, or insurance policies issued by, reputable companies), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6) certain events of bankruptcy or insolvency with respect to the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated

financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary);

(7) the Note Guarantee of any Significant Subsidiary shall for any reason cease to be in full force and effect, other than by reason of the termination of the Indenture or the release of any such Note Guarantee in accordance with the Indenture (including the Agreed Security Principles); or

(8) (i) the Liens created by the Collateral Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Indenture or the Collateral Documents) other than (A) in accordance with the terms of the relevant Collateral Document or the Indenture, (B) the satisfaction in full of all Obligations under the Indenture or (C) any loss of perfection that results from the failure of the Notes Collateral Agent to maintain possession of certificates delivered to it representing securities pledged under the Collateral Documents or (ii) the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) shall assert, in any pleading in any court of competent jurisdiction, that any security interest in any Collateral Document is invalid or unenforceable, and in each case of clause (i) and (ii), such default continues for 30 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Notes.

However, a Default under clause (3), (4) or (5) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes notify the Issuers of the Default and, with respect to clauses (3) and (5), the Issuers do not cure such Default within the time specified in clause (3) or (5) of this paragraph after receipt of such notice; *provided* that a notice of Default may not be given with respect to any action taken, and reported publicly or to Holders, more than two years prior to such notice of Default. Any notice of Default, notice of acceleration or instruction to the Trustee or the Notes Collateral Agent to provide a notice of Default, notice of acceleration or take any other action (a "*Noteholder Direction*") provided by any one or more Holders (each a "*Directing Holder*") must be accompanied by a written representation from each such Holder delivered to the Issuers and the Trustee that such Holder is not (or, in the case such Holder is DTC or its nominee, that such Holder is being instructed solely by beneficial owners that are not) Net Short (a "*Position Representation*"), which representation, in the case of a Noteholder Direction relating to the delivery of a notice of Default shall be deemed a continuing representation until the resulting Event of Default is cured or otherwise ceases to exist or the Notes are accelerated. In addition, each Directing Holder is deemed, at the time of providing a Noteholder Direction, to covenant to provide the Issuers with such other information as the Issuers may reasonably request from time to time in order to verify the accuracy of such Noteholder's Position Representation within five Business Days of request therefor (a "*Verification Covenant*"). In any case in which the Holder is DTC or DTC's nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Notes in lieu of DTC or DTC's nominee and DTC shall be entitled to conclusively rely on such Position Representation and Verification Covenant in delivering its direction to the Trustee or the Notes Collateral Agent.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Issuers determine in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and provides to the Trustee and the Notes Collateral Agent, if applicable, an Officer's Certificate stating that the Issuers have initiated litigation in a court of competent jurisdiction seeking a determination that such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Default shall be automatically stayed and the cure period with respect to such Event of Default shall be automatically reinstituted and any remedy stayed pending a final and non-appealable determination of a court of competent jurisdiction on such matter. If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Issuers provide to the Trustee and the Notes Collateral Agent, if applicable, an Officer's Certificate stating that a Directing Holder failed to satisfy its Verification Covenant, the cure period with respect to such Default shall be automatically stayed and the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically reinstituted and any remedy stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Holder, the percentage of Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void *ab initio* (other than any indemnity such Directing Holder may have offered the Trustee or the Notes Collateral Agent), with the effect that such Event of Default shall be deemed never to have occurred, acceleration voided and the Trustee and the Notes Collateral Agent, if applicable, shall be deemed not to have received such Noteholder Direction or any notice of such Default or Event of Default.

Notwithstanding anything in the preceding two paragraphs to the contrary, any Noteholder Direction delivered to the Trustee or the Notes Collateral Agent during the pendency of an Event of Default as the result of a bankruptcy or similar proceeding shall not require compliance with the foregoing paragraphs.

For the avoidance of doubt, each of the Trustee and the Notes Collateral Agent shall be entitled to conclusively rely on any Noteholder Direction delivered to it in accordance with the Indenture, shall have no duty to inquire as to or investigate the accuracy of any Position Representation, enforce compliance with any Verification Covenant, verify any statements in any Officer's Certificate delivered to it, or otherwise make calculations, investigations or determinations with respect to Derivative Instruments, Net Shorts, Long Derivative Instruments, Short Derivative Instruments or otherwise. Neither the Trustee nor the Notes Collateral Agent shall have any liability to the Issuers, any Holder or any other Person in acting in good faith on a Noteholder Direction.

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Indenture, the Trustee by written notice to the Issuers or the Holders of at least 30% in aggregate principal amount of the then total outstanding Notes by written notice to the Issuers and the Trustee may declare the principal of and accrued and unpaid interest and Additional Amounts, if any, on all the then outstanding Notes to be due and payable immediately. Upon the effectiveness of such declaration, such principal and accrued and unpaid interest and Additional Amounts, if any, will be due and payable immediately. Notwithstanding the foregoing, if an Event of Default arising under clause (6) of the first paragraph of this section occurs and is continuing, all outstanding Notes will become due and payable without further action or notice. The Indenture will provide that the Trustee may withhold from the Holders notice of any continuing Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in their interest. In addition, the Trustee shall have no obligation to accelerate the Notes. Any time period in the Indenture to cure any actual or alleged Default or Event of Default may be extended or stayed by a court of competent jurisdiction.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the "*Initial Default*") occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "—Certain Covenants—Reports" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide that the Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive all past or any existing Default or Event of Default and its consequences under the Indenture (except a continuing Default in the payment of interest or the principal of any Note held by a non-consenting Holder) and rescind any acceleration with respect to the Notes and its consequences; *provided* such rescission would not conflict with any judgment of a court of competent jurisdiction. If any Event of Default specified in clause (4) above has occurred and is continuing, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 30 days after such Event of Default arose:

(1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged; or

(2) Holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

In case an Event of Default occurs and is continuing, neither the Trustee nor the Notes Collateral Agent will be under any obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders of the Notes unless the Holders have offered, and if requested, provided to the Trustee and the Notes Collateral Agent indemnity or security satisfactory to the Trustee and the Notes Collateral Agent, as the case may be, against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the total outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders of the Notes have offered and, if requested, provided to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security or indemnity; and

(5) Holders of a majority in aggregate principal amount of the total outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, under the Indenture the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of a Note or that would involve the Trustee in personal liability (it being understood that the Trustee shall have no duty to determine whether an action is prejudicial to a minority holder).

The Indenture will provide that the Issuer is required to deliver to the Trustee within 120 days after the end of each fiscal year, a statement regarding whether the signer thereof knows of any Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any Default, its status and what actions the Issuer is taking or proposes to take with respect thereto. The Trustee will not be deemed to have knowledge of any Defaults or Events of Default unless written notice of an event, which is in fact a Default, has been delivered to the Trustee at its office specified in the Indenture and such notice references the Notes and the Indenture and states that it is a "notice of default."

No Personal Liability of Directors, Officers, Employees and Stockholders

No past, present or future director, officer, employee, incorporator, member, partner or stockholder of the Issuer or any of its Subsidiaries, Parent Entities or Affiliates shall have any liability, for any obligations of the Issuers or the Guarantors under the Notes Documents or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The obligations of the Issuers and the Guarantors under the Notes Documents will terminate (other than certain obligations), and the Liens, if any, on the Collateral securing the Notes will be released and all then existing

Defaults and Events of Default will be cured and the Issuers and the Guarantors will be released upon payment of principal and interest on the Notes to redemption or maturity, as the case may be. The Issuers may, at their option and at any time, elect to have all of their obligations discharged with respect to the Notes and have the Issuers' and each Guarantor's obligation discharged with respect to its Note Guarantee ("*Legal Defeasance*") and cure all then existing Events of Default except for:

(1) the rights of Holders of Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to the Indenture;

(2) the Issuers' obligations with respect to Notes concerning issuing temporary Notes, registration of such 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 Issuers' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuers may, at their option and at any time, elect to have their obligations and those of each Guarantor released with respect to certain covenants that are described in the Indenture, and the Liens, if any, on the Collateral securing the Notes released ("*Covenant Defeasance*") and thereafter any omission to comply with such obligations shall not constitute a Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to the Issuer) described under the caption "—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 with respect to the Notes:

(1) the Issuers must irrevocably deposit with the Trustee (or another entity designated or appointed (as agent) by the Issuer for this purpose), in trust, for the benefit of the Holders of the Notes, cash in Dollars, U.S. Government Securities, or a combination thereof, in such amounts as will be sufficient to pay the principal of, premium, if any, and interest due on the Notes on the Stated Maturity date or on the Redemption Date, as the case may be; *provided* that, upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee (or another entity designated or appointed (as agent) by the Issuer for this purpose) equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "*Applicable Premium Deficit*") only required to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Issuer for this purpose) on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least two Business Days prior to the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(2) in the case of Legal Defeasance, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions,

    (a) the Issuers have received from, or there has been published by, the United States Internal Revenue Service a ruling, or

    (b) since the issuance of the Notes, 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 shall confirm that, subject to customary assumptions and exclusions, the beneficial holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the beneficial holders of the 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 such Tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuers shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuers with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuers; and

(5) the Issuers shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreements and the Collateral Documents, will be discharged and will cease to be of further effect as to all Notes, and the Liens, if any, on the Collateral securing the Notes will be released (except as to surviving rights of transfer or exchange of the Notes and the rights of the Trustee and the Notes Collateral Agent, as expressly provided for in the Indenture), when either:

(1) all Notes theretofore authenticated and delivered, except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or released, have been delivered to the Trustee for cancellation; or

(2) (a) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers and the Issuers or any Guarantor have deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Issuer for this purpose), in trust, for the benefit of the Holders of the Notes, cash in Dollars, U.S. Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee or the registrar for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided* that, upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee (or another entity designated or appointed (as agent) by the Issuer for this purpose) equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Issuer for this purpose) on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least two Business Days prior to the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(b) the Issuers have paid or caused to be paid all sums payable by them under the Indenture; and

(c) the Issuers have delivered instructions to the Trustee or the Paying Agent to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreements and the Collateral Documents, will be discharged and will cease to be of further effect as to all Notes, and the Liens, if any, on the Collateral securing the Notes will be released when the Notes have been satisfied and discharged in accordance with the foregoing.

In addition, the Issuers must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1) and (2)).

Amendment, Supplement and Waiver

Except as otherwise provided in the next two succeeding paragraphs, the Notes Documents may be amended, supplemented or modified with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding, including consents obtained before or after a Change of Control or in connection with a purchase of, or tender offer or exchange offer for, Notes, and any existing Default or Event of Default or compliance with any provision thereof may be waived with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including consents obtained before or after a Change of Control or in connection with a purchase of or tender offer or exchange offer for the Notes). Any Default or Event of Default or compliance with any provision of the Indenture, the Notes or the Note Guarantees may, in each case, be waived as provided under "—Events of Default and Remedies."

However, the Indenture will provide that, without the consent of each affected Holder of Notes, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or extend the Stated Maturity of any such Note (other than provisions relating to Change of Control and Asset Sales) or reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "—Optional Redemption";

(3) reduce the rate of or extend the stated time for payment of interest on any Note (other than provisions relating to Change of Control and Asset Sales);

(4) waive a Default or Event of Default with respect to the nonpayment of principal of or premium, if any, or interest on the Notes, except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes outstanding and a waiver of the payment default that resulted from such acceleration;

(5) make any Note payable in currency other than that stated therein;

(6) make any change in these amendment and waiver provisions which required the Holders' consent described in this sentence;

(7) impair the right of any Holder to institute suit for the enforcement of any payment of principal of and interest on such Holder's Notes on or after the due dates therefor; and

(8) make any change to or modify the ranking of such Notes that would adversely affect the Holders.

Notwithstanding the foregoing, the Issuer, the Co-Issuer, any Guarantor (with respect to a Note Guarantee or the Indenture to which it is a party), the Trustee, the Notes Collateral Agent and the other parties thereto, as the case may be, may amend or supplement any Notes Documents without the consent of any Holder to:

(1) cure any ambiguity, omission, mistake, defect, error or inconsistency or reduce the minimum denomination of the Notes;

(2) provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of the Indenture relating to the form of the Notes (including related definitions);

(3) comply with the covenant described under the caption "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets";

(4) provide for the assumption by a successor Person of the Issuer's, Co-Issuer's or any Guarantor's obligations under any Notes Document;

(5) make any change (including changing the CUSIP, ISIN or other identifying number on any Notes) that would provide any additional rights or benefits to the Holders or that does not materially and adversely affect the rights of any Holder in any material respect;

(6) add or modify covenants or provide for a Note Guarantee for the benefit of the Holders;

(7) at the Issuers' election, comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

(8) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee or successor Paying Agent thereunder pursuant to the requirements thereof or to provide for the accession by the Trustee to any Notes Document;

(9) provide for the issuance of exchange notes or private exchange notes, which are identical to exchange notes except that they are not freely transferable;

(10) add a Guarantor or a co-obligor of the Notes under the Indenture;

(11) conform the text of the Notes Documents to any provision of this "Description of Notes";

(12) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes; *provided*, *however*, that such amendment does not materially and adversely affect the rights of Holders to transfer Notes;

(13) provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant described under the caption "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries," to add Note Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture;

(14) make such provisions as necessary for the issuance of Additional Notes;

(15) comply with the rules and procedures of any applicable securities depositary;

(16) make any amendment to the provisions of the Notes Documents to eliminate the effect of any Accounting Change or in the application thereof as described in the last paragraph of the definition of "GAAP";

(17) mortgage, pledge, hypothecate or grant a security interest in favor of the Notes Collateral Agent or the Trustee for the benefit of the Trustee or the holders of the Notes as additional security for the payment and performance of the Issuer's, the Co-Issuer's or any Guarantor's obligations under the Notes Documents, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Notes Collateral Agent or the Trustee in accordance with the terms of the Collateral Documents;

(18) add additional parties with Pari Passu Lien Priority to any Collateral Documents;

(19) enter into any intercreditor agreement having substantially similar terms with respect to the Holders as those set forth in one of the Intercreditor Agreements, taken as a whole, or any joinder thereto;

(20) in the case of any Collateral Document, to include therein any legend required to be set forth therein pursuant to the Intercreditor Agreements or to modify any such legend as required by the Intercreditor Agreements; or

(21) to provide for the succession of any parties to the Collateral Documents (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, restructuring, replacement, supplementing or other modification from time to time of the Senior Credit Facilities or any other agreement that is not prohibited by the Indenture.

In addition, the Holders will be deemed to have consented for purposes of the Collateral Documents and the Intercreditor Agreements to any of the following amendments and other modifications to the Collateral Documents or Intercreditor Agreements:

(1) (a) to add other parties (or any authorized agent thereof or trustee therefor) holding Credit Agreement Obligations that is incurred in compliance with the ABL Credit Facility, the Credit Agreements, the Indenture, the Existing Secured Notes Indentures, the Collateral Documents and the Intercreditor Agreements and (b) to establish that the Liens on any Collateral securing such Obligations shall be under the Pari Passu Intercreditor Agreement with the Liens on such Collateral securing the Obligations under the Indenture, the Notes and the Note Guarantees, all on the terms provided for in the Pari Passu Intercreditor Agreement in effect immediately prior to such amendment or other modification;

(2) to establish that the Liens on any Collateral securing any Indebtedness replacing the Credit Agreements and the Existing Secured Notes permitted to be incurred under the Indenture shall be *pari passu* to the Liens on such Collateral securing any Obligations under the Indenture, the Notes and the Note Guarantees, all on the terms provided for in the Pari Passu Intercreditor Agreement in effect immediately prior to such amendment or other modification;

(3) to establish that the Liens on any ABL Collateral securing any Indebtedness replacing the ABL Credit Facility permitted to be incurred under the Indenture shall be senior to the Liens on such ABL Collateral securing any Obligations under the Indenture, the Notes and the Note Guarantees, and that the Liens on any Notes Collateral securing any such Indebtedness shall be junior to the Liens on such Notes Collateral securing any Obligations under the Indenture, the Notes and the Note Guarantees, all on the terms provided for in the ABL Intercreditor Agreement in effect immediately prior to such amendment and other modification; and

(4) upon any cancellation or termination of the ABL Credit Facility without a replacement thereof, to establish that the ABL Collateral (in addition to the Notes Collateral) shall secure the Obligations under the

Indenture, the Notes and the Note Guarantees on a first-priority basis, subject to the terms of the Pari Passu Intercreditor Agreement in effect immediately prior to such amendment or other modification.

Notwithstanding the foregoing, without the consent of the Holders of at least 66⅔% in aggregate principal amount of the Notes then outstanding, no amendment or waiver may (A) make any change in any Collateral Document or the provisions in the Indenture dealing with Collateral or application of trust proceeds of the Collateral with the effect of releasing the Liens on all or substantially all of the Collateral which secure the Obligations in respect of the Notes or (B) change or alter the priority of the Liens securing the Obligations in respect of the Notes in any material portion of the Collateral in any way materially adverse, taken as a whole, to the Holders, other than, in each case, as provided under the terms of the Indenture, the Collateral Documents or the Intercreditor Agreements.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under the caption "—Certain Covenants," or action taken in compliance with the covenants in effect at the time of such action, shall be deemed to impair or affect any legal rights of any Holders of the Notes to receive payment of principal of or premium, if any, or interest on the Notes or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes.

Notices

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders, if any, maintained by the registrar. For so long as any Notes are represented by global notes, all notices to Holders will be delivered to DTC in accordance with the applicable procedures of DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph, which will give such notices to the Holders of book-entry interests. To the extent the mandatory rules and procedures of DTC conflict with any such requirements, a notice will be deemed to satisfy the requirements of the Indenture if it complies with the mandatory rules and procedures of DTC.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the earlier of such publication and the fifth day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to electronically deliver or mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is electronically delivered or mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given through DTC, it is duly given on the day the notice is given to DTC.

Prescription

Claims against the Issuers or any Guarantor for the payment of principal or premium, if any, or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuers or any Guarantor for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Enforceability of Judgments

Since a material portion of the assets of the Issuer and its Subsidiaries are located outside the United States, any judgment obtained in the United States against the Issuers or the Guarantors, including judgments with respect to the payment of principal, premium, Additional Amounts, if any, or interest, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuers and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City, County and State of New York, in the United States of America. The Indenture will provide that each of the Issuers and the Guarantors will appoint an 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 U.S. federal or New York state court located in the City of New York.

Concerning the Trustee

Wilmington Trust, National Association will be the Trustee and the Notes Collateral Agent under the Indenture and will be appointed by the Issuers as registrar and Paying Agent with regard to the Notes.

The Indenture will contain certain limitations on the rights of the Trustee thereunder, should it become a creditor of the Issuers, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer, the Co-Issuer and their respective Affiliates.

The Indenture will provide that the Holders of a majority in aggregate 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, subject to certain exceptions. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such Indenture. The Indenture will provide that in case an Event of Default shall occur and be known to the Trustee (which shall not be cured), the Trustee will be required, in the exercise of its rights and powers vested in it by the Indenture, to use the degree of care of a prudent person in the conduct of such person’s own affairs. Neither the Trustee nor the Notes Collateral Agent will be under any obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of the Notes, unless such Holder shall have offered, and if requested, provided to the Trustee and the Notes Collateral Agent security and indemnity satisfactory to the Trustee and the Notes Collateral Agent, as the case may be, against any loss, liability or expense.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the outstanding Notes, or may resign at any time by giving written notice to the Issuers and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuers may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

Governing Law

The Indenture, the Notes, the other Notes Documents and the Note Guarantees, and the rights and duties of the parties thereunder, will be governed by and construed in accordance with the laws of the State of New York. The Collateral Documents will be governed by the law of the location of the relevant asset that is part of the Collateral.

Certain Definitions

"*ABL*" or "*ABL Credit Facility*" means the ABL Credit Agreement, dated as of July 12, 2019, among the Issuer, the Subsidiaries of the Issuer party thereto, Citibank, N.A., as administrative and collateral agent and the lenders party thereto from time to time, as amended on April 8, 2021, and as further amended, modified, supplemented, substituted, replaced, restated or refinanced, in whole or in part, from time to time (whether with the original administrative agent and lenders or other agents and lenders or otherwise and whether provided under the original ABL or another credit agreement, indenture, instrument, other document or otherwise, unless such credit agreement, indenture, instrument or document expressly provides that it is not an ABL). For the avoidance of doubt, an ABL is not limited to a single agreement, indenture, instrument or other document and multiple agreements, indentures, instruments or other documents may constitute the ABL.

"*ABL Administrative Agent*" means the administrative agent under the ABL, which, on the Issue Date, will be Citibank, N.A.

"*ABL Collateral*" means the portion of the Collateral as to which the Notes and the Note Guarantees have a second-priority security interest, subject to Permitted Liens, as described under the caption "—Security—ABL Collateral."

"*ABL Collateral Agent*" means the collateral agent under the ABL, which, on the Issue Date, will be Citibank, N.A.

"*ABL Lender*" means any lender or holder or agent or arranger of Indebtedness under the ABL (or any Credit Facility permitted under the Indenture).

"*ABL Obligations*" means any obligation to pay any unpaid principal and interest on loans made under the ABL, any letter of credit reimbursement obligations owing under the ABL, obligations under any Secured Hedge Agreement, Banking Product Obligations and all other Obligations of the Issuer and any guarantor or other co-obligor under the ABL to any ABL Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with, the ABL (or any Credit Facility permitted under the Indenture) and the related loan documentation, in each case, whether on account of principal, interest, guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, fees and disbursements of counsel of any ABL Lender that are required to be paid by the Issuer or any guarantor or co-obligor pursuant to the terms of the relevant loan documentation).

"*ABL Secured Parties*" means the ABL Collateral Agent, the ABL Lenders and other holders of ABL Obligations.

"*Acquired Indebtedness*" means, with respect to any specified Person,

(1) Indebtedness of any other Person or any of its Subsidiaries existing at the time such other Person is merged, consolidated, amalgamated or otherwise combined with or into the Issuer or a Restricted Subsidiary or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and

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

Acquired Indebtedness shall be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary or on the date of the relevant merger, consolidation, amalgamation, acquisition or other combination.

"*Additional Assets*" means:

(1) any property or assets (other than Capital Stock) used or to be used by any of the Issuers, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Sale shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by any of the Issuers or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

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

"*Agents*" means the Paying Agent, any registrar, the Notes Collateral Agent and any of their agents.

"*Agreed Security Principles*" means those principles set forth on Schedule 1.01(a) to the 2021 Credit Agreement, as applied *mutatis mutandis* with respect to the Notes in good faith.

"*Alternative Currency*" means any currency (other than Dollars) that is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars (as determined in good faith by the Issuer).

"*Applicable Percentage*" means 100%; *provided* that so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Applicable Percentage shall be (1) 50% if, on a *pro forma* basis after giving effect to such Asset Sale and the use of proceeds therefrom the Consolidated Total Net Debt Ratio would be less than or equal to 5.00 to 1.00 but greater than 4.50 to 1.00, or (2) 0% if, on a *pro forma* basis after giving effect to such Asset Sale and the use of proceeds therefrom, the Consolidated Total Net Debt Ratio would be less than or equal to 4.50 to 1.00. Any Net Proceeds in respect of an Asset Sale that does not constitute Available Proceeds as a result of the application of this definition shall collectively constitute "*Total Leverage Excess Proceeds*."

"*Applicable Premium*" means, the greater of:

(1) 1.0% of the principal amount of such Notes; and

(2) on any Redemption Date, the excess, if any, (to the extent positive) of: (a) the present value at such Redemption Date of (i) the redemption price of such Notes at   , 2027 (such redemption price (expressed in percentage of principal amount) being set forth in the table appearing above under the caption "—Optional Redemption" (excluding accrued but unpaid interest and Additional Amounts, if any)), *plus* (ii) all required remaining scheduled interest payments due on such Notes through   , 2027 (excluding accrued but unpaid interest and Additional Amounts, if any), computed upon the Redemption Date using a discount rate equal to the Treasury Rate at such Redemption Date *plus* 50 basis points; over (b) the then outstanding principal amount of such Notes.

The Issuers shall calculate or cause to be calculated the Applicable Premium and the Trustee and the Paying Agent shall have no duty to calculate or verify the Issuers' calculation of the Applicable Premium.

"*Asset Sale*" means:

(1) the voluntary sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) of the Issuer or any of its Restricted Subsidiaries (in each case other than Capital Stock of the Issuer) (each referred to in this definition as a "*disposition*"); or

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of (i) cash, Cash Equivalents or Investment Grade Securities, including any marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date, (ii) obsolete, damaged, used, surplus, non-core, uneconomic or worn out property or equipment, whether now owned or hereafter owned, leased or acquired, in the ordinary course of business and dispositions of property no longer used or useful, or economically practicable or commercially desirable to maintain or used or useful in the conduct of the business of the Issuer and any Restricted Subsidiary (including by ceasing to enforce, allowing the lapse, abandonment or invalidation of or discontinuing the use or maintenance of or putting into the public domain any intellectual property that is, in the reasonable judgment of the Issuer or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which the Issuer or any Restricted Subsidiary determines in its reasonable business judgment that such action or inaction is desirable) or (iii) any disposition of inventory, goods and other assets (including Settlement Assets) in the ordinary course of business or consistent with past practice or held for sale or no longer used in the ordinary course of business and immaterial assets (considered in the aggregate) in the ordinary course of business, including any disposition of abandoned or discontinued operations;

(b) transactions permitted pursuant to the provisions in the covenant described under the caption "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets" or any transaction that constitutes a Change of Control pursuant to the Indenture;

(c) the making of any Restricted Payment that is permitted to be made, and is made, under the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" and the making of any Permitted Payment or Permitted Investment, or solely for purposes of the second paragraph under "—Repurchase at the Option of Holders—Asset Sales," asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(d) any disposition of assets of the Issuer or any Restricted Subsidiary or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value of less than the greater of $390.0 million and 20.0% of LTM EBITDA;

(e) any disposition (i) of property or assets or issuance of securities by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to another Restricted Subsidiary of the Issuer, including pursuant to any Intercompany License Agreement or (ii) to the Issuer or a Restricted Subsidiary constituting debt forgiveness;

(f) (A) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to net proceeds of such disposition are promptly applied to the purchase price of such replacement property; and (B) to the extent allowable under Section 1031 of the Code or comparable law or regulation, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) leases, assignments, subleases, service agreements, product sales, licenses or sublicenses (including licenses and sublicenses of intellectual property or other intangible assets), in each case that do not materially interfere with the business of the Issuer and the Restricted Subsidiaries, taken as a whole;

(h) any issuance or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary, or any other disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary or an Immaterial Subsidiary;

(i) foreclosures, condemnation, expropriation, forced disposition or any similar action with respect to any property or other assets, other transfers of property subject to casualty events or the granting of Liens not prohibited by the Indenture;

(j) (i) any disposition (with or without recourse) of accounts receivable, any participations thereof, Receivables Assets or related assets, in connection with any Receivables Facility, (ii) dispositions or forgiveness of accounts receivable in connection with the collection or compromise thereof (including sales to factors or other third parties) or (iii) the sale or discount of inventory, accounts receivable or notes receivable (with or without recourse) in the ordinary course of business or consistent with past practice or the conversion of accounts receivable to notes receivable;

(k) any financing transaction with respect to property constructed, acquired, leased, renewed, relocated, expanded, replaced, repaired, maintained, upgraded or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Issuer or any Restricted Subsidiary after the Issue Date, including Sale and Lease-Back Transactions (and dispositions of property acquired by the Issuer or any of its Restricted Subsidiaries after the Issue Date pursuant to Sale and Lease-Back Transactions) and asset securitizations permitted by the Indenture;

(l) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other claims in the ordinary course of business or consistent with past practice;

(m) the unwinding or voluntary termination of any Cash Management Obligations or Hedging Obligations;

(n) [reserved];

(o) dispositions of any assets (including Equity Interests) (A) acquired in connection with any acquisition or other Investment not prohibited by the Indenture, which assets are not used or useful to the core or principal business of the Issuer and the Restricted Subsidiaries or (B) made to obtain the approval of any applicable antitrust authority in connection with an acquisition or other Investment not prohibited by the Indenture;

(p) sales, transfers and other dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements or other Investment not prohibited by the Indenture;

(q) failing to pursue or allowing any registrations or any applications for registration of any intellectual property rights to lapse or go abandoned in the ordinary course of business if, in the reasonable determination of the Issuer or a Restricted Subsidiary, such discontinuance is desirable in the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole;

(r) dispositions in connection with Permitted Liens, Permitted Intercompany Activities and Permitted Tax Restructurings;

(s) conveyances, sales, transfers, licenses, sublicenses, cross-licenses or other dispositions of intellectual property, software or other general intangibles and licenses, sublicenses, cross-licenses, leases or subleases of other property, in each case, in the ordinary course of business or consistent with past practice or pursuant to a research or development agreement in which the counterparty to such agreement receives a license in the intellectual property or software that result from such agreement;

(t) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer or any holding company thereof;

(u) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(v) transfers of property or assets subject to Casualty Events upon receipt of the Net Proceeds of such Casualty Event; *provided* that any Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries in respect of such Casualty Event shall be deemed to be Net Proceeds of an Asset Sale, and such Net Proceeds shall be applied in accordance with the covenant described under the caption "—Repurchase at the Option of Holders—Asset Sales";

(w) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions and the proceeds of such sale are used to make a Restricted Payment pursuant to clause (10)(b) under the second paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(x) any sale, transfer or other disposition to affect the formation of any Subsidiary that is a Delaware Divided LLC; *provided* that upon formation of such Delaware Divided LLC, such Delaware Divided LLC shall be a Restricted Subsidiary; and

(y) any disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Sale and would also be a Permitted Investment or an Investment permitted under "—Certain Covenants—Limitation on Restricted Payments," the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of Permitted Investments or Investments permitted under "—Certain Covenants—Limitation on Restricted Payments."

"*Asset Sale Offer*" has the meaning set forth in the fifth paragraph under the caption "—Repurchase at the Option of Holders—Asset Sales."

"*Associate*" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"*Attributable Indebtedness*" means, on any date, with respect to any Capitalized Lease Obligation of any Person, the amount of liability in respect of a capital lease ("finance lease" following the Issuer's adoption of

Accounting Standards Codification Topic 842 Leases, ASC 842) that would at such time be required to be reflected as a capital lease liability on a balance sheet prepared in accordance with GAAP. Finance lease or similar obligations in respect of Sale and Lease-Back Transactions that would not constitute a finance lease following the Issuer's adoption of Accounting Standards Codification Topic 842 Leases, ASC 842, shall be deemed not to represent Capitalized Lease Obligations or Indebtedness.

"*Available Proceeds*" has the meaning set forth in the second paragraph under the caption "—Repurchase at the Option of Holders—Asset Sales."

"*Available RP Capacity Amount*" means (i) the amount of Restricted Payments that may be made at the time of determination pursuant to clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10), (11) and (18) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" minus (ii) the aggregate amount of Indebtedness incurred pursuant to, and to the extent then outstanding under, clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"*Bank Products*" means any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer and other cash management arrangements.

"*Banking Product Obligations*" means, with respect to the Issuer or any subsidiary thereof, any obligations of the Issuer or such subsidiary owed to any Person in respect of treasury management services (including, without limitation, services in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depositary, information reporting, lock-box and stop payment services), commercial credit card and merchant card services, stored value card services, other cash management services, or lock-box leases and other banking products or services related to any of the foregoing that (a) is entered into by the Issuer or any subsidiary thereof and any Person that is (i) an agent or lender under the ABL or the Credit Agreements or any of their respective affiliates, (ii) is a lender under the ABL or the Credit Agreements or an affiliate thereof on the Issue Date, (iii) was an agent or lender under the ABL or the Credit Agreements or an affiliate of an agent or a lender at the time such obligations were incurred or (iv) designated by the Issuer by written notice to the agent and (b) is secured by the ABL Collateral pursuant to the loan documentation relating to the ABL and/or is secured by the Notes Collateral pursuant to the loan documentation relating to the Credit Agreements.

"*Board of Directors*" means (i) with respect to the Co-Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (ii) with respect to any partnership, the board of directors or other governing body of the general partner, as applicable, of the partnership or any duly authorized committee thereof; (iii) with respect to the Issuer or any limited liability company, the managing member or members or any duly authorized controlling committee thereof; and (iv) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). Unless the context requires otherwise, Board of Directors means the Board of Directors of the Issuer.

"*Borrowing Base*" means, as of any date, an amount equal to the sum of:

(a) 90% of the face amount of all investment-grade receivables; *plus*

(b) 85% of the face amount of all accounts receivable (other than investment-grade receivables and unbilled receivables); *plus*

(c) 85% of the face amount of all unbilled receivables (which shall not exceed the lesser of 25% of the Borrowing Base and $380.0 million); *plus*

(d) 100% of all cash held in deposit accounts either (x) maintained with the ABL Administrative Agent or (y) over which the ABL Administrative Agent has a perfected security interest;

in each case, of the Issuer and its Restricted Subsidiaries. The Borrowing Base shall be calculated on a *pro forma* basis to include any investment-grade receivables, accounts receivable and unbilled receivables owned by an entity that is to be merged with or into the Issuer or a Restricted Subsidiary or is to become a Restricted Subsidiary on the date of determination.

"*Business Day*" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York, United States, or in the jurisdiction of the place of payment are authorized or required by law to remain closed. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day and such extension of time shall not be reflected in computing interest or fees, as the case may be.

"*Business Successor*" means (a) any former Subsidiary of the Issuer and (b) any Person that, after the Issue Date, has acquired, merged or consolidated with a Subsidiary of the Issuer (that results in such Subsidiary ceasing to be a Subsidiary of the Issuer), or acquired (in one transaction or a series of transactions) all or substantially all of the property and assets or business of a Subsidiary or assets constituting a business unit, line of business or division of a Subsidiary of the Issuer.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital 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 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 but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Capitalized Lease Obligation*" means an obligation that is required to be classified and accounted for as a Capitalized Lease (and, for the avoidance of doubt, not a straight-line or operating lease) for financial reporting purposes in accordance with GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty; *provided* that all obligations of the Issuer and its Restricted Subsidiaries that are or would be characterized as an operating lease as determined in accordance with GAAP as in effect on January 1, 2015 (whether or not such operating lease was in effect on such date) shall continue to be accounted for as an operating lease (and not as a Capitalized Lease Obligation) for purposes of the Indenture regardless of any change in GAAP following January 1, 2015 (that would otherwise require such obligation to be recharacterized as a Capitalized Lease Obligation).

"*Capitalized Leases*" means all leases that have been or are required to be, in accordance with GAAP as in effect on the Issue Date, recorded as capitalized leases; *provided* that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP.

"*Capitalized Software Expenditures*" means, with respect to any Person for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"*Cash Equivalents*" means:

(1) United States dollars;

(2) (a) Canadian dollars, Yen, Sterling, Euros or any national currency of any participating member state of the EMU or any Alternative Currency or (b) any other foreign currency held by the Issuer and its Restricted Subsidiaries from time to time in the ordinary course of business or consistent with past practice;

(3) securities issued or directly and fully and unconditionally guaranteed or insured by the United States, Canada, Switzerland, United Kingdom, Japan, a member of the European Union or, in each case, any agency or instrumentality thereof, which are unconditionally guaranteed as a full faith and credit obligation of such government, with maturities of 36 months or less from the date of acquisition;

(4) certificates of deposit, time deposits, Eurodollar time deposits, overnight bank deposits or demand deposits with maturities of 24 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $100.0 million (or the Dollar equivalent as of the date of determination) (any such bank being an "*Approved Bank*");

(5) repurchase obligations for underlying securities of the types described in clauses (3), (4), (7) and (8) entered into with any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated at least P-2 by Moody's or at least A-2 by S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;

(7) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(8) readily marketable direct obligations issued by any state, province, commonwealth or territory of the United States of America or any political subdivision, taxing authority or any agency or any instrumentality thereof having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(9) Indebtedness or Preferred Stock issued by Persons having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(10) readily marketable direct obligations issued by any foreign government or any political subdivision, taxing authority or agency or instrumentality thereof, in each case having an Investment Grade Rating from any of Moody's or S&P (or, if at any time neither Moody's nor

S&P shall be rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(11) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated A (or the equivalent thereof) or better by S&P or A2 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(12) repurchase agreements entered into by any Person with an Approved Bank, a bank or trust company or recognized securities dealer, in each case, having capital and surplus in excess of $100.0 million or its equivalent for direct obligations issued by or fully guaranteed or insured by the government or any agency or instrumentality of (i) the United States, (ii) Canada, (iii) Switzerland, (iv) United Kingdom, (v) Japan or (vi) any member nation of the European Union rated A (or the equivalent thereof) or better by S&P and A2 (or the equivalent thereof) or better by Moody's, in which such Person shall have a perfected first-priority security interest (subject to no other Liens) or title to which shall have been transferred to such Person and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations;

(13) securities with maturities of two years or less from the date of acquisition backed by standby letters of credit issued by any Person meeting the qualifications in clause (4) above;

(14) instruments equivalent to those referred to in clauses (1) through (13) above denominated in Euros or any other foreign currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction;

(15) investments, classified in accordance with GAAP as current assets of the Issuer or any Subsidiary, in money market investment programs that are registered under the Investment Company Act of 1940, as amended, or that are administered by financial institutions having capital of at least $100.0 million or its equivalent, and, in either case, the portfolios of which are limited such that substantially all of such investments are of the character, quality and maturity described in clauses (1) through (14) of this definition;

(16) with respect to any Foreign Subsidiary: (i) obligations of the national government of the country in which such Subsidiary maintains its chief executive office and principal place of business; *provided* such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (ii) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Subsidiary maintains its chief executive office and principal place of business; *provided* such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "*Approved Foreign Bank*"), and in each case with maturities of not more than 24 months from the date of acquisition and (iii) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank;

(17) bills of exchange issued in the United States of America, Canada, the United Kingdom, Japan, a member state of the European Union eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(18) investments in industrial development revenue bonds that (i) "re-set" interest rates not less frequently than quarterly, (ii) are entitled to the benefit of a remarketing arrangement with an established broker dealer and (iii) are supported by a direct pay letter of credit covering principal and accrued interest that is issued by any bank meeting the qualifications specified in clause (3) above; and

(19) any investment company, money market, enhanced high yield, pooled or other investment fund investing at least 90% of their assets in securities of the types described in clauses (1) through (18) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) or (2) above or the immediately preceding paragraph; *provided* that such amounts are converted into any currency set forth in clauses (1) or (2) above or the immediately preceding paragraph as promptly as practicable and in any event within 10 Business Days following the receipt of such amounts.

In the case of Investments by any Foreign Subsidiary that is a Restricted Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (a) investments of the type and maturity described in clauses (1) through (19) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (b) other short term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (19) and in this paragraph.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Indenture regardless of the treatment of such items under GAAP.

"*Cash Management Obligations*" means (1) obligations in respect of any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements, electronic fund transfer, treasury services and cash management services, including controlled disbursement services, working capital lines, lines of credit, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services, or other cash management arrangements or any automated clearing house arrangements, (2) other obligations in respect of netting or setting off arrangements, credit, debit or purchase card programs, stored value card and similar arrangements and (3) obligations in respect of any other services related, ancillary or complementary to the foregoing (including any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements and cash management services, corporate credit and purchasing cards and related programs or any automated clearing house transfers of funds).

"*Casualty Event*" means any event that gives rise to the receipt by the Issuer or any Restricted Subsidiary of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

"*CFC*" means a "controlled foreign corporation" within the meaning of Section 957 of the Code that is owned (within the meaning of Section 958(a) of the Code) by the Issuer or its Restricted Subsidiaries that is a "United States shareholder" (as defined in Section 951(b) of the Code).

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

(1) the sale or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to a Person (other than the Issuer or any of its Restricted Subsidiaries or one or more Permitted Holders) and any "person" (as defined in clause (2) below), other than one or more Permitted Holders or any Parent Entity, is or becomes the "beneficial owner" (as so defined) of more than 50% of the total voting power of the Voting Stock of the transferee Person in such sale or transfer of assets, as the case may be; *provided* that (x) so long as the Issuer is a Subsidiary of any Parent Entity, no Person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such Person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Parent Entity (other than a Parent Entity that is a Subsidiary of another Parent Entity) and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in any Voting Stock of which any such Person is the beneficial owner; or

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders or a Parent Entity, that is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 of the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that (x) so long as the Issuer is a Subsidiary of any Parent Entity, no Person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such Person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Parent Entity (other than a Parent Entity that is a Subsidiary of another Parent Entity) and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in any Voting Stock of which any such Person is the beneficial owner.

Notwithstanding the preceding or any provision of Section 13d-3 or 13d-5 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own Voting Stock subject to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement, (ii) if any group includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Issuer owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred, (iii) a Person or group will not be deemed to beneficially own the Voting Stock of another Person as a result of its ownership of Voting Stock or other securities of such other Person's parent entity (or related contractual rights) unless it owns 50% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such parent entity having a majority of the aggregate votes on the Board of Directors (or similar body) of such parent entity and (iv) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner. For the avoidance of doubt, the Transactions shall not constitute, or be deemed to constitute, or result in a "Change of Control."

"*Code*" means the United States Internal Revenue Code of 1986, as amended, or any successor thereto.

"*Collateral Agents*" means the Credit Agreement Collateral Agent, the Notes Collateral Agent, the Existing Secured Notes Collateral Agent and each collateral agent in respect of Obligations with Pari Passu Lien Priority.

"*Collateral Documents*" means, collectively, any security agreements, hypothecs, intellectual property security agreements, mortgages, collateral assignments, security agreement supplements, pledge agreements, bonds or any similar agreements, guarantees and each of the other agreements, instruments or documents that creates or purports to create a Lien or guarantee in favor of the Notes Collateral Agent for its benefit and the benefit of the Trustee and the Holders of the Notes, in all or any portion of the Collateral, as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed from time to time.

"*Consolidated Depreciation and Amortization Expense*" means, with respect to any Person for any period, the total amount of depreciation and amortization expense and capitalized fees, including amortization or write-off of (i) intangible assets and non-cash organization costs, (ii) deferred financing and debt issuance fees, costs and expenses, (iii) capitalized expenditures (including Capitalized Software Expenditures), customer acquisition costs and incentive payments, media development costs, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and amortization of favorable or unfavorable lease assets or liabilities and (iv) capitalized fees related to any Receivables Facility, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP and any write down of assets or asset value carried on the balance sheet.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in mark-to-market valuation of any Hedging Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any made (less net payments, if any, received), pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (i) Receivables Fees, (ii) penalties and interest relating to Taxes (but excluding, for the avoidance of doubt, any Additional Amounts paid with respect to the Notes or the Note Guarantees), (iii) annual agency or similar fees paid to the administrative agents, collateral agents and other agents under any Credit Facility, (iv) any additional interest or liquidated damages owing pursuant to any registration rights obligations, (v) costs associated with obtaining Hedging Obligations, (vi) accretion or accrual of discounted liabilities other than Indebtedness, (vii) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with the G4S Acquisition or any acquisition, (viii) amortization, expensing or write-off of deferred financing fees, amendment and consent fees, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, fees and expenses, discounted liabilities, original issue discount and any other amounts of non-cash interest and, adjusted to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program, (ix) any expensing of bridge, arrangement, structuring, commitment, agency, consent and other financing fees and any other fees related to the G4S Acquisition or any acquisitions after the Issue Date, (x) any accretion of accrued interest on discounted liabilities and any prepayment, make-whole or breakage premium, penalty or cost, (xi) interest expense with respect to Indebtedness of any direct or indirect parent of such Person resulting from push-down accounting and (xii) any lease, rental or other expense in connection with a Non-Financing Lease Obligations); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *less*

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends; *provided*, *however*, that, without duplication,

(1) any extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including the Transaction Costs or any multi-year strategic cost-saving initiatives, any unusual or non-recurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, non-recurring or unusual items), severance, relocation costs, integration and facilities' opening costs and other business optimization expenses (including related to new product introductions), recruiting fees, restructuring charges, accruals or reserves (including restructuring and integration costs related to acquisitions after the Issue Date and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities, costs or cost inefficiencies related to project terminations, facility or property disruptions or shutdowns (including due to work stoppages, natural disasters

and epidemics), internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities) shall be excluded;

(2) the cumulative effect (including charges, accruals, expenses and reserves) of a change in accounting principles during such period shall be excluded;

(3) any income (loss) from disposed, abandoned, transferred or discontinued operations and any gains or losses on disposal of disposed, abandoned, transferred or discontinued operations shall be excluded (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of);

(4) any gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions, disposals or abandonments other than in the ordinary course of business, as determined in good faith by the Issuer, shall be excluded;

(5) the Net Income for such period of any Person that is an Unrestricted Subsidiary or any Person that is not a Subsidiary or that is accounted for by the equity method of accounting shall be excluded; *provided* that Consolidated Net Income of such other Person shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) to such other Person or a Restricted Subsidiary of such other Person by such Person in such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(a) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than any Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, is otherwise restricted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders other than (a) restrictions that have been waived or otherwise released (or such Person reasonably believes such restriction could be waived or released and is using commercially reasonable efforts to pursue such waiver of release), (b) restrictions pursuant to the Senior Credit Facilities, the Notes, the Indenture, the Existing Notes, or the Existing Notes Indentures, and (c) restrictions specified in clause (r) of the covenant described under the caption "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; *provided* that Consolidated Net Income of the Issuer will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to the Issuer or a Restricted Subsidiary thereof in respect of such period or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to the Issuer and its Restricted Subsidiaries) (including those required or permitted by Financial Accounting Standards Codification No. 805 and Financial Accounting Standards Codification No. 350 (or any successor provision or other financial accounting standard having a similar result or effect)) in the inventory, property and equipment, software, goodwill, other intangible assets, in-process research and development, deferred revenue, debt line items and other non-cash charges in such Person's consolidated financial statements pursuant to GAAP and related authoritative pronouncements resulting from the application of recapitalization, purchase or acquisition method accounting in relation to the G4S Acquisition or any consummated acquisition or Investment or the amortization or write-off of any amounts thereof, net of Taxes, shall be excluded;

(8) any income (loss) from the early extinguishment or conversion of (a) Indebtedness, (b) Hedging Obligations or (c) other derivative instruments shall be excluded;

(9) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to goodwill and other intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(10) (i) any non-cash compensation charge or expense, including any such charge or expense arising from the grants of stock appreciation or similar rights, stock options, restricted stock or other rights or equity incentive programs, (ii) income (loss) attributable to deferred compensation plans or trusts, (iii) [reserved] and (iv) the amount of any expense required to be recorded as compensation expense related to contingent transaction consideration shall be excluded;

(11) any fees, expenses (including any transaction or retention bonus or similar payment) or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, non-recurring costs to acquire equipment to the extent not capitalized in accordance with GAAP, Investment (including Investments in the form of Recruitment Notes and associated fees and expenses paid to recruiters in connection therewith), recapitalization, asset disposition, non-competition agreement, issuance, incurrence or repayment of Indebtedness (including such fees, expenses or charges related to the offering, syndication and/or incurrence of the Notes, the Existing Notes and the Senior Credit Facilities), issuance of Equity Interests, refinancing transaction or amendment or modification of or waiver or consent relating to any debt instrument (including the Notes, the Existing Notes and the Senior Credit Facilities) and including, in each case, without limitation, the Transaction Costs and any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed and any charges or non-recurring merger or amalgamation costs incurred during such period as a result of any such transaction, in each case whether or not successful (including, for avoidance of doubt, the effects of expensing all transaction-related expenses in accordance with Financial Accounting Standards Codification No. 805 (or any successor provision or other financial accounting standard having a similar result or effect) and gains or losses associated with Financial Accounting Standards Codification No. 460 (or any successor provision or other financial accounting standard having a similar result or effect)), shall be excluded;

(12) accruals and reserves that are established or adjusted as a result of the G4S Acquisition or an Investment permitted under the Indenture in accordance with GAAP (including any adjustment of estimated payouts on earn-outs) or changes as a result of the adoption or modification of accounting policies during such period shall be excluded;

(13) any expenses, charges, lost profits or losses that are covered by indemnification, insurance or other reimbursement provisions in connection with the G4S Acquisition, any investment, acquisition or any sale, conveyance, transfer or other disposition of assets permitted under the Indenture, to the extent actually reimbursed, or, so long as the Issuer has made a determination that a reasonable basis exists for indemnification, insurance or reimbursement and only to the extent that such amount is (i) not denied by the applicable carrier (without any right of appeal thereof) within 180 days and (ii) in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365 days), shall be excluded;

(14) to the extent covered by insurance and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365 day period), expenses, charges or losses with respect to liability or casualty events or business interruption shall be excluded;

(15) any net pension costs or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Financial Accounting Standards Codification Topic 712 "Compensation—Nonretirement Postemployment Benefits" and Financial Accounting Standards Codification Topic 715 "Compensation—Retirement Benefits," and any other non-cash items of a similar nature, shall be excluded;

(16) any Transaction Costs shall be excluded;

(17) any income (loss) from Investments recorded using the equity method of accounting (but including any cash dividends or distributions actually received by the Issuer or any Restricted Subsidiary in respect of such investment) shall be excluded;

(18) the following items shall be excluded:

(a) any non-cash gain or loss (after any offset) attributable to the mark to market movement in the valuation of Hedging Obligations or other derivative instruments pursuant to Financial Accounting Standards Codification No. 815—Derivatives and Hedging (or any successor provision or other financial accounting standard having a similar result or effect) and its related pronouncements or mark to market movement of non-U.S. currencies, Indebtedness, derivatives instruments or other financial instruments pursuant to GAAP, including Financial Accounting Standards Codification No. 825—Financial Instruments (or any successor provision or other financial accounting standard having a similar result or effect), or an alternative basis of accounting applied in lieu of GAAP, shall be excluded; *provided* that any cash payments or receipts relating to transactions realized in a given period shall be taken into account in such period,

(b) any non-cash gain or loss (after any offset) from currency translation and transaction gains or losses including those related to currency remeasurements of Indebtedness (including any net gain or loss resulting from hedging agreements for currency exchange risk and revaluations of intercompany balances), intercompany loans, accounts receivables, accounts payable, intercompany balances, other balance sheet items, Hedging Obligations or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary and any other realized or unrealized foreign exchange gains or losses relating to the translation of assets and liabilities denominated in foreign currencies; and

(19) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures (*provided*, in each case, that the cash payment in respect thereof in such future period shall be subtracted from Consolidated Net Income for the period in which such cash payment was made) shall be excluded.

In addition, to the extent not already included in Consolidated Net Income, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received or due from business interruption insurance or reimbursement of expenses and charges that are covered by indemnification and other reimbursement provisions in connection with any acquisition or other Investment or any disposition of any asset permitted under the Indenture.

Notwithstanding the foregoing, for the purpose of the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" only (other than clause (2)(d) of the first paragraph thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by the Issuer and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from the Issuer and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Issuer or any of its Restricted Subsidiaries, any sale or other disposition of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (2)(d) thereof.

"*Consolidated Secured Net Debt Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Total Indebtedness secured by a Lien on the Collateral as of such date (other than Indebtedness secured by the Collateral with Junior Lien Priority relative to the Notes and the Note Guarantees) to (y) LTM EBITDA.

"*Consolidated Total Indebtedness*" means, as at any date of determination, an amount equal to (A) the sum of (1) the aggregate principal amount of all outstanding Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis consisting only of Indebtedness for borrowed money (excluding Indebtedness with respect to Cash Management Obligations, intercompany Indebtedness, Subordinated Indebtedness, Disqualified Stock, Preferred Stock of Restricted Subsidiaries and Indebtedness outstanding under the Senior Credit Facilities that were used to finance working capital needs of the Issuer and its Restricted Subsidiaries (as reasonably determined by the Issuer) as of such date), drawn but unreimbursed obligations under letters of credit (*provided* that any unreimbursed amount under commercial letters of credit shall not be counted as Consolidated Total Indebtedness until five Business Days after such amount is drawn), Obligations in respect of Capitalized Lease Obligations, Purchase Money Obligations and debt obligations evidenced by promissory notes or similar instruments (but excluding (i) the effects of any discounting of Indebtedness resulting from the application of the acquisition method accounting in connection with the G4S Acquisition or any Investment permitted under the Indenture, (ii) obligations relating to Receivables Facilities and (iii) obligations under Hedging Obligations) and (2) the aggregate amount of all outstanding Disqualified Stock of the Issuer and all Preferred Stock of its Restricted Subsidiaries on a consolidated basis, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case determined on a consolidated basis in accordance with GAAP, *minus* (B) the aggregate amount of cash and Cash Equivalents included on the consolidated balance sheet of the Issuer and its Restricted Subsidiaries as of the end of the most recent fiscal period for which consolidated financial statements are available (which may, at the Issuer's election, be internal financial statements) (*provided* that the cash proceeds of any proposed incurrence of Indebtedness shall not be included in this clause (B) for purposes of calculating the Consolidated Total Net Debt Ratio or the Consolidated Secured Net Debt Ratio, as applicable), with such *pro forma* adjustments as are consistent with the *pro forma* adjustments set forth in the definition of "Fixed Charge Coverage Ratio." For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock or Preferred Stock, such fair market value shall be determined in good faith by the Issuer.

"*Consolidated Total Net Debt Ratio*" means, as of any date of determination, the ratio of (x) the Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries as of such date to (y) LTM EBITDA.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any Non-Financing Lease Obligation, dividend or other obligation that does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds

  (a) for the purchase or payment of any such primary obligation, or

  (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Controlled Investment Affiliate*" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other companies.

"*Credit Agreement Collateral Agent*" means the collateral agent under the Credit Agreements, which, on the Issue Date, will be Credit Suisse AG, Cayman Islands Branch.

"*Credit Agreement Obligations*" means any obligation to pay any unpaid principal and interest on loans made under the Credit Agreements, any letter of credit reimbursement obligations owing under the Credit Agreements, obligations under any Secured Hedge Agreement, Banking Product Obligations and all other Obligations of the Issuers and any guarantor or other co-obligor under the Credit Agreements, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with, the Credit Agreements and the related loan documentation, in each case, whether on account of principal, interest, guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, fees and disbursements of counsel of any holder of Credit Agreement Obligations that are required to be paid by the Issuer or any guarantor or co-obligor pursuant to the terms of the relevant loan documentation).

"*Credit Agreement Secured Parties*" means the Credit Agreement Collateral Agent and the holders of the Credit Agreement Obligations.

"*Credit Agreements*" means (i) the Credit Agreement, dated as of July 12, 2019, by and among, inter alios, the Issuer, the guarantors from time to time party thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and each lender from time to time party thereto, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantees and security documents), and (ii) the Credit Agreement, dated as of April 8, 2021, as amended and restated on May 14, 2021, and as amended on November 23, 2021, December 9, 2022, May 11, 2023 and August 15, 2023, by and among, inter alios, the Issuer, Atlas LuxCo 4 S.à r.l., the guarantors from time to time party thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and each lender from time to time party thereto, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantees and security documents) (the "*2021 Credit Agreement*"), in each case, as each respective agreement is amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any one or more agreements (and related documents) governing Indebtedness, including indentures, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or adding or removing any Person as a borrower, issuer or guarantor thereunder, in whole or in part), the borrowings and commitments then outstanding or permitted to be outstanding under such Credit Agreements or one or more successors to the Credit Agreements or one or more new credit agreements.

"*Credit Facility*" or "*Senior Credit Facilities*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities (including the Credit Agreements and the ABL), indentures or other arrangements, commercial paper facilities and overdraft facilities with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Credit Agreements or ABL or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the terms "Credit Facility" and "Senior Credit Facilities" shall include any agreement or instrument (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof; *provided* that such increase in borrowings is permitted under the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" above.

"*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; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

"*Delaware Divided LLC*" means any Delaware LLC which has been formed upon the consummation of a Delaware LLC Division.

"*Delaware LLC*" means any limited liability company organized or formed under the laws of the State of Delaware.

"*Delaware LLC Division*" means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

"*Derivative Instrument*" with respect to a Person, means any contract, instrument or other right to receive payment or delivery of cash or other assets to which such Person or any Affiliate of such Person that is acting in concert with such Person in connection with such Person's investment in the Notes (other than a Screened Affiliate) is a party (whether or not requiring further performance by such Person), the value and/or cash flows of which (or any material portion thereof) are materially affected by the value and/or performance of the Notes and/or the creditworthiness of the Issuer, the Co-Issuer and/or any one or more of the Guarantors (the "*Performance References*").

"*Designated Non-cash Consideration*" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent retirement, sale, redemption, repurchase or other disposition of or collection or payment on such Designated Non-cash Consideration. A particular item of Designated Non-cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

"*Designated Preferred Stock*" means Preferred Stock of the Issuer or a Parent Entity (other than Disqualified Stock) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and that is designated as "Designated Preferred Stock" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the net cash proceeds of which are excluded from the calculation set forth in clause (2) of the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments."

"*Disinterested Director*" means, with respect to any Affiliate Transaction, a member of the Board of Directors having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any options, warrants or other rights in respect of such Capital Stock.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control or asset sale) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control or asset sale), in whole or in part, in each case prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided*, *however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under "—Certain Covenants—Limitation on Restricted Payments"; *provided, however*, that if such Capital Stock is issued to any future, current or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) (excluding the Permitted Holders (but not excluding any future, current or former employee, director, officer, manager, contractor, consultant or advisor) or Immediate Family Members), of the Issuer, any of its Subsidiaries, any Parent Entity or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of Directors of the Issuer or a Restricted Subsidiary (or the compensation committee thereof) or any other plan for the benefit of current, former or future employees (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or its Subsidiaries or by any such plan to such employees (or their respective Controlled Investment Affiliates or Immediate Family Members), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer 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 (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Issuer may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provisions unless such repurchase or redemption complies with the terms of the Indenture.

"*Dollars*" or "*$*" means the lawful currency of the United States of America.

"*Domestic Foreign Holdco*" means any Subsidiary substantially all of whose assets (directly and/or indirectly through one or more Subsidiaries) are capital stock (and, if applicable, debt) of one or more Subsidiaries that are CFCs and/or other Domestic Foreign Holdcos.

"*Domestic Subsidiary*" means, with respect to any Person, any Restricted Subsidiary of such Person other than a Foreign Subsidiary.

"*DTC*" means The Depository Trust Company or any successor securities clearing agency.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by the following, in each case, to the extent deducted (and not added back) in arriving at Consolidated Net Income of such Person for such period:

(a) (x) provision for Taxes based on income, profits, revenue or capital, including, without limitation, federal, foreign and state, provincial, territorial, local, unitary, excise, property, value added, franchise, excise and similar Taxes (such as Delaware franchise tax, Pennsylvania capital tax, Texas margin tax and provincial capital taxes paid in Canada) based on income, profits, revenue or capital and withholding Taxes (including any future taxes or other levies which replace or are intended to be in lieu of such taxes and any penalties and interest related to such taxes or arising from tax examinations) and similar Taxes of such Person paid or accrued during such period, including in respect of repatriated funds, any future Taxes or other levies which replace or are intended to be in lieu of such Taxes and any penalties and interest related to such Taxes or arising from any Tax examinations, (y) any distributions made to a Parent Entity with respect to the foregoing and (z) the net tax expense associated with any adjustments made pursuant to clauses (1) through (19) of the definition of "Consolidated Net Income"; *plus*

(b) Fixed Charges of such Person for such period (including (1) premium payments, debt discount, fees, charges and related expenses incurred in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, (2) the portion of rent expense with respect to such period under Capitalized Lease Obligations that is treated as interest expense in accordance with GAAP, (3) the implied interest component of synthetic leases with respect to such period, (4) net payments and losses on any Hedging Obligations or other derivative instruments, (5) bank, letter of credit and other financing fees and costs of surety bonds in connection with financing activities and (6) any commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Facility, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of "Consolidated Interest Expense" pursuant to clauses 1(i) through 1(xii) thereof; *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period; *plus*

(d) any fees, costs expenses or charges (other than Consolidated Depreciation and Amortization Expense) related to any actual, proposed or contemplated Equity Offering (including any expense relating to enhanced accounting functions or other transaction costs associated with becoming a public company, including Public Issuer Costs), Permitted Investment, Restricted Payment, acquisition, disposition, recapitalization or the incurrence of Indebtedness (and any amendment or modification to any such transaction) (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges (including rating agency fees, consulting fees and other related expenses and/or letter of credit or similar fees) related to the offering or incurrence of, or ongoing administration of the Notes, the Existing Notes, the Senior Credit Facilities and any other Credit Facility, any Receivables Fees, any other Indebtedness or any Equity Offering, in each case, whether or not consummated, to the extent deducted (and not added back) in computing Consolidated Net Income and (ii) any amendment or other modification of the Notes; *plus*

(e) restructuring charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves), integration and facilities opening costs or other business optimization expenses, one-time restructuring costs incurred in connection with acquisitions made after the Issue Date, project startup costs and costs related to the closure and/or consolidation of facilities, in each case, whether or not classified as restructuring expense on the consolidated financial statements; *plus*

(f) any other non-cash charges or deferred revenue, including, without limitation, any write offs or write downs, reducing Consolidated Net Income for such period; *provided* that if any such non-cash charges or deferred revenue represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period; *plus*

(g) the amount of any non-controlling or minority interest expense consisting of income attributable to non-controlling or minority equity interests of third parties in any non-Wholly Owned Subsidiary; *plus*

(h) the amount of Board of Directors fees and management, monitoring, consulting, advisory fees and other fees (including termination and transaction fees), indemnities and related expenses paid or accrued in such period under the Sponsor Management Agreement or otherwise to (or on behalf of) the Investors (including any termination fees payable in connection with the early termination of management and monitoring agreements) to the extent otherwise permitted under the covenant described under the caption "—Certain Covenants—Transactions with Affiliates"; *plus*

(i) the amount of *pro forma* "run rate" cost savings (including cost savings with respect to salary, benefit and other direct savings resulting from workforce reductions and facility, benefit and insurance savings and any savings expected to result from the limitation of a public target's Public Issuer Costs), operating expense reductions, other operating improvements (including the entry into material contracts or arrangements), revenue enhancements and initiatives and synergies (including, to the extent applicable, from (i) the effect of new customer contracts or projects and/or (ii) increased pricing or volume in existing contracts), any restructuring or cost saving initiative or other initiative projected by the Issuer in good faith to be realized as a result of actions taken, committed to be taken or planned to be taken, in each case on or prior to the date that is 24 months after the end of such period (including actions initiated prior to the Issue Date), including any cost savings, expenses and charges (including restructuring and integration charges) in connection with, or incurred by or on behalf of, any joint venture of the Issuer or any of its Restricted Subsidiaries (whether accounted for on the financial statements of any such joint venture or the Issuer) and any restructuring, cost saving initiative or other initiative, which cost savings shall be added to EBITDA as so projected until fully realized and calculated on a *pro forma* basis as though such cost savings (including cost savings with respect to salary, benefit and other direct savings resulting from workforce reductions and facility, benefit and insurance savings and any savings expected to result from the reduction of a public target's Public Issuer Costs), operating expense reductions, other operating improvements and initiatives and synergies had been realized on the first day of the relevant period, net of the amount of actual benefits realized from such actions; *provided* that no cost savings, operating expense reductions, other operating improvements or synergies shall be added pursuant to this clause (i) to the extent duplicative of any expenses or charges relating to such cost savings, operating expense reductions or synergies that are included in any other clause of this definition (it being understood and agreed that "run rate" shall mean the full recurring benefit that is associated with any action taken) (which adjustments may be incremental to *pro forma* cost savings, operating improvements, synergies and operating expense reductions made pursuant to the definition of "Fixed Charge Coverage Ratio"); *plus*

(j) the amount of loss or discount on sale of receivables, Receivables Assets and related assets in connection with a Receivables Facility; *plus*

(k) any costs or expense incurred by the Issuer or a Restricted Subsidiary or a Parent Entity pursuant to any management equity plan, stock option plan, phantom equity plan, profits interests or any other management, employee benefit or other compensatory plan or agreement plan or agreement (and any successor plans or arrangements thereto), any employment, termination or severance agreement or any stock subscription or shareholder agreement and any costs or expenses in connection with the roll-over, acceleration or payout of Capital Stock, to the extent that such cost or expenses non-cash or otherwise funded with cash proceeds contributed to the capital of the Issuer or net cash proceeds of an issuance of Equity Interest of the Issuer (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (2) of the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments"; *plus*

(l) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Financial Accounting Standards Codification No. 715, and any other items of a similar nature; *plus*

(m) operating expenses incurred on or prior to the Issue Date attributable to (i) salary obligations paid to employees terminated prior to the Issue Date and (ii) wages paid to executives in excess of the amounts the Issuer and its Subsidiaries are required to pay pursuant to any employment agreements; *plus*

(n) any net loss from discontinued operations; *plus*

(o) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*

(p) any loss relating to amounts paid in cash prior to the stated settlement date of any hedging obligation that has been reflected in Consolidated Net Income for such period; *plus*

(q) any gain relating to hedging obligations associated with transactions realized in the current period that has been reflected in Consolidated Net Income in prior periods and excluded from EBITDA pursuant to clauses (2)(c) and (2)(d) below; *plus*

(r) the amount of any costs, charges or expenses relating to payments made to stock appreciation or similar rights, stock option, restricted stock, phantom equity, profit interests or other interests or right holders of the Issuer or any Parent Entity in connection with, or as a result of, any distribution being made to shareholders of such Person or any of its Subsidiaries or any Parent Entities, which payments are being made to compensate such holders as though they were shareholders at the time of, and entitled to share in, such distribution, in each case to the extent not prohibited under the Indenture; *plus*

(s) any net loss included in the Consolidated Net Income attributable to non-controlling or minority interests pursuant to the application of Accounting Standards Codification Topic 810-10-45 (or any successor provision or other financial accounting standard having a similar result or effect); *plus*

(t) (i) unrealized or realized foreign exchange losses resulting from the impact of foreign currency changes and (ii) gains and losses due to fluctuations in currency values and related tax effects determined in accordance with GAAP; *plus*

(u) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (1)(a) and (1)(c) above relating to such joint venture corresponding to the Issuer's and its Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*

(v) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments, in each case in connection with acquisitions or Investments; *plus*

(w) the difference between (i) rent expense calculated in accordance with GAAP and (ii) the actual cash rent paid; *plus*

(x) the unamortized fees, costs and expenses paid in cash in connection with the repayment of Indebtedness to Persons that are not Affiliates of the Issuer or any of its Restricted Subsidiaries; *plus*

(y) (i) adjustments of the nature or type used in connection with the calculation of “Pro Forma Adjusted EBITDA” as set forth in footnote (1) of “Summary—Summary Historical Consolidated and Other Financial Information” contained in the Offering Memorandum and other adjustments of a similar nature to the foregoing and (ii) any due diligence quality of earnings report from time to time prepared with respect to the target of an acquisition or Investment by a nationally recognized accounting firm;

(2) decreased (without duplication) by the following, in each case, to the extent included in determining Consolidated Net Income of such Person for such period:

(a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced EBITDA in any prior period (other than non-cash gains relating to the application of Accounting Standards Codification Topic 842—Leases) (or any successor provision or other financial accounting standard having a similar result or effect); *plus*

(b) the amount of any non-controlling interest consisting of loss attributable to non-controlling interests of third parties in any non-Wholly Owned Subsidiaries added (and not deducted) in such period in calculating Consolidated Net Income; *plus*

(c) any gain relating to amounts received in cash prior to the stated settlement date of any hedging obligation that has been reflected in Consolidated Net Income in such period; and

(d) any loss relating to hedging obligations associated with transactions realized in the current period that has been reflected in Consolidated Net Income in prior periods and excluded from EBITDA pursuant to clauses (1)(p) and (1)(q) above;

(3) increased by any income from investments recorded using the equity method of accounting or the cost method of accounting, without duplication and to the extent not included in arriving at Consolidated Net Income, except to the extent such income was attributable to income that would be deducted pursuant to clause (2) above if it were income of the Issuer or any of its Restricted Subsidiaries;

(4) decreased by any losses from investments recorded using the equity method of accounting or the cost method of accounting, without duplication and to the extent not deducted in arriving at Consolidated Net Income, except to the extent such loss was attributable to losses that would be added back pursuant to clause (1) above if it were a loss of the Issuer or any of its Restricted Subsidiaries;

(5) increased by an amount, with respect to investments recorded using the equity method of accounting or the cost method of accounting and without duplication of any amounts added pursuant to clause (3) above, equal to the amount attributable to each such investment that would be added to EBITDA pursuant to clause (1) above if instead attributable to the Issuer or a Subsidiary, pro-rated according to the Issuer’s or the applicable Subsidiary’s percentage ownership in such investment;

(6) decreased by an amount, with respect to investments recorded using the equity method of accounting or the cost method of accounting and without duplication of any amounts deducted pursuant to clause (4) above, equal to the amount attributable to each such investment that would be deducted from EBITDA pursuant to clause (2) above if instead attributable to the Issuer or a Subsidiary, pro-rated according to the Issuer's or the applicable Subsidiary's percentage ownership in such investment;

in each case, as determined on a consolidated basis for such Person in accordance with GAAP; *provided* that:

(I) to the extent included in Consolidated Net Income, there shall be excluded in determining EBITDA currency translation gains and losses related to currency remeasurements of assets or liabilities (including the net loss or gain resulting from hedging agreements for currency exchange risk and revaluations of intercompany balances),

(II) to the extent included in Consolidated Net Income, there shall be excluded in determining EBITDA for any period any adjustments resulting from the application of Financial Accounting Standards Codification No. 815, and

(III) to the extent included in Consolidated Net Income, there shall be excluded in determining EBITDA any expense (or income) as a result of adjustments recorded to contingent consideration liabilities relating to the Transactions or Investment permitted under the Indenture.

"*EMU*" means economic and monetary union as contemplated in the Treaty on European Union.

"*Enforcement Notice*" means written notice delivered, at a time when an Event of Default has occurred and is continuing, by either the ABL Collateral Agent or any Pari Notes Debt Agent to the other specifying the relevant Event of Default.

"*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 any public or private sale or issuance of Capital Stock or Preferred Stock (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Issuer or any Parent Entity, other than:

(1) offerings with respect to the Issuer's or any Parent Entity's common stock registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions or other securities of the Issuer or any Parent Entity;

(2) issuances of Capital Stock to any Subsidiary of the Issuer; and

(3) any such public or private sale that constitutes an Excluded Contribution or a Contributed Holdings Investment.

"*Euro*" or "*€*" means the single currency of participating member states of the EMU.

"*Event of Default*" has the meaning set forth under the caption "—Events of Default and Remedies."

"*Excess Proceeds*" has the meaning set forth in the third paragraph under the caption "—Repurchase at the Option of Holders—Asset Sales."

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Assets*" means, (1) in relation to the Issuer, the Co-Issuer and the Guarantors that are Domestic Subsidiaries, (a) any fee-owned real property and all leasehold (including ground lease) interests in real property, (b) motor vehicles and other assets subject to certificates of title except to the extent a security interest therein may be perfected by the filing of a UCC-1 financing statement, (c) letter-of-credit rights (except to the extent a security interest therein can be perfected with the filing of a UCC-1 financing statement), (d) commercial tort claims with a value of less than $50,000,000, and commercial tort claims for which (and only for so long as) no complaint or counterclaim has been filed in a court of competent jurisdiction, (e) Excluded Equity Interests, (f) any lease, license, sublicense, contract, other agreement, or any property subject to a purchase money security interest or similar arrangement not prohibited by the Indenture, to the extent and for so long as, the grant of a security interest therein (A) would require the consent of a third party other than the Issuer, the Co-Issuer or a Guarantor (unless such consent has been received), or (B) violates or invalidates, constitutes a breach of or a default under, or creates a right of termination in favor of any other party thereto (other than the Issuer, the Co-Issuer or any Guarantor) to, such lease, contract, license, sublicense, other agreement or document, in each case of (A) or (B) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction, (g) any asset of a Subsidiary subject to a Lien permitted by clause (8) of the definition of the term "Permitted Liens," in each case if, to the extent and for so long as the grant of a Lien on such asset to secure the Notes is prohibited by any agreement permitted under the Indenture pursuant to which such Lien has been created so long as such prohibition is not created in contemplation of the transactions described in clause (8) of the definition of the term "Permitted Liens" (after giving effect to the applicable anti-assignment provisions in the Uniform Commercial Code of any applicable jurisdiction), (h) any (A) intent-to-use trademark applications filed in the United States Patent and Trademark Office, pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. Section 1051, prior to the accepted filing of a "Statement of Use" and issuance of a "Certificate of Registration" pursuant to Section 1(d) of the Lanham Act or an accepted filing of an "Amendment to Allege Use" whereby such intent-to-use trademark application is converted to a "use in commerce" application pursuant to Section 1(c) of the Lanham Act and (B) any other intellectual property in any jurisdiction where the grant, attachment or enforcement of a Lien thereon would cause the invalidation or abandonment, or result in the voiding, of such intellectual property under applicable law, (i) any asset of a Subsidiary if, to the extent and for so long as the grant of a Lien on such asset to secure the Notes Obligations is (A) prohibited by any requirements of law, any permitted contractual obligation disclosed in writing to the Notes Collateral Agent and binding on such asset on the Issue Date (or, if later, the date of acquisition of such asset, or the date a Person that owns such assets becomes a Guarantor, so long as any such prohibition is not created in contemplation of such acquisition or of such Person becoming a Guarantor) or any permitted agreement with any Governmental Authority binding on such asset (in each case, after giving effect to the applicable anti-assignment provisions in the Uniform Commercial Code of any applicable jurisdiction) or (B) would require the consent, approval, license or authorization from any Governmental Authority or regulatory authority, unless such consent, approval, license or authorization has been received (after giving effect to the applicable anti-assignment provisions in the Uniform Commercial Code of any applicable jurisdiction), (j) margin stock (within the meaning of Regulation U of the Board of Governors, as in effect from time to time), (k) Receivables Assets subject to a Receivables Facility permitted under the Indenture that are customarily sold or pledged in connection with receivables transactions and the proceeds thereof, (l) any deposit account or securities account that is used solely as a pension fund, escrow (including, without limitation, any escrow accounts for the benefit of customers), trust, or similar account, in each case, for the benefit of third parties, (m) assets to the extent a security interest in such assets would result in material adverse tax consequences to the Issuer (or, if applicable, the common parent of the Issuer's consolidated group for applicable income tax purposes) and its Subsidiaries as reasonably determined in writing by the Issuer in an Officer's Certificate delivered to the Notes Collateral Agent; *provided* that such assets do not secure (or purport to secure) any ABL Obligations, Credit Agreement Obligations, Obligations under the Existing Secured Notes or Other Pari Passu Lien Obligations and (n) any assets with respect to which, in the reasonable judgment of the Issuer (as agreed to in writing in an Officer's Certificate delivered to the Notes Collateral Agent), the cost, burden, difficulty or other consequences (including adverse tax consequences) of pledging such assets or perfecting a security interest therein shall be excessive in view of the benefits to be obtained by the lenders therefrom; *provided* that such assets do not secure (or purport to secure) any ABL Obligations, Credit Agreement Obligations, Obligations under the Existing Secured Notes or Other Pari Passu Lien Obligations; and (2) in relation to any Guarantors that are Foreign Subsidiaries, any assets of, held by or relating to, any Guarantors that are Foreign Subsidiaries, which, in each case, do not fall within the assets expressly contemplated under the definition of Overriding Principle (as defined in the Agreed Security Principles) or are otherwise excluded in accordance with the Agreed Security Principles.

"*Excluded Contribution*" means net cash proceeds, marketable securities, property or assets or Qualified Proceeds received by the Issuer after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the issuance or sale (other than to a Restricted Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or trust of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer, which are excluded from the calculation set forth in clause (2) of the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments."

"*Excluded Equity Interests*" means (a) any of the outstanding voting Equity Interests or other voting ownership interests of any Subsidiary that is a CFC or Domestic Foreign Holdco in excess of 65% of all the voting Equity Interests or other voting ownership interests of such CFC or Domestic Foreign Holdco designated as having voting power, (b) any equity or other voting ownership interests in any Subsidiary that is not a first tier Subsidiary of the Issuer, the Co-Issuer or a Guarantor, (c) any Equity Interests to the extent the pledge thereof would be prohibited or limited by any applicable requirement of law existing on the date hereof or on the date such Equity Interests are acquired by the Issuer or any other Grantor or on the date the issuer of such Equity Interests is created other than to the extent that any such prohibition would be rendered ineffective pursuant to the applicable anti-assignment provisions in the Uniform Commercial Code of any applicable jurisdiction, (d) the Equity Interests of a Subsidiary (other than a Wholly Owned Subsidiary) the pledge of which would violate such Subsidiary's organizational or joint venture documents that is binding on or relating to such Equity Interests after giving effect to the applicable anti-assignment provisions in the Uniform Commercial Code of any applicable jurisdiction, (e) the Equity Interests of any Unrestricted Subsidiaries and (f) the Equity Interests of any broker dealer or trust companies.

"*Existing 2026 Secured Notes*" means the $1,940.0 million aggregate principal amount of 6.625% Senior Secured Notes due 2026 issued by the Issuer and the Co-Issuer pursuant to the Existing 2026 Secured Notes Indenture.

"*Existing 2026 Secured Notes Indenture*" means the Indenture, dated as of July 12, 2019, by and among the Issuer, the Co-Issuer, the Guarantors party thereto and Wilmington Trust, National Association, as trustee and notes collateral agent, as amended, supplemented or otherwise modified from time to time.

"*Existing 2027 Unsecured Notes*" means the $1,050.0 million aggregate principal amount of 9.750% Senior Notes due 2027 issued by the Issuer and the Co-Issuer pursuant to the Existing 2027 Unsecured Notes Indenture.

"*Existing 2027 Unsecured Notes Indenture*" means the Indenture, dated as of July 12, 2019, by and among the Issuer, the Co-Issuer, the Guarantors party thereto and Wilmington Trust, National Association, as trustee, as amended, supplemented or otherwise modified from time to time.

"Existing 2028 Secured Notes" means (i) the $1,225.0 million aggregate principal amount of 4.625% Senior Secured Notes due 2028 issued by the Issuer, the Co-Issuer and Atlas LuxCo 4 S.à r.l., (ii) the $775.0 million aggregate principal amount of 4.625% Senior Secured Notes due 2028 issued by Atlas LuxCo 4 S.à r.l., the Issuer and the Co-Issuer, (iii) the €813.0 million aggregate principal amount of 3.625% Senior Secured Notes due 2028 issued by Atlas LuxCo 4 S.à r.l., the Issuer and the Co-Issuer and (iv) the £367.7 million aggregate principal amount of 4.875% Senior Secured Notes due 2028 issued by Atlas LuxCo 4 S.à r.l., the Issuer and the Co-Issuer, in each case pursuant to the Existing 2028 Secured Notes Indenture.

"*Existing 2028 Secured Notes Indenture*" means the Indenture, dated as of May 14, 2021 by and among the Issuer, the Co-Issuer, Atlas LuxCo 4 S.à r.l., the Guarantors party thereto and Wilmington Trust, National Association, as trustee, U.S. Dollar paying agent, U.S. Dollar registrar, U.S. Dollar transfer agent and notes collateral agent, and The Bank of New York Mellon, London Branch, as non-U.S. Dollar paying agent and Non-U.S. Dollar transfer agent and the Bank of New York Mellon SA/NV, Dublin Branch, as Non-U.S. Dollar registrar, as amended, supplemented or otherwise modified from time to time.

"*Existing 2029 Unsecured Notes*" means the $960.0 million aggregate principal amount of 6.000% Senior Notes due 2029 issued by the Issuer and the Co-Issuer pursuant to the Existing 2029 Unsecured Notes Indenture.

"*Existing 2029 Unsecured Notes Indenture*" means the Indenture, dated as of May 14, 2021, by and among the Issuer, the Co-Issuer, the Guarantors party thereto and Wilmington Trust, National Association, as trustee, as amended, supplemented or otherwise modified from time to time.

"*Existing Notes*" means (i) the Existing Secured Notes and (ii) the Existing Unsecured Notes.

"*Existing Notes Indentures*" means (i) the Existing Secured Notes Indentures and (ii) the Existing Unsecured Notes Indentures.

"*Existing Secured Notes*" means (i) the Existing 2026 Secured Notes and (ii) the Existing 2028 Secured Notes.

"*Existing Secured Notes Collateral Agent*" means Wilmington Trust, National Association, in its capacity as notes collateral agent under the Existing Secured Notes Indentures, together with its successors and assigns in such capacity.

"*Existing Secured Notes Indentures*" means (i) the Existing 2026 Secured Notes Indenture and (ii) the Existing 2028 Secured Notes Indenture.

"*Existing Unsecured Notes*" means (i) the Existing 2027 Unsecured Notes and (ii) the Existing 2029 Unsecured Notes.

"*Existing Unsecured Notes Indentures*" means (i) the Existing 2027 Unsecured Notes Indenture and (ii) the Existing 2029 Unsecured Notes Indenture.

"*fair market value*" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Issuer in good faith.

"*Fitch*" means Fitch Ratings, Inc., and any successor or assign Rating Agency.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Issuer or any Restricted Subsidiary incurs, assumes, guarantees, redeems (or gives irrevocable notice of redemption for), repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility, unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, deemed incurrence, assumption, guarantee, redemption (including as contemplated by any such irrevocable notice of redemption), repayment, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Secured Net Debt Ratio or Consolidated Total Net Debt ratio, such ratio(s) shall be calculated with respect to such incurrence, issuance or other transaction without giving effect to amounts being utilized under any other basket (other than a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Secured Net Debt Ratio or Consolidated Total Net Debt Ratio) on the same date. Each item of Indebtedness that is incurred or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, issued or taken first, to the extent available, pursuant to the relevant Fixed Charge Coverage Ratio, Consolidated Secured Net Debt Ratio or Consolidated Total Net Debt Ratio test.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on a ratio basket based on a Fixed Charge Coverage Ratio, Consolidated Secured Net Debt Ratio or Consolidated Total Net Debt Ratio, such ratio(s) shall be calculated without regard to the incurrence of any Indebtedness under any revolving facility or letter of credit facility (1) immediately prior to or in connection therewith or (2) used to finance working capital needs of the Issuer and its Restricted Subsidiaries.

The Indenture shall provide that any calculation or measure that is determined with reference to the Issuer's financial statements (including EBITDA, Consolidated Interest Expense, Consolidated Net Income, Fixed Charges, Fixed Charge Coverage Ratio, Consolidated Secured Net Debt Ratio and Consolidated Total Net Debt Ratio) may be determined with reference to the financial statements of a Parent Entity instead, so long as such Parent Entity does not hold any material assets other than, directly or indirectly, the Capital Stock of the Issuer, the Guarantors and their respective Subsidiaries.

For purposes of making the computation referred to in the paragraph above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, operational changes, business expansion and disposed or discontinued operations (as determined in accordance with GAAP) that have been made by the Issuer or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, operational changes, business expansion and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, operational change, business expansion or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation, operational change, business expansion or disposed operation had occurred at the beginning of the applicable four-quarter period (subject to the threshold specified in the previous sentence).

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction (including the Transactions), the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt, cost savings, operating improvements, synergies and expense reductions which is being given *pro forma* effect). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

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

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary of such Person during such period; and

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"*Foreign Subsidiary*" means, with respect to any Person, any Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia and any Restricted Subsidiary of such Foreign Subsidiary.

"*G4S Acquisition*" means the acquisition by Affiliates of the Issuer of G4S plc and its subsidiaries and the related transactions.

"*GAAP*" means generally accepted accounting principles in the United States of America 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, which are in effect from time to time; *provided* that all terms of an accounting or financial nature used in the Indenture shall be construed, and all computations of amounts and ratios referred to in the Indenture shall be made (a) without giving effect to any election under Accounting Standards Codification Topic 825—Financial Instruments, or any successor thereto or comparable accounting principle (including pursuant to the Accounting Standards Codification), to value any Indebtedness of the Issuer or any Subsidiary at "fair value," as defined therein and (b) the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations. At any time after the Issue Date, the Issuer may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture); *provided* that any such election, once made, shall be irrevocable; *provided*, *further*, any calculation or determination in the Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to the Issuer's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. The Issuer shall give notice of any such election made in accordance with this definition to the Trustee. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

If there occurs a change in IFRS or GAAP, as the case may be, and such change would cause a change in the method of calculation of any standards, terms or measures used in the Indenture (an "*Accounting Change*"), then the Issuer may elect that such standards, terms or measures shall be calculated as if such Accounting Change had or had not occurred.

"*Governmental Authority*" means the government of the United States of America, any other nation or any political subdivision thereof, whether federal, state, provincial, territorial, local or otherwise, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

"*Grantors*" means the Issuer, the Co-Issuer, the Guarantors and any future Guarantor that becomes a party to the Notes Security Agreement.

"*Guarantee*" means, any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term “Guarantee” will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and *provided, further,* that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person’s maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The term “Guarantee” used as a verb has a corresponding meaning.

“*Guarantor*” means each Restricted Subsidiary that Guarantees the Notes, until such Note Guarantee is released in accordance with the terms of the Indenture.

“*Hedging Obligations*” means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

“*Holder*” means each Person in whose name a Note is registered on the registrar’s books, which shall initially be the nominee of DTC.

“*Holding Company*” means any Person so long as such Person directly or indirectly holds 100% of the total voting power of the Voting Stock of the Issuer, and at the time such Person acquired such voting power, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (other than any Permitted Holder), shall have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such Person.

“*IFRS*” means the international financial reporting standards as issued by the International Accounting Standards Board as in effect from time to time.

“*Immaterial Subsidiary*” means, at any date of determination, each Restricted Subsidiary of the Issuer that (i) has not guaranteed any other Indebtedness of the Issuer and (ii) has Total Assets and revenues, in each case, of less than 5.0% of Total Assets and revenues and, together with all other Immaterial Subsidiaries, has Total Assets and revenues of less than 10.0% of Total Assets and revenues, in each case, measured at the end of the most recent fiscal period for which consolidated financial statements are available (which may, at the Issuer’s election, be internal consolidated financial statements) on a *pro forma* basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such Subsidiary.

“*Immediate Family Members*” means, with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships, the estate of such individual and such other individuals above) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“*incur*” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “incurred” and “incurrence” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “incurred” at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person, without duplication:

(1) the principal indebtedness of such Person:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof) (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence); or

(c) representing the balance deferred and unpaid of the purchase price of any property, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto, and Capitalized Lease Obligations, except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) any earn-out obligations until, after 30 days of becoming due and payable, has not been paid and such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and any purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller; or

(d) representing any Hedging Obligations to the extent not otherwise included in this definition (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement);

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any Guarantee by such Person on the principal components of the obligations of the type referred to in clause (1) of a third Person to the extent Guaranteed by such Person, other than by endorsement of negotiable instruments for collection in the ordinary course of business; *provided* that the amount of Indebtedness of any Person for purposes of this clause (2) shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Issuer) and (b) the amount of such Indebtedness of such other Persons;

provided, *however,* that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or consistent with past practice or industry practice, (b) obligations under or in respect of Receivables Facilities, (c) Indebtedness of any Parent Entity appearing on the balance sheet of the Issuer, or solely by reason of push down accounting under GAAP, (d) intercompany liabilities arising from their cash management, tax, and accounting operations, (e) intercompany loans, advances or Indebtedness having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) and made in the ordinary course of business, (f) Cash Management Obligations, (g) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Issue Date, Non-Financing Lease Obligations, Sale and Lease-back Transactions or any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice, (h) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business or consistent with past practice, (i) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any deferred or prepaid revenue, post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner, (j) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes, (k) Capital Stock, (l) amounts owed to dissenting stockholders (including in connection with, or as a result of, exercise of dissenters' or appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, amalgamation, merger or transfer of assets that complies with the covenant described under the caption "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets," (m) deferred obligations under any Sponsor Management Agreement, (n) accrued obligations in the ordinary course of business, (o) royalty payments made in the ordinary course of business, (p) any accruals for payroll and other noninterest bearing liabilities in the ordinary course of business, (q) deferred rent obligations, taxes and compensation, (r) customary payables with respect to money orders or wire transfers and (s) customary obligations under employment agreements.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness. Indebtedness shall be calculated without giving effect to the effects of Accounting Standards Codification Topic 815—Derivatives and Hedging and related pronouncements to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant to Persons engaged in Similar Businesses of nationally recognized standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Purchasers*" means the persons named as initial purchasers in the Purchase Agreement, dated as of , 2024.

"*Intercompany License Agreement*" means any cost sharing agreement, commission or royalty agreement, license or sublicense agreement, distribution agreement, services agreement, intellectual property rights transfer agreement, any related agreements or similar agreements, in each case where all parties to such agreement are one or more of the Issuer or a Restricted Subsidiary.

"*Intercreditor Agreements*" means, collectively, the ABL Intercreditor Agreement and the Pari Passu Intercreditor Agreement.

"*Investment Grade Rating*" means a rating equal to or higher than (x) Baa3 (or the equivalent) by Moody's, (y) BBB- (or the equivalent) by S&P or (z) a rating of "BBB-" (or the equivalent) by Fitch, as applicable, or if the Notes are not then rated by Moody's, S&P or Fitch, an equivalent rating by any other Rating Agency.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by the Canadian, United Kingdom or Japanese governments, a member state of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) corresponding instruments in countries other than the United States of America customarily utilized for high quality investments.

"*Investments*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, capital contributions and other extensions of credit (excluding (i) accounts receivable, credit card and debit card receivables, trade credit, advances or extensions of credit to customers, distributors, suppliers, past, present or former employees, directors, officers, managers, contractors, consultants or advisors (or their respective Controlled Investment Affiliates or Immediate Family Members), commission, travel and similar advances to past, present or former employees, directors, officers, managers, distributors, contractors, consultants or advisors (or their respective Controlled Investment Affiliates or Immediate Family Members) in each case made in the ordinary course of business or consistent with past practice or industry practice, (ii) any debt or extension of credit represented by a bank deposit other than a time deposit, (iii) intercompany advances arising from cash management, tax and accounting operations and (iv) intercompany loans, advances, or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others)), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property; *provided* that endorsements of negotiable instruments and documents in the ordinary course of business or consistent with past practice or industry practice will not be deemed to be an Investment.

For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments":

(1) "Investments" shall include the portion (proportionate to the Issuer's direct or indirect equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer or the applicable Restricted Subsidiary shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

  (a) the Issuer "Investment" in such Subsidiary at the time of such redesignation; less

  (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation;

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Issuer; and

(3) if the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash, Cash Equivalents or other property by the Issuer or a Restricted Subsidiary in respect of such Investment.

"*Investors"* means, individually or collectively, any fund, partnership, co-investment vehicles and/or similar vehicles or accounts, in each case managed or advised by Warburg Pincus LLC, Partners Group and Caisse de dépôt et placement du Québec and, if applicable, each of their respective Affiliates, including the funds, partnerships or other co-investment vehicles managed, advised or controlled by them or each of their respective Affiliates, but not including, however, any portfolio operating companies of any of the foregoing.

"*IPO Listco*" means a Wholly Owned Subsidiary of the Issuer or any Parent Entity formed in contemplation of any Qualified IPO to become an IPO Entity.

"*IPO Shell Company*" means each of IPO Listco and any IPO Subsidiary.

"*IPO Subsidiary*" means a Wholly Owned Subsidiary of IPO Listco formed in contemplation of, and to facilitate, a Qualified IPO Reorganization Transaction and a Qualified IPO.

"*Issue Date*" means , 2024.

"*Issuer*" has the meaning set forth in the first paragraph under "General" and its permitted successors.

"*Junior Lien Priority*" means Indebtedness that is secured by a Lien on the Collateral that is junior in priority to the Liens on the Collateral securing the Obligations under the Notes and is subject to an intercreditor agreement (it being understood that junior Liens are not required to rank equally and ratably with other junior Liens, and that Indebtedness secured by junior Liens may be secured by Liens that are senior in priority to, or rank equally and ratably with, or junior in priority to, other Liens constituting junior Liens).

"*LCT Election*" has the meaning set forth in the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"*LCT Test Date*" has the meaning set forth in the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"*Lien*" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge or other security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any Capitalized Lease having substantially the same economic effect as any of the foregoing); *provided* that in no event shall Non-Financing Lease Obligations be deemed to constitute a Lien.

"*Limited Condition Transaction*" means (1) any Investment or acquisition (whether by merger, amalgamation, consolidation or other business combination or the acquisition of Equity Interests or otherwise and which may include, for the avoidance of doubt, a transaction that may constitute a Change of Control), whose consummation is not conditioned on the availability of, or on obtaining, third party financing; (2) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment; (3) any Restricted Payment requiring irrevocable notice in advance thereof; and (4) any asset sale or a disposition excluded from the definition of "Asset Sale."

"*Long Derivative Instrument*" means a Derivative Instrument (i) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with positive changes to the Performance References and/or (ii) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with negative changes to the Performance References.

"*LTM EBITDA*" means EBITDA of the Issuer for the most recently completed Test Period in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition or Investment, as applicable, since the start of such Test Period and as are consistent with the *pro forma* adjustments set forth in the definition of "Fixed Charge Coverage Ratio."

"*Luxembourg*" means the Grand Duchy of Luxembourg.

"*Management Investors*" means the members of management of the Issuer (or any Parent Entity) or its Subsidiaries who are holders of Capital Stock of the Issuer or of any Parent Entity on the Issue Date.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common Capital Stock of the Issuer or any Parent Entity on the date of the declaration of a Restricted Payment permitted pursuant to clause (9) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" multiplied by (ii) the arithmetic mean of the closing prices per share of such common Capital Stock on the principal securities exchange on which such common Capital Stock are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"*Moody's*" means Moody's Investors Service, Inc. and any successor or assign Rating Agency.

"*Net Income*" means, with respect to any 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 the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale, including any cash received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Sale or received in any other non-cash form, net of the costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting, consulting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, and brokerage and sales commissions, distributions and other payments required to be made to non-controlling interest or minority interest holders (other than the Issuer or any of its Subsidiaries) in Subsidiaries or joint ventures as a result of such transaction, the amount of any purchase price or similar adjustment claimed by any Person to be owed by the Issuer or any Restricted Subsidiary, until such time as such claim will have been settled or otherwise finally resolved, or paid or payable by the Issuer or any Restricted Subsidiary, in either case in respect of such Asset Sale, any relocation expenses incurred as a result thereof, commissions, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees), all costs associated with unwinding any related Hedging Obligations in connection with such transaction, other fees and expenses, including title and recordation expenses, title insurance premiums, survey costs, Taxes paid or estimated to be payable as a result thereof (after taking into account any available Tax credits or deductions and any Tax sharing arrangements) or any transactions occurring or deemed to occur to effectuate a payment under the Indenture, Tax reserves set aside or payable or accrued as a liability under GAAP (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution or deemed distribution of such proceeds to the Issuer or any of its Subsidiaries, transfer taxes, deed or mortgage recording taxes and taxes that would be payable in connection with any repatriation of such proceeds), as a consequence of such transaction, including distributions for Related Taxes or any transactions occurring or deemed to occur to effectuate a payment under the Indenture, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Subordinated Indebtedness) or amounts required to be applied to the repayments of Indebtedness which is (x) secured by a Lien on such assets, (y) is owed by a Non-Guarantor Subsidiary or (z) required (other than required by clause (1) of the second paragraph of the caption "—Repurchase at the Option of Holders—Asset Sales") by applicable law to be paid out of the proceeds from such transaction, any deduction of appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any of its Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, any portion of the purchase price from such transaction placed in escrow, whether for the satisfaction of any indemnification obligations in respect of such transaction, as a reserve for adjustments to the purchase price associated with any such transaction or otherwise in connection with such transaction and the amount of any liabilities (other than Indebtedness in respect of the Senior Credit Facilities and the Notes) directly associated with such asset being sold and retained by the Issuer or any of its Restricted Subsidiaries.

"*Net Short*" means, with respect to a Holder or beneficial owner, as of a date of determination, either (i) the value of its Short Derivative Instruments exceeds the sum of the (x) the value of its Notes *plus* (y) the value of its Long Derivative Instruments as of such date of determination or (ii) it is reasonably expected that such would have been the case were a Failure to Pay or Bankruptcy Credit Event (each as defined in the 2014 ISDA Credit Derivatives Definitions) to have occurred with respect to the Issuer, the Co-Issuer or any Guarantor immediately prior to such date of determination.

"*Non-Financing Lease Obligation*" means a lease obligation that is not required to be accounted for as a financing or capital lease in accordance with GAAP. For the avoidance of doubt, a straight-line or operating lease shall be considered a Non-Financing Lease Obligation.

"*Non-Guarantor Subsidiary*" means any Restricted Subsidiary that is not a Guarantor.

"*Notes Collateral*" means the portion of the Collateral as to which the Notes and the Note Guarantees have a first-priority security interest (subject to any Permitted Liens) as described under the caption "—Security—Notes Collateral."

"*Notes Documents*" means the Indenture, the Notes, the Note Guarantees and the Collateral Documents.

"*Notes Obligations*" means any obligation to pay any unpaid principal and interest on the Notes, and all other Obligations of the Issuers and any Guarantor or other co-obligor under the any Notes Document, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with, the Notes and the related notes documentation, in each case, whether on account of principal, interest, guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuers or any Guarantor whether or not a claim for post-petition interest is allowed in such proceedings and all fees and disbursements of counsel of any holder of Notes Obligations that are required to be paid by the Issuers or any Guarantor or co-obligor pursuant to the terms of the relevant loan documentation).

"*Notes Security Agreement*" means the Security Agreement, dated as of the Issue Date, among the Issuers, the other Grantors party thereto, the Notes Collateral Agent and the other parties thereto, as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time.

"*Obligations*" means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the Offering Memorandum, dated   , 2024, relating to the offering of the Notes.

"*Officer*" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Assistant Treasurer, any Managing Director, Director, any Executive Vice President, any Senior Vice President, the Secretary or any Assistant Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means a certificate signed on behalf of the Issuers by an Officer of each Issuer or on behalf of any other Person, as the case may be, that meets the requirements set forth in the Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel. Such counsel may be an employee of or counsel to the Issuer or the Trustee.

"*Other Pari Passu Lien Obligations*" means any Indebtedness or other Obligations having Pari Passu Lien Priority relative to the Notes with respect to the Collateral; *provided* that an authorized representative of the holders of such Indebtedness shall have executed a joinder to the ABL Intercreditor Agreement and the Pari Passu Intercreditor Agreement.

"*Parent Entity*" means any direct or indirect parent of the Issuer (or any successor thereof).

"*Pari Notes Debt Agent*" means the Notes Collateral Agent, the Credit Agreement Collateral Agent, the Existing Secured Notes Collateral Agent and each collateral agent or other representative of the holders of Other Pari Passu Lien Obligations.

"*Pari Notes Debt Secured Parties*" means the Noteholder Secured Parties, the holders of the Credit Agreement Obligations, the holders of the Obligations under the Existing Secured Notes and the holders of Other Pari Passu Lien Obligations.

"*Pari Passu Indebtedness*" means Indebtedness of the Issuers which ranks equally in right of payment to the Notes or of any Guarantor if such Indebtedness ranks equally in right of payment to the Note Guarantees.

"*Pari Passu Lien Priority*" means, relative to specified Indebtedness, having equal Lien priority on specified Collateral and the holders of which are subject to the Pari Passu Intercreditor Agreement or, in the case of ABL Obligations, the ABL Intercreditor Agreement.

"*Paying Agent*" means any Person authorized by the Issuers to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuers.

"*Performance References*" has the meaning set forth for such term in the definition of Derivative Instrument.

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash or Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant under the caption "—Repurchase at the Option of Holders—Asset Sales."

"*Permitted Holders*" means, individually or collectively, (1) (a) the Investors, (b) the Management Investors (including any Management Investors holding Capital Stock through an equityholding vehicle), (c) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Issuer, acting in such capacity, (d) any Holding Company, (e) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing, any Holding Company, Permitted Plan or any Person or group that becomes a Permitted Holder specified in the last sentence of this definition are members and any member of such group; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (a) through (c), collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any Parent Entity held by such group and (f) any Permitted Plan. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made or waived in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Intercompany Activities*" means any transactions (A) between or among the Issuer and its Restricted Subsidiaries that are entered into in the ordinary course of business or consistent with past practice of the Issuer and its Restricted Subsidiaries and, in the reasonable determination of the Issuer are necessary or advisable in connection with the ownership or operation of the business of the Issuer and its Restricted Subsidiaries, including (i) payroll, cash management, purchasing, insurance and hedging arrangements; (ii) management, technology and licensing arrangements; and (iii) customary loyalty and rewards programs, (B) constituting Qualified IPO Reorganization Transactions or (C) constituting Permitted Tax Restructurings.

"*Permitted Investments*" means:

(1) any Investment in (a) the Issuer or any of its Restricted Subsidiaries (including the Equity Interests of, or guarantees of obligations of, a Restricted Subsidiary) or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents or Investment Grade Securities;

(3) any Investment in a Person (including, to the extent constituting an Investment, in assets of a Person that represent substantially all of its assets or a division, business unit or product line or line of business, including research and development and related assets in respect of any product); *provided* that as a result of such Investment:

(a) such Person, upon the consummation of such purchase or acquisition, will be a Restricted Subsidiary (including as a result of a merger, amalgamation or consolidation between any Subsidiary and such Person); or

(b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated or otherwise combined with or into, or transfers or conveys substantially all of its assets (or a division, business unit or product line, including any research and development and related assets in respect of any product), or is liquidated into, the Issuer or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

(4) any Investment in securities, promissory notes or other assets not constituting cash, Cash Equivalents or Investment Grade Securities (including earn-outs) and received in connection with an Asset Sale made pursuant to the provisions of the covenant under the caption "—Repurchase at the Option of Holders—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5) (a) any Investment existing or made pursuant to binding commitments, agreements or arrangements in effect on the Issue Date or an Investment consisting of any extension, replacement, reinvestment, modification or renewal of any such Investment and (b) any Investment existing on the Issue Date by the Issuer or any Restricted Subsidiary in the Issuer or any Restricted Subsidiary or an Investment consisting of any extension, replacement, reinvestment, modification or renewal of any such Investment; *provided* that the amount of any such Investment may be increased in such extension, replacement, reinvestment, modification or renewal only (i) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including in respect of any unused commitment), plus any accrued but unpaid interest and Additional Amounts (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) and premium payable by the terms of such Investment thereon and fees and expenses associated therewith as of the Issue Date or (ii) as otherwise permitted under the Indenture;

(6) any Investment (including debt obligations and Equity Interests) acquired by the Issuer or any of its Restricted Subsidiaries:

(a) consisting of extensions of trade credit and accommodation guarantees in the ordinary course of business including extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit;

(b) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade creditor or customer);

(c) in satisfaction of judgments against other Persons;

(d) as a result of a foreclosure, perfection or enforcement by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(e) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment; or

(f) received in settlement, compromise or resolution of debts created in the ordinary course of business or consistent with past practice or industry practice;

(7) Hedging Obligations not prohibited by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(8) any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding, not to exceed the greater of $780.0 million and 40.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled "—Certain Covenants—Limitation on Restricted Payments" of any amounts applied pursuant to clause (III)(b) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided*, *however*, that if any Investment pursuant to this clause (8) is made in any Person that is not the Issuer or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) above and shall cease to have been made pursuant to this clause (8);

(9) Investments and other acquisitions the payment for which consists of Equity Interests (other than Disqualified Stock) of the Issuer, any Parent Entity, Unrestricted Subsidiary or the IPO Entity;

(10) (i) Indebtedness and guarantees of Indebtedness permitted under the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business or consistent with past practice, and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with the covenant described under the caption "—Certain Covenants—Liens" and

Restricted Payments permitted under the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" (other than by reference to this clause (10)) and (ii) performance guarantees and Contingent Obligations with respect to obligations that are permitted by the Indenture;

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under the caption "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2) and (5) of such paragraph) or the covenant described under the caption "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets";

(12) to the extent that they constitute Investments, purchases and other acquisitions of inventory, supplies, materials or equipment or purchases, acquisitions, licenses, sublicenses, cross-licenses, assignments, contributions, leases, or subleases of other assets, intellectual property, receivables owing to the Issuer or any Restricted Subsidiary or other rights, in each case in the ordinary course of business;

(13) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding, not to exceed the greater of $1,170.0 million and 60.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled "—Certain Covenants—Limitation on Restricted Payments" of any amounts applied pursuant to clause (III)(b) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided*, *however*, that if any Investment pursuant to this clause (13) is made in any Person that is not the Issuer or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) above and shall cease to have been made pursuant to this clause (13);

(14) Investments relating to a Receivables Subsidiary that, in the good faith determination of the Issuer are necessary or advisable to effect any Receivables Facility, distributions or payments of Receivables Fees or any repurchase obligation in connection therewith including, without limitation, Investments of funds held in accounts permitted or required by the arrangements governing such Receivables Facilities or any related Indebtedness;

(15) advances to, or guarantees of Indebtedness of, employees not in excess of the greater of $200.0 million and 10.0% of LTM EBITDA outstanding at any one time, in the aggregate;

(16) (x) loans and advances to officers, directors and employees of any Parent Entity, the Issuer and its Restricted Subsidiaries (i) for business-related travel expenses, entertainment, moving expenses and other similar expenses for ordinary business purposes, (ii) to fund such Person's purchase of Equity Interests of the Issuer or any direct or indirect parent company thereof and (iii) for payroll payments and (y) Investments in the form of Recruitment Notes and other recruiting costs to certain employees or financial advisors in the ordinary course of business;

(17) Investments in joint ventures and similar entities and Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities, not to exceed the greater of $780.0 million and 40.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) plus the amount of any returns (including dividends,

payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled "—Certain Covenants—Limitation on Restricted Payments" of any amounts applied pursuant to clause (III)(b) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided*, *however*, that if any Investment pursuant to this clause (17) is made in any Person that is not the Issuer or a Restricted Subsidiary at the date of the making of such Investment and such person becomes the Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) above and shall cease to have been made pursuant to this clause (17);

(18) contributions to a "rabbi" trust for the benefit of employees, directors, officers, consultants, contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Issuer, and Investments relating to non-qualified deferred payment plans in the ordinary course of business or consistent with past practice;

(19) any other Investment; *provided* that on a *pro forma* basis after giving effect to such Investment, (i) the Consolidated Total Net Debt Ratio would be equal to or less than 5.75 to 1.00 or (ii) the Consolidated Total Net Debt Ratio would not be higher than it was immediately prior to such Investment;

(20) [reserved];

(21) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit and UCC Article 4 customary trade arrangements (or any comparable or similar provisions in other applicable jurisdictions) with customers in the ordinary course of business or consistent with past practices or industry practice;

(22) loans and advances to any Parent Entity (x) in lieu of, and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof), Restricted Payments to the extent permitted to be made to such companies in accordance with the first and second paragraphs of the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" and (y) to the extent the proceeds thereof are contributed or loaned or advanced to another Restricted Subsidiary;

(23) Investments (A) for utilities, security deposits, leases and similar prepaid expenses incurred in the ordinary course of business and (B) trade accounts created, or prepaid expenses accrued, in the ordinary course of business;

(24) non-cash Investments in connection with tax planning and reorganization activities, and Investments in connection with Permitted Intercompany Activities and Permitted Tax Restructurings;

(25) any Investment in any Subsidiary or any joint venture (including in connection with intercompany cash management arrangements, cash pooling arrangements, intercompany loans or related activities) arising in the ordinary course of business or consistent with past practice or industry practice;

(26) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary pursuant to the definition of "Unrestricted Subsidiary";

(27) Investments (including debt obligations and equity interests) (a) in connection with Settlements, (b) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any Restricted Subsidiary, (c) as a result of foreclosure, perfection or

enforcement of any Lien, (d) in satisfaction of judgments or (e) pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or litigation, arbitration or other disputes or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(28) Investments (a) consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice, (b) made in the ordinary course of business or consistent with past practice or industry practice in connection with obtaining, maintaining or renewing client, franchisee and customer contacts and loans, (c) advances, loans, extensions of credit (including the creation of receivables) or prepayments made to, and guarantees with respect to obligations of, franchisees, distributors, suppliers, lessors, licensors and licensees in the ordinary course of business or consistent with past practice or (d) consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;

(29) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practice;

(30) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged or amalgamated into or consolidated with the Issuer or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(31) repurchases of the Notes, the Existing Notes, Indebtedness under the Senior Credit Facilities and Indebtedness under the ABL;

(32) guaranty and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business or consistent with past practice;

(33) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;

(34) Investments made from casualty insurance proceeds in connection with the replacement, substitution, restoration or repair of assets on account of a Casualty Event; and

(35) to the extent constituting Investments, advances in respect of transfer pricing and cost-sharing arrangements (i.e., "cost-plus" arrangements) that are (a) in the ordinary course of business and consistent with the Issuers' and the Guarantors' historical practices and (b) funded not more than 120 days in advance of the applicable transfer pricing and cost-sharing payment.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens incurred or pledges, deposits or security (a) in connection with workers' or workmen's compensation, payroll taxes, unemployment insurance, employers' health tax, social security, retirement and other similar security laws or legislation, or other insurance-related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto), (b) securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees or similar instrument for the benefit of) insurance carriers providing property, casualty or liability insurance to the Issuer or any Restricted Subsidiary or otherwise supporting the payment of items set forth in the foregoing clause (a) or (c) good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds

to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

(2) Liens with respect to outstanding motor vehicle fines and Liens arising or imposed by law or regulation, such as landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, architects, or construction contractors' Liens and other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or being contested in good faith by appropriate proceedings or, if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP (or other applicable accounting principles) or for property Taxes on property of the Issuer or one of its Subsidiaries has determined to abandon if the sole recourse for such Tax is to such property;

(3) Liens for taxes, assessments or other governmental charges that are not overdue for a period of more than 60 days, not yet payable or subject to penalties for nonpayment or that are being contested in good faith by appropriate proceedings for which adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(4) Liens incurred or deposits made to secure the performance of bids, trade contracts, governmental contracts and leases, statutory obligations, surety, stay, customs and appeal bonds, performance bonds, bankers acceptance facilities and other obligations of a like nature (including those to secure health, safety and environmental obligations) and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with past practices;

(5) (a) survey exceptions, encumbrances, charges, easements (including reciprocal easement agreements), ground leases, covenants, conditions, rights-of-way, licenses, servitudes, survey exceptions, restrictions, encroachments, protrusions, by-law, reservations of, or rights of others for licenses, drains, cable television lines, sewers, electric lines, telegraph and telephone lines and other similar purposes, zoning or other restrictions (including defects and irregularities in title and similar encumbrances) and other similar encumbrances and title defects or irregularities affecting real property, exceptions on title policies insuring Liens granted on any mortgaged properties or any other collateral or Liens incidental to the conduct of the business of such Person or to the ownership of its properties, including servicing agreements, development agreements, site plan agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other similar agreements, charges or encumbrances that, in the aggregate, do not materially interfere with the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries, taken as a whole, (b) rights of recapture of unused real property in favor of the seller of property set forth in customary purchase agreements and related arrangements with any governmental, statutory or regulatory authority, (c) Liens arising from the right of distress enjoyed by landlords or Liens otherwise granted to landlords, in either case, to secure the payment of arrears of rent in respect of leased properties, so long as such Liens are not exercised, (d) servicing agreements, development agreements, site plan agreements and other agreements with any governmental authority pertaining to the use or development of any of the assets of the Person, *provided* that the same are complied with in all material respects and do not materially reduce the value of the assets of the Person or materially interfere with the use of such assets in the operation of the business of such Person, (e) the reservations in any original grants from the crown of any land or interest therein and statutory exceptions to title and (f) other Liens on real property (including ground leases in respect of real property on which facilities owned or leased by the Issuer or any of the Restricted Subsidiaries are located);

(6) Liens securing Obligations relating to any Indebtedness permitted to be incurred pursuant to clause (4), (12), (13), (14), (19) or (29) of the second paragraph of the covenant under the caption

"—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that (x) in the case of Secured Indebtedness incurred pursuant to clause (14), Liens securing such Indebtedness are permitted to the extent the Consolidated Secured Net Debt Ratio would be equal to or less than it was immediately prior to such acquisition, investment or merger and (y) Liens securing Indebtedness permitted to be incurred pursuant to clause (19) are solely on acquired property or the assets of the acquired entity, as the case may be;

(7) Liens existing on the Issue Date, including Liens securing the Existing Secured Notes and any Liens securing any Refinancing Indebtedness of any Indebtedness secured by such Liens, but excluding Liens securing the Senior Credit Facilities and the Notes;

(8) (a) Liens on property or shares of stock or other assets of a Person at the time such Person becomes a Subsidiary and (b) and Liens existing on property or shares of stock or other assets at the time of its acquisition, including any acquisition by means of a merger, amalgamation, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary; *provided*, *however*, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided*, *further*, *however*, that such Liens may not extend to any other property or other assets owned by the Issuer or any of its Restricted Subsidiaries (other than any replacements of such property or assets and additions and accessions thereto, the proceeds or products thereof and other than after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted under the Indenture that require or include, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

(9) Liens (a) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment or any Asset Sale permitted under the Indenture (including any letter of intent or purchase agreement with respect to such Investment or Asset Sale), (b) consisting of an agreement to sell, transfer or dispose of any property in an Asset Sale permitted under the Indenture, in each case, solely to the extent such Investment or Asset Sale, as the case may be, would have been permitted on the date of the creation of such Lien and (c) solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement or other acquisitions permitted under the Indenture;

(10) Liens securing Indebtedness or other obligations of the Issuer or a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary or Trustee;

(11) (a) Liens securing Hedging Obligations or on cash or Cash Equivalents securing Hedging Obligations or Cash Management Obligations; (b) Liens on cash and Cash Equivalents used to satisfy or discharge Indebtedness; *provided* such satisfaction or discharge is permitted under the Indenture; and (c) Liens on cash and Cash Equivalents or other marketable securities securing letters of credit of the Issuer, the Co-Issuer or any Guarantor (which indebtedness represented by such letters of credit is permitted to be incurred under the Indenture) that are cash collateralized in an amount of cash, Cash Equivalents or other marketable securities with a fair market value of up to 105% of the face amount of such letters of credit being secured;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or obligations in respect of bankers' acceptances or trade letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) (a) leases, subleases, licenses or sublicenses of assets (including real property, intellectual property, software and other technology rights), in each case entered into in the ordinary course of business, consistent with past practice or, with respect to intellectual property, software and other technology rights that do not materially interfere with the operation of the business of the Issuer or any of its Restricted Subsidiaries, taken as a whole, (b) any interest or title of a lessor or licensee under any lease or license entered into by the Issuer or any Restricted Subsidiary in the ordinary course of its business or consistent with past practice and (c) Liens arising from grants of non-exclusive licenses or sublicenses of intellectual property made in the ordinary course of business or consistent with past practice;

(14) Liens arising from UCC (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and other Liens arising solely from precautionary UCC financing statements or similar filings;

(15) Liens in favor of the Issuer, the Co-Issuer or any Guarantor;

(16) Liens on vehicles or equipment of the Issuer or any of its Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice;

(17) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;

(18) Liens securing Refinancing Indebtedness incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus property and assets affixed or appurtenant thereto and additions, improvements, accessions, proceeds, dividends or distributions thereof, including after-acquired property that is (i) affixed or incorporated into the property or assets covered by such Lien, (ii) after-acquired property or assets subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property or assets and (iii) the proceeds and products thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Obligations relating to the Indebtedness or other obligations being refinanced or is in respect of property or assets that is or could be the security for or subject to a Permitted Lien hereunder;

(19) (a) deposits made or other security provided in the ordinary course of business or consistent with past practice or industry practice to secure liability to insurance carriers and (b) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(20) Liens securing Indebtedness and other Obligations in an aggregate principal amount not to exceed the greater of $1,170.0 million and 60.0% of LTM EBITDA at the time incurred;

(21) Liens securing, or otherwise arising from, judgments, decrees, attachments, orders or awards for the payment of money not constituting an Event of Default under clause (5) under the caption "—Events of Default and Remedies";

(22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(23) Liens (a) of a collection bank arising under applicable law, including Section 4-210 of the UCC, or any comparable or successor provision, on items in the course of collection; (b) attaching to pooling, commodity or securities trading accounts or other commodity or securities brokerage accounts incurred in the ordinary course of business; or (c) in favor of a banking or other financial institution or entity, or electronic payment service provider, arising as a matter of law or under customary terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff) and which are within the general parameters customary in

the banking or finance industry or arising pursuant to such banking or financial institution's general terms and conditions (including Liens in favor of deposit banks or securities intermediaries securing customary fees, expenses or charges in connection with the establishment, operation or maintenance of deposit accounts or securities accounts);

(24) Liens deemed to exist in connection with Investments in repurchase agreements permitted under the covenant described under the caption "—Certain Covenants —Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," including Liens deemed to exist in connection with Investments in repurchase agreements under clause (12) of the definition of the term "Cash Equivalents"; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(25) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practice or industry practice and not for speculative purposes;

(26) Liens that are contractual rights of setoff, banker's lien, netting agreements and other Liens (a) relating to deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of Indebtedness, including letters of credit, bank guarantees or other similar instruments, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with past practice or industry practice of the Issuer and its Restricted Subsidiaries or (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice or industry practice;

(27) Liens securing (a) Indebtedness and other Obligations permitted to be incurred under any Credit Facility, including any letter of credit facility relating thereto, that was permitted by the terms of the Indenture to be incurred pursuant to clause (1) of the second paragraph of the covenant under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and (b) obligations of the Issuer or any Subsidiary in respect of any Cash Management Obligation or Hedging Obligation provided by any lender party to any Credit Facility or any Affiliate of such lender (or any Person that was a lender or an Affiliate of a lender at the time the applicable agreements pursuant to which such Cash Management Obligation or Hedging Obligation are provided were entered into) or any other Person designated for such purchase under any Credit Facility;

(28) Liens incurred to secure Obligations in respect of any Indebtedness permitted to be incurred pursuant to the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that, with respect to Liens securing Obligations permitted under this clause (28), at the time of incurrence and after giving *pro forma* effect thereto (including a *pro forma* application of the net proceeds from such Indebtedness), the Consolidated Secured Net Debt Ratio would be (x) no greater than 5.50 to 1.00 or (y) in the case of Liens incurred to secure Obligations in respect of any Indebtedness incurred to finance any investment or acquisition or incurred as a result of a Person being acquired by the Issuer or any Restricted Subsidiary or merged into or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture, equal to or less than it was immediately prior to such acquisition or merger, in each case as of the date on which such Lien is incurred and, in the case of this clause (y), the Issuer could incur $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(29) Settlement Liens;

(30) Liens on goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Issuer or any of its Subsidiaries or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments;

(31) Liens on Capital Stock or other securities or assets of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(32) Receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof;

(33) Liens on Equity Interests of any joint venture securing financing arrangement, joint venture or similar arrangement (a) securing obligations of such joint venture securing financing arrangement, joint venture or similar arrangement or (b) pursuant to the relevant joint venture securing financing arrangement, joint venture agreement or similar arrangement or agreement;

(34) Liens arising out of conditional sale, title retention, consignment, hire purchase or similar arrangements for the sale or purchase of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(35) the rights reserved or vested in any Person or government, statutory or regulatory authority by the terms of any lease, license, franchise, grant or permit held by the Issuer or any Restricted Subsidiary thereof or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(36) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness and other Obligations of any Restricted Subsidiary that is not a Guarantor;

(37) Liens (a) securing Capitalized Lease Obligations, or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing Indebtedness or other Obligations incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (i) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be incurred under the Indenture and (ii) any such Liens may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets and property affixed or appurtenant thereto and accessions, additions, improvements, proceeds, dividends or distributions thereof, including after-acquired property that is (A) affixed or incorporated into the property or assets covered by such Lien, (B) after-acquired property or assets subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property or assets and (C) the proceeds and products thereof and (b) any interest or title of a lessor, sublessor, franchisor, licensor or sublicensor or secured by a lessor's, sublessor's, franchisor's, licensor's or sublicensor's interest under any Capitalized Lease Obligations or Non-Financing Lease Obligations;

(38) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(39) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(40) Liens securing Indebtedness and other Obligations of any Non-Guarantor Subsidiary covering only assets of such Subsidiary;

(41) Liens deemed to exist in connection with Investments permitted under clause (4) of the definition of "Cash Equivalents";

(42) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;

(43) Liens then existing with respect to assets of an Unrestricted Subsidiary on the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under the definition of "Unrestricted Subsidiaries";

(44) restrictive covenants affecting the use to which real property may be put and Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; *provided* that such Liens or covenants do not interfere with the ordinary conduct of the business of the Issuer or any Restricted Subsidiary;

(45) Liens on property, assets or Permitted Investments used to defease or to satisfy or discharge Indebtedness; *provided* that such defeasance, satisfaction or discharge is not prohibited by the Indenture;

(46) Liens relating to escrow arrangements securing Indebtedness, including (i) Liens on escrowed proceeds from the issuance of Indebtedness for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters, arrangers, trustee or collateral agent thereof) and (ii) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, in either case to the extent such cash or Cash Equivalents prefund the payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance of such Indebtedness) and are held in an escrow account or similar arrangement to be applied for such purpose;

(47) Liens securing the Notes (other than any Additional Notes) and the related Note Guarantees;

(48) Liens arising in connection with any Permitted Intercompany Activities and Permitted Tax Restructurings;

(49) Liens in connection with Sale and Lease-Back Transactions;

(50) Liens on cash and Cash Equivalents used to satisfy or discharge Indebtedness; *provided* such satisfaction or discharge is not prohibited under the Indenture;

(51) rights of consignors of goods, whether or not perfected by the filing of a financing statement or other registration, record or filing; and

(52) restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements, in each case, solely to the extent such disposition would not be prohibited by the Indenture.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

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), the Issuer 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 the Indenture 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 Plan*" means any employee benefits plan of the Issuer or any of its Affiliates and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan.

"*Permitted Tax Restructuring*" means any reorganizations and other activities related to Tax planning and Tax reorganization entered into prior to, on or after the Issue Date so long as such Permitted Tax Restructuring is not materially adverse to the Holders of the Notes (as reasonably determined by the Issuer).

"*Person*" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"*Public Issuer Costs*" means, as to any Person, costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and costs relating to compliance with the provisions of the Securities Act and the Exchange Act or any other comparable body of laws, rules or regulations, as companies with listed equity, directors' compensation, fees and expense reimbursement, costs relating to enhanced accounting functions and investor relations, stockholder meetings and reports to stockholders, directors' and officers' insurance and other executive costs, legal and other professional fees, listing fees and other transaction costs, in each case to the extent arising solely by virtue of the listing of such Person's equity securities on a national securities exchange or issuance of public debt securities.

"*Purchase Money Obligations*" means any Indebtedness incurred to finance or refinance the acquisition, leasing, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or assets (including Equity Interests), and whether acquired through the direct acquisition of such property or assets, or the acquisition of the Equity Interests of any Person owning such property or assets, or otherwise.

"*Qualified IPO*" means any transaction or series of transactions, including a SPAC IPO, that results in, or following which, any common Equity Interests of the Issuer or any direct or indirect parent company, any SPAC IPO Entity (or its successor by merger, amalgamation or other combination) or any IPO Listco that the Issuer will distribute to its direct or indirect parent company in connection with a Qualified IPO (an "*IPO Entity*") being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom or the European Union.

"*Qualified IPO Reorganization Transactions*" means, collectively, the transactions taken prior to and in connection with and reasonably related to consummating a Qualified IPO, including (a) the formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of the Issuer, its Subsidiaries, its Parent Entities and/or IPO Shell Companies implementing Qualified IPO Reorganization Transactions and certain other reorganization transactions in connection with a Qualified IPO and (ii) customary underwriting agreements in connection with a Qualified IPO and any future follow-on underwritten public offerings of common Equity Interests in an IPO Entity, including the provision by IPO Listco and, if applicable, the Issuer of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of one or more IPO Subsidiaries with one or more direct or indirect holders of Equity Interests in the Issuer or any Parent Entity with such IPO Subsidiary surviving and holding Equity Interests in the Issuer or any Parent Entity or the dividend or other distribution by the Issuer of Equity Interests of IPO Shell Companies or other transfer of ownership to the holder of Equity Interests of the Issuer, (d) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of the Issuer or any Parent Entity in connection with any Qualified IPO Reorganization Transactions, (e) the making of Restricted Payments to (or Investments in) an IPO Shell Company or the Issuer or any Subsidiaries to permit the Issuer to make distributions or other transfers, directly or indirectly, to IPO Listco, in each case solely for the purpose of paying, and solely in the amounts necessary for IPO Listco to pay, Qualified IPO-related expenses and the making of such distributions by the Issuer, (f) the repurchase or redemption by IPO Listco of its Equity Interests from the Issuer, any direct or indirect Parent Entity or any Restricted Subsidiary, (g) the entry into an exchange agreement, pursuant to which holders of Equity

Interests in the Issuer will be permitted to exchange such interests for certain Equity Interests in IPO Listco, (h) any issuance, dividend or distribution of the Equity Interests of the IPO Shell Companies or other disposition of ownership thereof to the IPO Shell Companies and/or the direct or indirect holders of Equity Interests of the Issuer and (i) all other transactions reasonably incidental to, or necessary for the consummation of, the foregoing.

"*Qualified Proceeds*" means assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business; *provided* that the fair market value of any such assets or Capital Stock shall be determined by the Issuer in good faith.

"*Rating Agencies*" means Moody's, S&P and Fitch or if Moody's, S&P or Fitch (or any combination thereof) shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuers which shall be substituted for Moody's, S&P or Fitch (or such combination thereof), as the case may be.

"*Receivables Assets*" means accounts receivable, royalty and other similar rights to payment and any other assets related thereto subject to a Receivables Facility that are customarily sold or pledged in connection with receivables transactions and the proceeds thereof.

"*Receivables Facility*" means any of one or more receivables securitization financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the Obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Issuer or any of its Restricted Subsidiaries sells or grants a security interest in its accounts receivable or assets related thereto that are customarily sold or pledged in connection with securitization transactions to either (a) a Person that is not a Restricted Subsidiary or (b) a Receivables Subsidiary that in turn sells its accounts receivable to a Person that is not a Restricted Subsidiary.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest therein issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

"*Receivables Subsidiary*" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Receivables Facilities and other activities reasonably related or incidental thereto.

"*Recruitment Notes*" means forgivable promissory notes issued from time to time by a Restricted Subsidiary to certain employees or financial advisors in the ordinary course of business.

"*Redemption Date*" has the meaning set forth under "—Optional Redemption."

"*Related Taxes*" means (i) any Taxes, including sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes and other fees and expenses (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (*provided* such Taxes are in fact paid) by any Parent Entity by virtue of its:

(a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries) or otherwise maintain its existence or good standing under applicable law,

(b) being a holding company parent, directly or indirectly, of the Issuer or any Subsidiaries of the Issuer,

(c) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any Subsidiaries of the Issuer, or

(d) having made any payment in respect to any of the items for which the Issuer is permitted to make payments to any Parent Entity pursuant to "—Certain Covenants—Limitation on Restricted Payments"; and

(ii) any Tax Distributions.

"*Reserved Indebtedness Amount*" has the meaning set forth in the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

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

"*Restricted Subsidiary*" means, at any time, any direct or indirect Subsidiary of the Issuer (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided*, *however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary." Unless otherwise specified or the context otherwise requires, a reference to a "Restricted Subsidiary" shall be a reference to a Restricted Subsidiary of the Issuer. For the avoidance of doubt, the Co-Issuer shall be deemed a "Restricted Subsidiary."

"*S&P*" means S&P Global Ratings, and any successor or assign Rating Agency.

"*Sale and Lease-Back Transaction*" means any arrangement providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"*Screened Affiliate*" means any Affiliate of a Holder (i) that makes investment decisions independently from such Holder and any other Affiliate of such Holder that is not a Screened Affiliate, (ii) that has in place customary information screens between it and such Holder and any other Affiliate of such Holder that is not a Screened Affiliate and such screens prohibit the sharing of information with respect to the Issuer or its Subsidiaries, (iii) whose investment policies are not directed by such Holder or any other Affiliate of such Holder that is acting in concert with such Holder in connection with its investment in the Notes, and (iv) whose investment decisions are not influenced by the investment decisions of such Holder or any other Affiliate of such Holder that is acting in concert with such Holders in connection with its investment in the Notes.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Secured Hedge Agreement*" means any agreement with respect to Hedging Obligations that (a) is entered into by the Issuers and any Person that, at the time such Person entered into such Secured Hedge Agreement, was (i) is an agent or lender under the ABL or the Credit Agreements or any of their respective affiliates, (ii) is a lender under the ABL or the Credit Agreements or an affiliate thereof on the Issue Date, (iii) was an agent or lender under the ABL or the Credit Agreements or an affiliate of an agent or a lender at the time such obligations were incurred or (iv) designated by the Issuer by written notice to the agent and (b) is secured by the ABL Collateral pursuant to the loan documentation relating to the ABL and/or is secured by the Notes Collateral pursuant to the loan documentation relating to the Credit Agreements.

"*Secured Indebtedness*" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien other than Indebtedness with respect to Cash Management Obligations.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Senior Credit Facilities*" has the meaning set forth for such term in the definition of Credit Facility.

"*Senior Indebtedness*" means:

(1) all Indebtedness of the Issuer, the Co-Issuer, or any Guarantor outstanding under the Senior Credit Facilities, the Notes, the Existing Notes and the related Guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer, the Co-Issuer or any Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Issue Date or thereafter created or incurred) and all obligations of the Issuer, the Co-Issuer or any Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all Hedging Obligations (and guarantees thereof) owing to a Lender (as defined in the Senior Credit Facilities) or any Affiliate of such Lender (or any Person that was a Lender or an Affiliate of such Lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided* that such Hedging Obligations are permitted to be incurred under the terms of the Indenture;

(3) any other Indebtedness of the Issuer, the Co-Issuer or any Guarantor permitted to be incurred under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Notes or any related Note Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3);

provided, *however*, that Senior Indebtedness shall not include:

(a) any obligation of such Person to the Issuer or any of its Subsidiaries;

(b) any liability for federal, state, local or other Taxes owed or owing by such Person;

(c) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(d) any Indebtedness or other Obligation of such Person which is subordinate or junior in any respect to any other Indebtedness or other Obligation of such Person; or

(e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of the Indenture.

"*Settlement*" means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business.

"*Settlement Asset*" means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

"*Settlement Indebtedness*" means any payment or reimbursement obligation in respect of a Settlement Payment.

"*Settlement Lien*" means any Lien relating to any Settlement or Settlement Indebtedness (and may include, for the avoidance of doubt, the grant of a Lien in or other assignment of a Settlement Asset in consideration of a Settlement Payment, Liens securing intraday and overnight overdraft and automated clearing house exposure, and similar Liens).

"*Settlement Payment*" means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

"*Settlement Receivable*" means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person.

"*Short Derivative Instrument*" means a Derivative Instrument (i) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with positive changes to the Performance References and/or (ii) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with negative changes to the Performance References.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02(w)(2) of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Similar Business*" means (1) any business, services or other activities conducted or proposed to be conducted by the Issuer or any of its Subsidiaries or any Associates on the Issue Date, (2) any business, services or other activities that are similar, incidental, ancillary, complementary or related to, or an extension, development or expansion of, the businesses, services or other activities in which the Issuer and any of its Subsidiaries or any Associates were engaged on the Issue Date and (3) a Person conducting a business, service or activity specified in clauses (1) and (2), and any Subsidiary thereof. For the avoidance of doubt, any Person that invests in or owns Capital Stock or Indebtedness of another Person that is engaged in a Similar Business shall be deemed to be engaged in a Similar Business.

"*SPAC IPO*" means the acquisition, purchase, merger, amalgamation or other combination of the Issuer or any Parent Entity, by, or with, a publicly traded special purpose acquisition company or targeted acquisition company or any entity similar to the foregoing (a "*SPAC IPO Entity*") that results in any common Equity Interests of the Issuer, any Parent Entity or such SPAC IPO Entity (or its successor by merger, amalgamation or other combination) being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom or the European Union.

"*Sponsor Management Agreement*" means the Investor Management Agreement, signed on or around August 1, 2016, by and among Warburg Pincus Private Equity (Universal) XI-A, L.P., Warburg Pincus XI (Universal) Partners—A, L.P., WP (Universal) Holdings, L.P., WP (Universal) Holdings II, L.P., Universal Holding III, LLC and the Issuer.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to the Notes,

(1) any Indebtedness (other than (i) any permitted intercompany Indebtedness owing to any Parent Entity, the Issuer or any Restricted Subsidiary or (ii) any Indebtedness in an aggregate principal amount not exceeding $600.0 million) of the Issuers which is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness (other than (i) any permitted intercompany Indebtedness owing to any Parent Entity, the Issuer or any Restricted Subsidiary or (ii) any Indebtedness in an aggregate principal amount not exceeding $600.0 million) of any Guarantor which is by its terms subordinated in right of payment to the Note Guarantee of such entity.

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

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which:

(x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise, and

(y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; or

(3) at the election of the Issuer, any partnership, joint venture, limited liability company or similar entity of which such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"*Test Period*" means, as of any date of determination, the most recently completed four fiscal quarters of the Issuer ending on or prior to such date for which internal financial statements are available immediately preceding such date of determination.

"*Total Assets*" means, as of any date, the total consolidated assets of the Issuer and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries, determined on a *pro forma* basis in a manner consistent with the *pro forma* basis contained in the definition of Fixed Charge Coverage Ratio.

"*Transaction Costs*" means all fees, costs and expenses incurred or payable by the Issuer or any other Subsidiary in connection with the Transactions (including all legal, accounting and other professional fees, costs and expenses).

"*Transactions*" means (1) the issuance of the Notes and the applications of the net proceeds therefrom as described in this Offering Memorandum, (2) the entry into the Bank Amendments (as defined elsewhere in this Offering Memorandum) and (3) the payment of Transaction Costs, other related transactions as described in the Offering Memorandum and the consummation of any other transaction in connection with any of the foregoing.

"*Treasury Rate*" means the weekly average for each Business Day during the most recent week that has ended at least two Business Days prior to the Redemption Date of the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to   , 2027; *provided*, *however*, that if the period from the Redemption Date to   , 2027 is not equal to the constant maturity of a United States Treasury security for which a yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such applicable date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*UCC*" means the Uniform Commercial Code (or equivalent statute) as in effect from time to time in the State of New York; *provided*, *however*, that at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of a collateral agent's security interest in any item or portion of the collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary (other than the Co-Issuer); *provided* that:

(1) such designation is not prohibited by the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments"; and

(2) at the time of such designation, such Subsidiary or any of its Subsidiaries does not own any Equity Interests of the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary.

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, (i) no Default shall have occurred and be continuing and (ii) the Indebtedness is permitted under the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including pursuant to clause (14) of the second paragraph thereof treating such redesignation as an acquisition for the purpose of such clause), calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period.

Any such designation by the Issuer shall be notified by the Issuer to the Trustee by an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Unsecured Capitalized Lease Obligations*" means Capitalized Lease Obligations not secured by a Lien and any other lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For the avoidance of doubt, an operating lease shall be considered an Unsecured Capitalized Lease Obligation.

"*Unsecured Capitalized Leases*" means all leases underlying Unsecured Capitalized Lease Obligations.

"*U.S. Government Securities*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government

Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depository receipt.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person then outstanding 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, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient (in number of years) obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the number of years (calculated to the nearest one-twelfth) from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock, by (b) the amount of such payment; by

(2) the sum of all such payments;

provided that, for purposes of determining the Weighted Average Life to Maturity of any Indebtedness, the effects of any prepayments or amortization made on such Indebtedness prior to the date of such determination will be disregarded.

"*Wholly Owned Domestic Subsidiary*" means a Domestic Subsidiary of the Issuer, all of the Capital Stock of which is owned by the Issuer, the Co-Issuer or a Guarantor.

"*Wholly Owned Subsidiary*" of any Person means a Subsidiary of such Person, 100% of the outstanding Equity Interests of which (other than directors' qualifying shares and shares issued to foreign nationals as required by applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

BOOK ENTRY, DELIVERY AND FORM

The notes being offered and sold to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes") will initially be represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes"). On the issue date, the 144A Global Notes will be deposited upon issuance with a custodian for DTC, and registered in the name of Cede & Co., as nominee of DTC.

The notes sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S will be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes"). On the issue date, the Regulation S Global Notes will be registered in the name of Cede & Co., as nominee of DTC and deposited upon issuance with a custodian for DTC, for credit to Euroclear and Clearstream.

The Global Notes

General

The Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, and registered in the name of DTC or its nominee, in each case for credit to an account of a Participant (as defined herein) or Indirect Participant (as defined herein) in DTC as described below. The notes will be issued at the closing of this offering only against payment in immediately available funds. Except as set forth below, the notes will be issued in registered, global form in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "—Exchanges among Global Notes."

Depository Procedures

The following description of the operations and procedures of DTC is 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. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that it is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was 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 (including the initial purchasers), 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 us that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the initial purchasers 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 Rule 144A Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) that are Participants in DTC. All interests in the Global Notes may be subject to the procedures and requirements of DTC. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants. After the issue date, investors may also hold interests in Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in Regulation S 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 SA/NV, as operator of Euroclear, and Clearstream Banking S.A., as operator of Clearstream which in turn hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Interests in a Global Note held through Euroclear or Clearstream may be subject to the procedures and requirements of those systems (as well as to the procedures and requirements of DTC). The laws of some states require that certain persons take physical delivery in definitive form of securities that they own and the ability to transfer beneficial interests in a Global Note to Persons that are subject to those requirements 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 those interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of those interests, may be affected by the lack of a physical certificate evidencing those interests.

Except as described below, beneficial owners of an interest in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in registered certificated form ("Certificated Notes") and will not be considered the registered owners or "Holders" thereof under the indenture that will govern the notes for any purpose.

Payments in respect of the principal of and premium and additional amounts, if any, and interest 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 that will govern the notes. Under the terms of the indenture that will govern the notes, the issuers and the Trustee will treat the Persons in whose names notes, including the Global Notes, are registered as the owners of such notes for the purpose of receiving payments and for all other purposes. Consequently, none of the issuers, the Trustee or any agent of the issuers 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 us 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 that 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 the 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 issuers. Neither the issuers nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of any the notes, and the issuers and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," 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.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; 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 its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note from 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 depositories for 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 the portion of the aggregate principal amount of the notes as to which that Participant or those Participants has or have given the relevant direction. However, if there is an event of default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute those notes to its Participants. Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among Participants, they are under no obligation to perform those procedures, and may discontinue or change those procedures at any time.

Neither the issuers nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear, 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 a Certificated Note if:

- DTC (a) notifies us that it is unwilling or unable to continue as depositary for the applicable Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depositary is not appointed within 180 days of such notice;

- we, at our option, notify the Trustee in writing that we elect to cause the issuance of Certificated Notes; or

- there has occurred and is continuing a default or event of default with respect to the notes and DTC shall have requested the issuance of Certificated Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the issuers and the registrar by or on behalf of DTC in accordance with the indenture that will govern the notes. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in a Global Note 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 will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

If Certificated Notes are issued in the future, they will not be exchangeable for beneficial interests in any Global Note unless the transferor first delivers to the issuers and the registrar a written certificate (in the form provided in the indenture that will govern the notes) to the effect that the transfer will comply with the appropriate transfer restrictions applicable to the notes being transferred. See "Transfer Restrictions."

Exchanges Among Global Notes

Beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- the exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and
- the transferor first delivers to the issuers and the registrar a written certificate (in the form provided in the indenture that will govern the notes) to the effect that the notes are being transferred:
  - to a Person who (i) the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A and (ii) is purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
  - in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, only if the transferor first delivers to the issuers and the registrar a written certificate (in the form provided in the indenture that will govern the notes) to the effect that the transfer is being made in accordance with the applicable transfer restrictions. See "Transfer Restrictions."

Transfers involving exchanges of beneficial interests between a Regulation S Global Note and a Rule 144A Global Note will be effected in DTC by means of an instruction originated by the DTC Participant through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the Regulation S Global Note and the Rule 144A Global Note, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other Global Note for so long as it remains such an interest.

Same Day Settlement and Payment

We will make payments in respect of the notes represented by the Global Notes, including payments of principal, premium and additional amounts, if any, and interest by wire transfer of immediately available funds to the accounts specified by the DTC or its nominee. We will make all payments of principal of and premium and additional amounts, if any, and interest with respect to the Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes or, if no account is specified, by mailing a check to each 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 represented will, therefore, be required by DTC to be settled in immediately available funds. We expect 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 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 us 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 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 UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the notes to U.S. holders and non-U.S. holders (each as defined herein and collectively referred to as “holders”), but does not purport to be a complete analysis of all potential United States federal income tax considerations. This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), United States Treasury regulations (“Treasury Regulations”) promulgated thereunder, published administrative positions of the United States Internal Revenue Service (the “IRS”) and judicial decisions, all as in effect on the date hereof. Those authorities may be changed or subject to new interpretations, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those summarized below. We have not sought, and do not expect to seek, any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with our statements and conclusions or that a court would not sustain any challenge by the IRS in the event of litigation. Moreover, this summary does not address any United States federal non-income (including estate or gift), state, local or non-United States tax considerations, the Medicare tax imposed on certain net investment income or considerations under any applicable tax treaty.

This summary applies only to holders (1) that purchase notes in this offering for cash at the initial offering price at which a substantial amount of the notes are sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers (which is assumed for purposes of this summary to be the initial offering price set forth on the cover page of this offering memorandum) and (2) that will hold the notes as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). This summary is general in nature and does not purport to deal with all aspects of United States federal income taxation that might be relevant to particular holders in light of their personal circumstances or status (for example, U.S. holders subject to the alternative minimum tax) or special rules that may apply to certain holders such as: banks and certain other financial institutions; former citizens or residents of the United States; insurance companies; regulated investment companies; brokers, dealers or traders in securities or currencies; “controlled foreign corporations”; “passive foreign investment companies”; corporations that accumulate earnings to avoid United States federal income tax; partnerships and other pass-through entities and investors in such entities; S corporations; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; U.S. holders whose functional currency is not the U.S. dollar; U.S. holders who hold notes through a non-U.S. broker or other non-U.S. intermediary; tax-exempt entities; persons holding the notes as part of a “straddle,” conversion transaction, integrated transaction, constructive sale transaction, hedge or hedging transaction; persons deemed to sell the notes under the constructive sale provisions of the Code; persons purchasing or selling notes as part of a wash sale for tax purposes; entities subject to the anti-inversion rules; taxpayers required to accelerate the recognition of any item of gross income with respect to a note as a result of such income being reported on an applicable financial statement; taxpayers subject to the base erosion and anti-abuse tax; and taxpayers who are members of an “expanded group” or “modified expanded group” with the issuer within the meaning of Treasury Regulations promulgated under Section 385 of the Code.

In the case of a beneficial owner of notes that is classified as a partnership for United States federal income tax purposes, the tax treatment of the purchase, ownership and disposition of notes to a partner in the partnership generally will depend upon the tax status of the partner and the activities of the partner and the partnership. Partnerships considering an investment in the notes and partners therein are urged to consult their tax advisors as to the particular United States federal income tax consequences applicable to them.

The following discussion is for informational purposes only and is not a substitute for careful tax planning and advice. Potential investors considering the purchase of notes are urged to consult their tax advisors concerning the particular United States federal income tax consequences to them of the purchase, disposition and ownership of notes, as well as any tax consequences arising under any other United States federal tax laws or the laws of any state, local or non-U.S. taxing jurisdiction or under any applicable tax treaty.

Additional Payments

In certain circumstances, we may be obligated to pay amounts in excess of (or at differed times than scheduled payments of) stated interest or principal on the notes (e.g., upon a change of control as described in

"Description of Notes—Repurchase at the Option of Holders—Change of Control," or in respect of withholding taxes described in "Description of Notes—Withholding Taxes"). The requirement to make any such payments may implicate the provisions of the Treasury Regulations governing contingent payment debt instruments ("CPDIs"). According to the applicable Treasury Regulations, certain contingencies will not cause a debt instrument to be treated as a CPDI if such contingencies, as of the date of issuance, are "remote or incidental." Although the matter is not free from doubt, we believe, and intend to take the position, that no such additional amounts are treated as paid and the notes are not CPDIs. Our determination is binding on a holder unless such holder timely discloses its contrary position in the manner required by applicable Treasury Regulations. Our determination is not, however, binding on the IRS, and if the IRS were to challenge this determination, a holder subject to U.S. federal income taxation might be required to accrue income on the notes based upon a "comparable yield" (as defined in the Treasury Regulations) in excess of stated interest and to treat as ordinary income rather than as capital gain some or all of any gain realized on the taxable disposition of a note. Holders are urged to consult their tax advisors regarding the tax consequences if the notes were treated as CPDIs. The remainder of this summary assumes that no such additional amounts are treated as paid and the notes will not be treated as CPDIs.

Consequences to U.S. Holders

A "U.S. holder" means a beneficial owner of a note that is or is treated as, for United States federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons, as defined under Section 7701(a)(30) of the Code, have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person.

Interest

Interest on a note generally will be taxable to U.S. holders as ordinary income at the time that such interest is received or accrued, in accordance with their regular method of tax accounting for U.S. federal income tax purposes. Such interest income will be treated as U.S. source. It is assumed that none of the notes will be issued with an original issue discount equal to or exceeding a *de minimis* amount.

Sale or Other Taxable Disposition of the Notes

U.S. holders generally will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a note equal to the difference, if any, between the amount realized upon the disposition (less any portion allocable to any accrued and unpaid interest, which will be taxable as ordinary income to the extent not previously included in income) and the U.S. holder's adjusted tax basis in the note at the time of disposition. A U.S. holder's adjusted tax basis in a note will generally be the price paid therefor.

Gain or loss realized upon the sale, exchange, redemption, retirement or other taxable disposition of a note generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. holder has held the note for more than one year. Otherwise, such gain or loss will generally be short-term capital gain or loss. Long-term capital gains of non-corporate U.S. holders, including individuals, may be taxed at lower rates than those applicable to ordinary income. The deductibility of capital losses is subject to limitations under the Code.

Each U.S. holder are urged to consult its tax advisor as to the deductibility of capital losses in its particular circumstances.

Information Reporting and Backup Withholding

Information reporting requirements will generally apply to certain payments to a U.S. holder of interest on the notes and the proceeds of disposition (including a retirement or redemption of a note), unless the U.S. holder is an exempt recipient (such as a corporation). Additionally, backup withholding would generally apply to any such payments to a U.S. holder that is not an exempt recipient if such U.S. holder fails to provide an accurate taxpayer identification number (a "TIN") on an IRS Form W-9 or other applicable form and certify that it is a United States person (as defined under the Code) and has not previously been notified by the IRS that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

U.S. holders are urged to consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax and taxpayers may use amounts withheld as a credit against their United States federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Consequences to Non-U.S. Holders

A "non-U.S. holder" means a beneficial owner of a note that is, for United States federal income tax purposes, an individual, corporation, estate or trust and is not a U.S. holder.

Payments of Interest

Subject to the discussions of backup withholding and FATCA (as defined herein) below, interest paid on a note to non-U.S. holders generally will be exempt from United States federal income and withholding tax under the "portfolio interest exemption," provided that:

- such non-U.S. holder does not actually (or constructively) own 10% or more of the total combined voting power of all classes of Topco's equity interests entitled to vote;

- such non-U.S. holder is not a controlled foreign corporation actually or constructively related to us through equity ownership;

- such non-U.S. holder is not a bank that acquired the notes on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;

- such interest is not effectively connected with such non-U.S. holder's conduct of a trade or business in the United States; and

- either (1) such non-U.S. holder provides its name, address and TIN, if any, on an applicable IRS Form W-8, and certifies, under penalties of perjury, that it is not a United States person as defined under the Code or (2) such non-U.S. holder holds its notes through certain foreign intermediaries or certain foreign partnerships and it and such intermediary or partnership satisfies the certification requirements of applicable Treasury Regulations. Special certification rules apply to non-U.S. holders that are pass-through entities.

If a non-U.S. holder cannot satisfy the requirements described above, payments of interest made to such non-U.S. holder generally will be subject to a 30% United States federal withholding tax, unless such non-U.S. holder provides the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E, as applicable (or other applicable form), claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or

- IRS Form W-8ECI (or other applicable form) stating that interest paid on the notes is not subject to withholding tax because it is effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such interest is attributable).

In the case of a non-U.S. holder that is engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business, then, although such non-U.S. holder will be exempt from the 30% withholding tax (provided the certification requirements discussed above are satisfied), unless an applicable income tax treaty provides otherwise, such non-U.S. holder generally will be subject to U.S. federal income tax on that interest on a net basis in the same manner as if such non-U.S. holder were a U.S. holder. In addition, in the case of a non-U.S. holder that is a corporation, such non-U.S. holder may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders are urged to consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition of the Notes

Subject to the discussions of backup withholding and FATCA below, a non-U.S. holder generally will not be subject to U.S. federal income taxation with respect to gain recognized on the sale, exchange, redemption, retirement or other taxable disposition of a note (other than any amount representing accrued but unpaid interest on the note, which is subject to the rules discussed above under "—Payments of Interest") unless:

- such gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable); or

- such non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year in which gain is realized and certain other conditions are met.

If the first exception applies, unless an applicable income tax treaty provides otherwise, such non-U.S. holder generally will be subject to United States federal income tax on the net gain derived from the disposition in generally the same manner as if it were a U.S. holder and, if such non-U.S. holder is a corporation, may be subject to a 30% U.S. branch profits tax (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. If the second exception applies, such non-U.S. holder generally will be subject to United States federal income tax at a rate of 30% (or a lower applicable treaty rate) on any gain recognized on the disposition, which gain may be offset by certain U.S.-source capital losses provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Information Reporting and Backup Withholding

Generally, the amount of interest paid to non-U.S. holders on the notes and the amount of tax, if any, withheld with respect to those payments will be reported annually to the IRS and to non-U.S. holders. Copies of the information returns reporting such interest payments and withholding may also be made available to the tax authorities in the country in which a non-U.S. holder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of interest on the notes, provided the certification described above in the last bullet of the first paragraph under "—Payments of Interest" has been received and provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person. However, a non-U.S. holder will be subject to information reporting and, depending on the circumstances, backup withholding at the applicable rate, with respect to payments of the proceeds of the sale of a note within the United States or conducted through certain U.S.-related financial intermediaries, unless the certification described above has been received or the non-U.S. holder otherwise establishes an exemption.

Non-U.S. holders are urged to consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a non-U.S. holder's United States federal income tax liability, if any, provided the required information is correctly and timely provided to the IRS.

FATCA

Under Sections 1471 through 1474 of the Code, commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), withholding at a rate of 30% will generally be required on payments of interest in respect of the notes if paid to a foreign entity (including an investment fund and a foreign entity acting as an intermediary) unless (i) if the foreign entity is a "foreign financial institution," the foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is a "non-financial foreign entity," the foreign entity identifies certain of its U.S. investors or provides certification that it does not have any such investors, or (iii) the foreign entity is otherwise exempt from FATCA. Accordingly, the entity through which notes are held will affect the determination of whether such withholding is required. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury Regulations or other guidance, may modify these requirements. Under proposed Treasury regulations that may be relied upon pending finalization, these withholding requirements would generally not apply to gross proceeds from the disposition of assets. Holders are urged to consult their tax advisors regarding the possible implications of FATCA on their investment in the notes.

Prospective investors are urged to consult their tax advisors regarding the potential application of withholding under FATCA to their investment in the notes.

CERTAIN UNITED KINGDOM TAX CONSIDERATIONS

The comments below are of a general nature and are not intended to be an exhaustive description of all United Kingdom tax considerations relating to the notes. They are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs ("HMRC") practice (which may not be binding on HMRC), both of which may be subject to change, possibly with retrospective effect. The following is a general summary only of the United Kingdom withholding tax treatment of payments under the guarantees of the notes. The comments are not exhaustive, and do not deal with United Kingdom tax aspects of acquiring, holding, disposing of or dealing in the notes. The comments below only apply to persons who are beneficial owners of the notes and do not necessarily apply where any payment on the notes is deemed for tax purposes to be the income of any other person. The comments below do not purport to constitute legal or tax advice. Any prospective purchasers of any notes who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are urged to consult their own professional advisor.

Payments under the Guarantees

If payments by a guarantor under the guarantees are not treated as having a United Kingdom source they should not be payable under deduction of United Kingdom income tax. If this is not the case then, depending on the correct legal analysis of the payments as a matter of United Kingdom tax law (which is uncertain), it is possible that such payments by a guarantor (other than payments in respect of principal) would be payable under deduction of United Kingdom income tax at the basic rate (currently 20%), subject to any claim which could be made under applicable double tax treaties or any other available exceptions and reliefs, including an exception for certain payments to a company within the charge to United Kingdom corporation tax, an entity falling within various categories enjoying a special tax status (including charities and pension funds), or where a partnership consisting of such persons is beneficially entitled (unless HMRC directs otherwise).

LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND SECURITY INTERESTS AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary description of certain limitations on the validity and enforceability of the notes and the related guarantees and security interests, and a summary of certain insolvency law considerations in the jurisdiction in which certain guarantors are incorporated. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the guarantees and security interests. As such, prospective investors in the notes should consult their own legal advisors with respect to such limitations and considerations.

England and Wales

Certain guarantors and providers of collateral are companies incorporated under the laws of England and Wales (the "English Obligors"). Accordingly, any insolvency proceedings with respect to the English Obligors would be likely to proceed under, and be governed by, English insolvency laws.

Applicable Legal Framework and Jurisdiction of the English Courts

It is nonetheless possible that insolvency proceedings with respect to an English Obligor could be opened in a different jurisdiction and be governed by the insolvency laws of that jurisdiction. In particular, while the United Kingdom was a member state of the European Union, insolvency processes opened in the United Kingdom were subject to both EU and applicable UK domestic legislation. Following the United Kingdom's departure from the European Union on January 31, 2020 and the expiry of the subsequent transition period (the "Transition Period") on December 31, 2020, in accordance with the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) EU law as directly applicable in the United Kingdom at the end of the Transition Period (subject to certain exceptions) was transposed into UK domestic law subject to significant amendments. Accordingly, the United Kingdom is no longer a European Union member state, including for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, recast, as amended (the "Recast Insolvency Regulation"), Regulation (EU) 1215/2012 of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "EU Judgments Regulation"), which have largely been repealed in the United Kingdom pursuant to the Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) (as amended) (the "Insolvency Brexit Regulations") and The Civil Jurisdiction and Judgments (Amendment) (EU Exit) Regulations 2019. The Insolvency Brexit Regulations also effected key amendments to both EU insolvency laws previously directly applicable in the UK, including the Recast Insolvency Regulation, and domestic insolvency laws, including the Insolvency Act 1986 (the "Insolvency Act"), the Insolvency (England and Wales) Rules 2016 (SI 2016/1024) (the "Insolvency Rules") and the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "Cross-Border Insolvency Regulations"). Accordingly, the United Kingdom is no longer party to the European regime for reciprocal recognition of insolvency proceedings or civil/commercial judgments under the Recast Insolvency Regulation or the EU Judgments Regulation, respectively. The prospects of a European member state opening insolvency proceedings in respect of an English Obligor may vary between member states; the implications of any such proceedings, including the prospect and implications of recognition in the United Kingdom, would need to be carefully considered in each case.

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the Transition Period, in which case the unmodified Recast Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to the English Obligors would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English Obligor has its centre of main interests ("COMI") in a member state of the European Union, insolvency proceedings could, pursuant to the Recast Insolvency Regulation and subject to certain exceptions, be opened in the relevant EU member state and be subject to the laws of that EU member state. In addition, pursuant to the Cross-Border Insolvency Regulations, certain foreign courts may have jurisdiction to oversee insolvency proceedings of any English Obligor which has its COMI or an "establishment" (being a place of operations where it carries out a non-transitory economic activity with human means and assets or services) in such foreign jurisdiction.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any company which has its COMI in the United Kingdom or which has its COMI in an EU member state (other than Denmark) and an "establishment" in the United Kingdom. An "establishment" is defined to mean any place of operations where the company carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions (see "—Limitations on Enforcement—Cross-border Recognition of English Insolvency and Restructuring Proceedings" below).

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar. In the event that an English Obligor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings. The obligations under the notes are guaranteed by the guarantees and secured by security interests over the collateral. English insolvency laws and other limitations could limit the enforceability of a guarantee against an English Obligor and of the security interests over the collateral.

The following is a brief description of certain aspects of English insolvency law relating to such limitations. The application of these laws could adversely affect investors, their ability to enforce their rights under the guarantees and/or under the collateral securing the notes and the related guarantees and therefore may limit the amounts that investors may receive in an insolvency of an English Obligor.

Fixed Versus Floating Charges

Certain guarantees related to the notes benefit from fixed and floating charge security over certain collateral owned by the English Obligors.

There are a number of ways in which fixed charge security has advantages over floating charge security.

Until floating charge security crystallises, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third-party good title to the assets free of the floating charge.

On an insolvency of a charging company: (i) a fixed charge, even if created after the date of a floating charge, may have priority as against a floating charge over the same charged assets (provided that the floating charge has not crystallised at the time the fixed charge was granted and there were no restrictions on the creation of such security which the fixed charge holder was aware of); (ii) general costs and expenses (including the remuneration of insolvency officeholders and the costs of continuing to operate the business of the charging company while in administration) properly incurred in an insolvency process are generally payable out of the assets of the charging company (including the assets (including cash) that are the subject of the floating charge) and insolvency officeholders appointed to a charging company can convert floating charge assets to cash and use such cash to meet such general costs and expenses in priority to the claims of the floating charge holder to the extent that the value of the charging company's unsecured assets is not sufficient to cover such costs and expenses in full; (iii) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge; (iv) where the floating charge is not created or otherwise arising under a "financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the "Financial Collateral Regulations"), assets subject to floating charge security are subject to the claims of certain preferential creditors and the ring-fencing of the Prescribed Part for unsecured creditors (see "—Priority on Insolvency" below); and (v) there are particular insolvency "clawback" risks in relation to floating charge security.

There is a possibility under English law that a court could find that fixed security interests expressed to be created by a security document governed by English law properly take effect as floating charges as the description given to them as fixed charges is not determinative. Whether the purported fixed security interests will be upheld as fixed security interests rather than recharacterized as floating security interests will depend, among other things, on whether the secured party has the requisite degree of control over the charging company's ability to deal with the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the security holder in practice. Where the charging company is free to deal with the assets that are the subject of a purported fixed charge in its discretion and without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Administration

English insolvency statutes empower English courts to make an administration order in respect of any company within their general jurisdiction (see "—Applicable Legal Framework and Jurisdiction of the English Courts" above), any company incorporated in England, Wales, Scotland or a member state of the EEA, any company (irrespective of its country of incorporation) with its COMI in the United Kingdom or an EU member state (other than Denmark) and upon request from courts in other parts of the United Kingdom or certain other countries and territories. In each case and subject to specific conditions, an administration order can be made if the court is satisfied that: (i) the relevant company is or is likely to become "unable to pay its debts"; and (ii) the administration order is reasonably likely to achieve the purpose of administration.

A company is unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due) or if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), as per Section 123 of the Insolvency Act. Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor's statutory demand for a debt exceeding £750 within 21 days of service or to satisfy in full or in part a judgment debt (or similar court order).

The purpose of an administration is comprised of three parts that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration) or, if neither of those objectives is reasonably practicable and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to one or more secured or preferential creditors. The order of priority which applies to any distribution to creditors is set out below (see "—Priority on Insolvency" below). An administrator must attempt to achieve the objectives of administration in order, unless (s)he thinks it is not reasonably practicable to achieve the primary objective, or that the secondary objective would achieve a better result for the company's creditors as a whole. The administrator cannot pursue the third objective unless (s)he thinks either the first or the second objective is unachievable and that it will not unnecessarily harm the interests of the creditors of the company as a whole to pursue the third objective.

Without limitation and subject to specific conditions, the debtor company, the directors of such company or the holder of a "qualifying floating charge" (as described in "—Qualifying Floating Charge" below) where the floating charge has become enforceable may also appoint an administrator out of court. Different appointment procedures apply according to the identity of the appointor.

An administrator is given wide powers to conduct the business as an agent of the company to which they are appointed and, subject to certain requirements under the Insolvency Act, dispose of the property of a company in administration (including property subject to a floating charge). A set proportion of the proceeds of the realization of any property subject to a floating charge will need to be set aside for satisfaction of the claims of preferential creditors and the ring-fencing of the Prescribed Part (see "—Prescribed Part" below). An administrator may also, with prior approval by the court, deal with assets subject to a fixed charge, provided that disposing of the property is likely to promote the purpose of the administration and the administrator applies the net proceeds from the disposal towards discharging the obligations of the company to the fixed charge holder.

In addition, certain rights of creditors, including secured creditors, are curtailed in an administration. Upon the appointment of an administrator, a statutory moratorium is imposed such that no step may be taken to enforce security or a guarantee over the company's property except with the consent of the administrator or leave of the court (although a demand for payment could be made under a guarantee granted by the company). The same requirements for consent or permission apply to the institution or continuation of legal process (including legal proceedings, execution, distress and diligence) against the company or property of the company. In either case, a court will consider discretionary factors in determining any application for leave in light of the hierarchy of statutory objectives of administration described above.

However, certain creditors of a company in administration may, in certain defined circumstances, be able to realize their security over certain of that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to any security interest created or otherwise arising under a "financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Regulations.

Accordingly, if any of the English Obligors were to enter into administration, the guarantees granted by such English Obligors and the related collateral may not be enforceable without the permission of the court or consent of the administrator while the relevant company was in administration. There can be no assurance that the security agent would obtain such permission of the court or consent of the administrator.

Qualifying Floating Charge

If a company grants security constituting a "qualifying floating charge" to a party for the purposes of English insolvency law, that party will be able to appoint an administrator using the out of court process (see "—Administration" above) or (in limited circumstances) an administrative receiver (see "—Administrative Receivership" below). The holder of a qualifying floating charge is also entitled to advance notice of an intention of a company or its directors to appoint an administrator, allowing the charge holder to either appoint its own administrator (or, where applicable, administrative receiver) in place of the proposed administrator, conduct negotiations with the proposed appointors over the identity or terms of appointment of the proposed administrator or (in an extreme case) prevent the company going into administration.

A floating charge constitutes a qualifying floating charge if it is created by an instrument which (i) states that the relevant statutory provision applies to it (being paragraph 14 of Schedule B1 to the Insolvency Act), (ii) purports to empower the holder to appoint an administrator of the company, or (iii) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act. A party will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security granted to that party, relates to the whole or substantially the whole of the property of the relevant company, and at least one such security interest is a qualifying floating charge. Please note that it is a matter of fact whether the extent of the security granted relates to 'the whole or substantially the whole' of the property of a company and there is no statutory guidance as to what percentage of a company's assets should be charged to satisfy this test.

Administrative Receivership

Administrative receivership as a creditor remedy has been largely abolished and is only available in very limited circumstances. The ability to appoint an administrative receiver only applies to holders of a qualifying floating charge where either the security document granting such charge pre-dates 15 September 2003 or where it falls within one of the exceptions under the Insolvency Act (as amended by the Enterprise Act 2002). The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act), which may apply if the issue of the notes creates a debt of at least £50.0 million for the relevant English company during the life of the arrangement and the arrangement involves the issue of a "capital market investment" (which is defined in the Insolvency Act and includes rated, listed or traded debt instruments and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge as a transaction at an undervalue, a preference or an invalid floating charge (see "—Transactions at an Undervalue," "—Preferences" and

"—Voidable Floating Charges" below, respectively). If an administrator is appointed, any administrative receiver will vacate office.

Fixed Charge Receivership

A fixed charge receiver (as opposed to an administrative receiver, who is appointed under certain floating charges; see "—Administrative Receivership" above) may be appointed over some or all of the assets secured by a fixed charge in accordance with the terms of a security document creating a fixed charge or (in limited circumstances) pursuant to statute under the Law of Property Act 1925, although it is standard market practice to augment the powers of any receiver appointed through the relevant security document.

If appointed under the terms of a security agreement, grounds for appointment under the terms of the charge (such as a default) must exist and the charging company must have failed to satisfy the demand made for an appointment to take place. A receivership is not a process pursuant to English insolvency laws as such and a fixed charge receivership can be run in parallel to a liquidation or an administration. An administrator may require a fixed charge receiver to vacate office unless that fixed charge receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement," as per Regulation 8(4) of the Financial Collateral Regulations (see "—Administration" above).

The primary duty of a fixed charge receiver is to realize the assets over which (s)he is appointed, meaning (s)he owes an over-riding duty of care to the appointor (although the receiver owes the chargor certain limited duties such as a duty to act in good faith during the course of his or her appointment). This contrasts with the duty of an administrator, who performs his/her duties in the interests of a company's creditors as a whole. In other words, receivership is a proprietary remedy whereas administration is a collective procedure. In realising the charged assets, the receiver will need to take reasonable care to obtain the best price obtainable in the circumstances. In doing so, the fixed charge receiver will be entitled to a statutory indemnity in respect of any liabilities from the realizations made of the assets of the company (and may also have the benefit of a contractual indemnity from the appointor).

To the extent the receiver has been appointed under a crystallised floating charge, amounts will be deducted from the proceeds of the realization of the charged assets to pay the Prescribed Part and any preferential creditors (see "—Prescribed Part" below).

Scheme of Arrangement

Although not an insolvency proceeding, pursuant to Part 26 of the Companies Act 2006 the English courts have jurisdiction to sanction a scheme of arrangement that effects a compromise of a company's liabilities between a company and its creditors (or any class of its creditors). An English Obligor may be able to pursue a scheme in respect of its financial liabilities. In addition, a foreign obligor which (i) is liable to be wound up under the Insolvency Act and (ii) has a "sufficient connection" to England and Wales could also propose a scheme.

In practice, the requisite "sufficient connection" has been found to be satisfied where, among other things, the company's COMI is in England and Wales, the company's finance documents are English law governed, or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not specific circumstances satisfy the requirement for sufficient connection in any given case. Before the court considers the sanction of a scheme of arrangement, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed scheme and any new rights that such creditors are given under the scheme. Such compromise can be proposed by the company or its creditors. If a majority in number representing 75% or more by value of those creditors present and voting at the meeting(s) of each class of creditors vote in favour of the proposed scheme, irrespective of the terms and approval thresholds contained in the finance documents, then that scheme will (subject to the sanction of the court) be binding on all affected creditors, including those affected creditors who did not participate in the vote and those who voted against the scheme. The scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made or decline to sanction the scheme. In exercising its discretion to sanction a scheme of a non English Obligor, the court will need to be satisfied that the scheme of arrangement would have substantial effect in the jurisdictions in which the company has its main assets or operations, in the jurisdictions of any other obligors of the debt and under the governing law of the affected debt documents (if not English law). This is typically achieved by providing expert evidence that the scheme of arrangement (or its effect) is likely to be recognized in such jurisdiction(s). Once sanctioned, the scheme of arrangement binds all affected stakeholders whose rights will be as set out in the scheme of arrangement, which shall be effective (in accordance with its terms) upon delivery of the court's order sanctioning the scheme to the Registrar of Companies.

Unlike an administration proceeding, the commencement of a scheme of arrangement does not automatically trigger a moratorium of claims or proceedings.

Schemes of arrangement have always been outside the scope of the Recast Insolvency Regulation on the basis that they are not considered to be 'insolvency' proceedings (although they are, in practice, often used by financially distressed companies). Instead, if a scheme previously required recognition within the EU, the EU Judgments Regulation was commonly relied upon as a basis on which recognition of the judgment of the court sanctioning the scheme could be obtained in each member state.

Restructuring Plan

Like a scheme of arrangement, a restructuring plan is a procedure under the Companies Act 2006, namely under Part 26A thereof, which allows the English courts to effect a compromise of a company's liabilities between a company and its creditors (or any class of its creditors), but with the added possibility of "cross-class cram-down." While generally available to the same domestic and foreign companies as schemes of arrangement, a company seeking to enter into a restructuring plan process must show that (i) it has encountered, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, and (ii) a compromise or arrangement has been proposed between the company and its creditors (or any class of them) whose purpose it is to eliminate, reduce or prevent, or mitigate the effect of, any of those financial difficulties.

A restructuring plan may be proposed by the debtor company, any creditor of the company or any liquidator or administrator appointed to the company. As with a scheme of arrangement, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes depending on the rights of such creditors which will be affected by the proposed restructuring plan and any new rights that such creditors are given under the restructuring plan.

A restructuring plan will be deemed to be approved if at least 75% in value of the creditors present and voting at the meeting of at least one class of creditors vote in favour of the proposed compromise, there is no requirement for the approving creditors to constitute a majority in number of those creditors present and voting, and there is crucially no requirement for each and every voting class to approve of the plan, provided that the court is satisfied that: (i) none of the members of a dissenting class would be any worse off if the restructuring plan were to be sanctioned than they would be in the event of the 'relevant alternative'; and (ii) the restructuring plan was approved by at least one class of creditors who would receive a payment or have a genuine economic interest in the company in the event of the 'relevant alternative'. The 'relevant alternative' for the purposes of this assessment is whatever the court considers would be most likely to occur in relation to the company if the restructuring plan were not sanctioned. By virtue of these mechanics, the restructuring plan process provides for the possibility of a "cross-class cram-down," meaning the courts may sanction a restructuring plan even if one or more classes of affected creditors do not vote in favour of the restructuring plan, effectively allowing the vote of one class of stakeholders to bind other classes.

Following approval of the restructuring plan at the meetings of creditors, the restructuring plan needs to be sanctioned by the court at a sanction hearing where the court will review whether each applicable statutory condition has been satisfied and consider whether the restructuring plan is just and equitable. The court has discretion as to whether to sanction the restructuring plan as approved, make an order conditional upon modifications being made or decline to sanction the restructuring plan. Once sanctioned, the restructuring plan binds all affected stakeholders whose rights will be as set out in the restructuring plan, which shall be effective (in accordance with its terms) upon delivery of the court's order sanctioning the restructuring plan to the Registrar of Companies.

As with schemes of arrangement, the commencement of a restructuring plan process does not automatically trigger a moratorium of claims or proceedings.

Liquidation/Winding-up

Liquidation is a company dissolution procedure under which the assets of a company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act (see "—Priority on Insolvency" below). There are two forms of winding-up: (i) compulsory liquidation, by order of the court; and (ii) members' voluntary liquidation or creditors' voluntary liquidation, in each case by resolution of the company's members. The difference between the two voluntary proceedings is the solvency of the company in question; in a members' voluntary liquidation, the directors of the company swear a statutory declaration as to the company's solvency over the following 12 months whereas the primary ground for the creditors' voluntary liquidation of an insolvent company is that it is unable to pay its debts (as defined in Section 123 of the Insolvency Act; see "—Administration" above). Note that while a creditors' voluntary liquidation (other than as an exit from administration) is initiated by a resolution of the members, not the creditors, once in place the process is subject to some degree of control by the creditors. Whereas compulsory liquidation and creditors' voluntary liquidation proceedings are available to foreign companies with sufficient nexus to the UK in addition to companies within the English courts' general jurisdiction, members' voluntary liquidation proceedings are only available to companies registered in England, Wales or Scotland.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary winding-up. In a compulsory winding-up, under Section 127 of the Insolvency Act any disposition of the relevant company's property made after the commencement of the winding-up is, unless sanctioned by the court, void. However, this will not apply to any property or security interest subject to a disposition or created or otherwise arising under a "financial collateral arrangement" under the Financial Collateral Regulations and will not prevent a close-out netting provision taking effect in accordance with its terms. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced at the time of the presentation of the winding-up petition. Once a winding-up order is made by the court, a stay of all proceedings against the company will be imposed. No action or proceeding may be continued or commenced against the company without permission of the court and subject to such terms as the court may impose although there is no freeze on the enforcement of security.

In the context of a voluntary winding-up, however, there is no equivalent to the retrospective effect of a winding-up order; the winding-up commences on the passing of the members' resolution to wind up. As a result, there is no equivalent of Section 127 of the Insolvency Act. There is also no automatic stay in the case of a voluntary winding-up – it is for the liquidator, or any creditor or contributory of the company, to apply for a stay to prevent the continuation of legal proceedings and enforcement of security.

A liquidator has the power to bring or defend legal proceedings on behalf of the company, to carry on the business of the company as far as it is necessary for its beneficial winding up, to sell the company's property and execute documents in the name of the company and to challenge antecedent transactions (see "—Avoidance of Transactions" below).

Priority on Insolvency

One of the primary functions of winding-up (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the company in question and distribute the proceeds from those assets to the company's creditors.

In accordance with the Insolvency Act and the Insolvency Rules, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the Prescribed Part (as defined herein), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior-ranking class have been paid in full. Unless creditors have agreed otherwise with the company, distributions are made on a pari passu basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

Contractual setting-off arrangements entered into after a company enters liquidation or administration are only respected to the extent they fall within the definition of "mutual dealing" as applied by the mandatory insolvency set-off regime. This regime sees an account being taken of what is due from each party to the other in respect of their mutual dealings, and only the resulting net balance is either provable by the creditor in the administration or liquidation of the company (if amounts remain due to the creditor) or, conversely, is payable by the creditor to the company (if amounts remain due to the company).

The general priority on insolvency is as follows (in descending order of priority):

- *First ranking*: holders of fixed charge security and creditors with a proprietary interest in specific assets in the possession (but not full legal and beneficial ownership) of the debtor but only to the extent the realizations from those secured assets or with respect to the asset in which they have a proprietary interest account for the relevant indebtedness;

- *Second ranking*: prescribed fees and expenses of the official receiver;

- *Third ranking*: where winding-up procedures are begun within 12 weeks following the end of any (new, stand-alone) moratorium, unpaid moratorium debts and unpaid priority pre-moratorium debts;

- *Fourth ranking*: expenses of the insolvent estate incurred during the relevant insolvency proceedings (there are statutory provisions setting out the order of priority in which expenses are-paid);

- *Fifth ranking*: ordinary and secondary preferential creditors.

  Ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) contributions to occupational and state pension schemes; (ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency; and (iv) bank and building society deposits eligible for compensation under the Financial Services Compensation Scheme ("FSCS") up to the statutory limit. As between one another, ordinary preferential debts rank equally.

  Secondary preferential debts rank for payment after the discharge of ordinary preferential debts and include claims by HMRC in respect of taxes including VAT, PAYE income tax (including student loan repayments), employee NI contributions and Construction Industry Scheme deductions (but excluding corporation tax and employer NI contributions) which are held by the company on behalf of employees and customers as well as bank and building deposits eligible for compensation under the FSCS to the extent such claims exceed the statutory limit. As between one another, secondary preferential debts rank equally;

- *Sixth ranking:* holders of floating charge security, to the extent of the realizations from those secured assets, according to the priority of their security. This would include any security interest that was stated to be a fixed charge in the document that created it but which, on a proper interpretation by the court, was rendered a floating charge. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part must, subject to certain exceptions, be set aside for distribution to unsecured creditors;

- *Seventh ranking*:

  - firstly, provable debts of unsecured creditors and any secured creditor to the extent of any unsecured shortfall, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. To pay the secured creditors any unsecured shortfall, the insolvency officeholder can only use realizations from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part unless the Prescribed Part is sufficient to pay out all unsecured creditors;

- secondly, interest on the company's debts (at the higher of the applicable contractual rate and the official rate in accordance with the Judgments Act 1838 (currently 8% per annum)) in respect of any period after the commencement of liquidation, or after the commencement of any administration which had been converted into a distributing administration. However, in the case of interest accruing on amounts due under the notes or related guarantees, such interest due to the holders of the notes may, if there are sufficient realizations from the secured assets, be discharged out of such security recoveries; and

- thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully repaid. This however does not include "currency conversion" claims following the English Supreme Court Lehman Brothers ruling dated May 17, 2017 (see "—Foreign currency" below); and

- *Eighth ranking:* 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. Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation.

Prescribed Part

An insolvency practitioner of a company (e.g. an administrator, administrative receiver or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realizations) (the "Prescribed Part"). This ring-fence applies to (i) 50% of the first £10,000 of the company's net property and (ii) 20% of the remainder of the company's net property over £10,000, with a maximum aggregate cap of £800,000 (except where the company's net property is available to be distributed to the holder of a first-ranking floating charge created before April 6, 2020, in which case the maximum aggregate cap is £600,000). The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors. The Prescribed Part will not be available for any shortfall claims of secured creditors. The requirement of the insolvency officeholder to set aside a Prescribed Part will not apply to any charge created or otherwise arising under a financial collateral arrangement under the Financial Collateral Regulations.

Foreign currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into pound sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. This provision overrides any agreement between the parties. If a creditor considers the rate to be unreasonable, it may apply to the court. Accordingly, in the event that an English Obligor goes into liquidation or administration, holders of the notes may be subject to exchange rate risk between the date on which such English Obligor goes into liquidation or administration and receipt of any amounts to which such holders of the notes may become entitled. Any losses resulting from currency fluctuations are not recoverable from the insolvent estate.

Avoidance of Transactions

There are circumstances under English insolvency law in which the granting by an English company of security and/or guarantees, or the entry by an English company into a transaction can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period after the relevant act. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company, or certain transactions entered into by the company.

The issuers cannot be certain that, in the event that the onset of an English company's insolvency (as described below) is within any of the requisite time periods, the grant of a security interest and/or guarantee in respect of the notes, would not be challenged or that a court would uphold the transaction as valid.

Onset of Insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue, preferences and invalid floating charges (as discussed below) depends on the insolvency procedure in question.

In an administration, the onset of insolvency is the date on which: (i) the court application for an administration order is issued; (ii) the notice of intention to appoint an administrator is filed at court; or (iii) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation, the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes the relevant winding-up resolution. Where liquidation follows administration, the onset of insolvency will be the same as for the initial administration.

Connected Persons

If a given transaction at an undervalue, preference or invalid floating charge has been entered into by the company with a "connected person," then particular specified time periods and presumptions will apply to any challenge by an administrator or liquidator (as set out below).

A "connected person" of a company granting a security interest or guarantee for the purposes of transactions at an undervalue, preferences or invalid floating charges is a party who is: (i) a director of the company; (ii) a shadow director; (iii) an associate of such director or shadow director; or (iv) an associate of the relevant company.

A party is associated with an individual if they are: (i) a relative of the individual; (ii) the individual's husband, wife or civil partner; (iii) a relative of the individual's husband, wife or civil partner; (iv) the husband, wife or civil partner of a relative of the individual; or (v) the husband, wife or civil partner of a relative of the individual's husband, wife or civil partner. A party is associated with a company if they are employed by that company. A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

A person is to be taken as having control of a company if the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has control of it. Where two or more persons together satisfy either of these conditions, they are to be taken as having control of the company.

The potential grounds for challenge available under English law that may apply to any security interest or guarantee granted by the English Obligors include, without limitation, the following grounds described below.

Transactions at an Undervalue

Under Section 238 of the Insolvency Act, a liquidator or administrator could apply to the court for an order to set aside a transaction, for example, the creation of a security interest or a guarantee (or grant other relief as the court thinks fit for restoring the position to what it otherwise would have been) where the creation of such security interest or guarantee constituted a transaction at an undervalue.

A transaction will only be a transaction at an undervalue if, at the time of the transaction or as a consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the onset of the company's insolvency is within a period of two years from the date the company grants the security interest or the guarantee. In any proceedings, it is for the administrator or liquidator to show that the company was unable to pay its debts unless a beneficiary of the transaction was a connected person (see "—Connected Persons" above), in which case there is a presumption of insolvency and the connected person must demonstrate that the company was not unable to pay its debts at the time of the transaction or became unable to do so as a consequence of the transaction.

A transaction may be set aside as a transaction at an undervalue if the company made a gift to a person, if the company received no consideration or if the company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court shall not make an order if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it.

If the court determines that the transaction was a transaction at an undervalue, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under or setting aside security interests or guarantees. An order by the court for a transaction at an undervalue may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the company entered into the transaction, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the transaction in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the person was a party to the transaction.

Preferences

Under Section 239 of the Insolvency Act, a liquidator or administrator could apply to the court for an order to set aside a transaction, for example, payments, the creation of a security interest or a guarantee (or grant other relief as the court thinks fit for restoring the position to what it otherwise would have been) where such transaction constituted a preference.

A transaction will only be a preference if, at the time of the transaction or in consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the company enters into insolvency within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person, except where such beneficiary is a connected person by reason only of being the company's employee) from the date the company grants the security interest or the guarantee. A transaction may constitute a preference if a transaction has the effect of putting a creditor of the company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. However, for the court to determine a transaction was a preference, it must be shown that the company which entered into the transaction was influenced by a desire to produce the preferential effect in relation to that person when taking their decision.

In any proceedings, it is for the administrator or liquidator to show that the company was unable to pay its debts at the relevant time and that there was such desire to prefer the relevant creditor. If, however, the beneficiary of the transaction was a connected person (except where such beneficiary is a connected person by reason only of being the company's employee), it is presumed that the company intended to put that person in a better position and the connected person must demonstrate that there was, in fact, no such desire on the part of the company to prefer them.

If the court determines that the transaction was a preference, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under or setting aside security interests or guarantees. An order by the court for a preference may affect the property of, or impose any obligation on, any person whether or not they are the person to whom the preference was given, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the preference in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the payment is to be in respect of a preference given to that person at a time when they were a creditor of the company.

Transactions Defrauding Creditors

Under Section 423 of the Insolvency Act, where a transaction was at an undervalue and the court is satisfied that it was made for the substantial purpose of putting assets beyond the reach of a person who is making, or may make, a claim against the company in question, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction including the UK Financial Conduct Authority, the UK Prudential Regulation Authority and the UK Pensions Regulator (with the leave of the court if the company is in liquidation or administration) and use of the provision is therefore not limited to liquidators or administrators. There is no statutory time limit within which the challenge must be made (subject to the normal statutory limitation periods) and the relevant company does not need to be insolvent at the time of, or as a result of, the transaction.

If the court determines that the transaction was a transaction defrauding creditors, the court may make such order as it sees fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction, which may include reducing payments due under the notes or setting aside security interests or guarantees. The relevant court order may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances, and will not require a person who received a benefit from such transaction in good faith, for value and without notice of the relevant circumstances to pay any sum to the liquidator or administrator of the company unless such person was a party to the transaction.

Voidable Floating Charges

Under Section 245 of the Insolvency Act, floating charges created by a company within a period of one year prior to the onset of the company's insolvency (or two years in the case of a floating charge in favour of a connected person) at a time when the company was unable to pay its debts or became unable to do so as a consequence of the transaction will be invalid, except to the extent of the value of: (i) the money paid to; (ii) the goods or services supplied to; or (iii) any discharge or reduction of any debt of, the relevant company at the same time as or after the creation of the floating charge (plus certain interest) (the "Consideration"). The requirement for a company to be unable to pay its debts at the time of granting the floating charge or to become insolvent as a consequence of doing so does not apply where the floating charge is granted to a connected person.

An administrator or liquidator (as applicable) does not need to apply to court for an order declaring that a floating charge is invalid by operation of law. Any floating charge created during the relevant time period is automatically invalid, except to the extent of the value of the Consideration, irrespective of whether the relevant company is solvent or insolvent at the time of grant.

However, if the floating charge is created or otherwise arises under a "security financial collateral arrangement" under the Financial Collateral Regulations, the floating charge will not be subject to challenge as described in "—Administration" above.

Extortionate Credit Transactions

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. A credit transaction is "*extortionate*" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing. It is presumed, unless otherwise proven by the person extending the credit, that a transaction with respect to which an administrator or liquidator makes an application to set aside as an extortionate credit transaction is extortionate. The court can make an order in relation to an extortionate credit transactions entered into by a company up to three years before the day on which a company entered administration or liquidation. That order may set aside, either in whole or in part, any obligation created by the transaction (which could include obligations of sureties). It may also vary the terms of the transaction or the terms of any security for the purposes of the transaction. The court may require any party to the transaction to repay to the liquidator or administrator sums already paid under the transaction and it may order the surrender of any security held for the purposes of the transaction. It should be noted that there are no provisions for the protection of third parties who acquire interests in the extortionate credit transaction (e.g. assignees of the benefit of the transaction from the person who provided credit under it).

Recharacterization of Fixed Charges

As referred to above (see "—Fixed Versus Floating Charges" above), note the risk of a fixed charge being recharacterized as a floating charge. If such recharacterization falls within the suspect period referred to above (see "—Voidable Floating Charges" above), this could render the charge invalid except to the value of the Consideration.

Disclaimer

An English liquidator has the power to disclaim onerous property, which is any unprofitable contract or other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act, by serving the prescribed notice on the relevant party. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on a company that may be detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous or because the company could have made, or could make, a better bargain. However, this power to disclaim onerous property does not apply to an executed contract nor can it, except so far as is necessary for the purpose of releasing the company from any liability, affect the rights or liabilities of any other person. Any person suffering loss or damage in consequence of the operation of the disclaimer is deemed to be a creditor of the company and may prove for the loss or damage in the winding-up.

Security over Shares

Security over shares granted by an English Obligor or over shares of an English Obligor are, under English law, equitable charges, not legal charges. An equitable charge arises where a charging company creates an encumbrance over the property in favour of the chargee but the charging company retains legal title to the shares. Remedies in relation to equitable charges may be subject to equitable considerations or may otherwise be at the discretion of the court.

The validity of share security and the ability of secured parties to enforce security interests over shares may additionally be affected by a failure of the charging company or related parties or (in certain circumstances) the secured parties to comply within the relevant timeframes with the disclosure and notification obligations under English company statutes in respect of persons with significant control and relevant legal entities.

Security over Bank Accounts

With respect to any security over bank accounts (each an "Account Charge") granted by an English Obligor, the banks with which some of those accounts are held (each an "Account Bank") may have reserved their right at any time to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangements with that English Obligor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will be subject to the relevant Account Bank's rights to exercise netting and set-off with respect to the bank accounts charged under the relevant Account Charge. Once the floating charge has crystallised and converted into a fixed charge (as it would on enforcement or the occurrence of certain insolvency events with respect to the relevant English Obligor) and the Account Bank has been formally notified of that fact, the collateral will no longer be subject to the relevant Account Bank's netting and set-off rights unless the Account Bank has expressly reserved set-off rights in such circumstances.

Limitations on Enforcement

Constitutional Documents, Corporate Benefit and Financial Assistance

The grant of a guarantee or collateral by any of the English Obligors in respect of the obligations of another group company must satisfy certain legal requirements. Among other requirements, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that these documents do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation.

Further, corporate benefit must be established for each English Obligor in question with respect to its entry into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in a way that he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found to be abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court. Section 172(3) of the Companies Act 2006 additionally provides that, in certain circumstances, the directors need to consider or act in the interests of the creditors of the company. While the statutory provisions do not prescribe when this shift occurs, the English courts have held that it takes place when the company in question is either insolvent or is bordering on insolvency.

Security and/or guarantees granted by an English Obligor may also be subject to potential limitations to the extent they would result in unlawful financial assistance contrary to English company law.

Security Registration

Under English company law, subject to limited exceptions, a certified copy of any security document pursuant to which a charging company incorporated in England and Wales grants security (including security governed by law other than English law) (together with prescribed particulars of the relevant security) may be delivered to the Registrar of Companies for registration within 21 days after the date of creation of the relevant security interest (the "Registration Period"). While the Companies Act 2006 does not impose an obligation as such on English companies to register security, security will be deemed to be void against a liquidator, administrator and any creditor of the applicable charging company if not registered within the Registration Period. When security becomes so void, the debt which was intended to be secured by such security is deemed to become immediately payable. In limited circumstances, it may be possible to apply to the English courts for an order to rectify a failure to register and allow the relevant charge to be registered after the Registration Period has expired.

The Financial Collateral Regulations exempt certain charges over financial collateral from registration with the Registrar of Companies. Security created by overseas companies over assets in England and Wales similarly does not need to be registered with the Registrar of Companies, although registration with applicable asset registries may still be required depending on the nature of the collateral assets.

Moratoriums

As outlined above, certain of the insolvency processes available in England and Wales provide for the automatic or optional moratorium imposing a period of time during which third parties including creditors are unable to institute or continue legal action against the company, enforce certain rights and/or call upon security or guarantees. Besides the moratorium available to companies undergoing administration (see "—Administration" above), moratoriums are also available to companies entering liquidation (see "—Liquidation/Winding-up" above).

Restriction on the Operation and Exercise of Ipso Facto Provisions

Changes to the Insolvency Act have introduced a restriction on the operation and exercise of ipso facto clauses in order to preserve the continuity of the provision of goods and services to companies undergoing insolvency procedures. In general terms, ipso facto clauses are provisions in supply of goods or services contracts which allow suppliers to terminate the contract or supply or take any other action, or provide for the automatic termination of the contract or supply or the occurrence of any other event, upon the counterparty entering an insolvency procedure. Under the new approach, to the extent that the trigger event is the counterparty's entry into a 'relevant insolvency procedure' (i.e., an administration, administrative receivership, company voluntary arrangement, liquidation and/or a restructuring plan), such clauses will be deemed void and suppliers will be unable to terminate the relevant contracts unless the company or the relevant officeholder consents to the termination or the court grants permission on the basis that it is satisfied that the continuation of the contract would cause the supplier hardship.

The restrictions do not apply to a range of contracts involving financial services or entities involved in the provision of financial services, including contracts for the provision of lending, financial leasing or guarantees, contracts for the purchase, sale or loan of securities or commodities and agreements which are, or form part of, arrangements involving the issue of a capital market investment (as defined in the Insolvency Act).

Cross-border Recognition of English Insolvency and Restructuring Proceedings

General Position

The recognition of English insolvency and restructuring proceedings in other jurisdictions is governed by applicable treaties in respect of the mutual recognition (or otherwise) of courts' jurisdiction, proceedings and judgments and general principles of private international law such as comity and conflicts of laws rules applicable in the relevant jurisdictions.

One of the key insolvency-related treaties is the UNCITRAL Model Law on Cross-Border Insolvency (the "Model Law"), which has been adopted in a number of jurisdictions, including the United States and the United Kingdom, where it was implemented by the Cross-Border Insolvency Regulations. The Model Law provides for recognition of certain UK insolvency proceedings in other signatory states as either foreign main proceedings (if COMI of the relevant debtor is determined to be in the United Kingdom) or foreign non-main proceedings (if COMI is determined to be in another jurisdiction but the debtor has an establishment in the United Kingdom), upon application by the relevant insolvency officeholder. The nature and scope of the recognition will depend on the way that the Model Law has been implemented into the domestic law of the jurisdiction in question. Conversely, the Cross-Border Insolvency Regulations provide for recognition in Great Britain of foreign insolvency proceedings as either main proceedings (if the proceedings are taking place in the jurisdiction where the debtor has its COMI) or non-main proceedings (if the proceedings are taking place in a jurisdiction in which the debtor has only an establishment).

The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005 (the "Hague Convention") and the Lugano Convention 2007 (the "Lugano Convention") (subject to the United Kingdom's pending accession to the latter, which accession is currently being blocked by the European Commission) where these apply. In addition, recognition may still be available under principles of private international law and Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations ("Rome I"). On January 12, 2024, the UK Government signed the Hague Convention of July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters, which will come into force 12 months after ratification and apply to judgments in proceedings commenced after that date.

The recognition of English courts' jurisdiction and orders in respect of restructuring plans is a developing area. It remains to be seen whether restructuring plans will fall within the scope of treaties regarding matters relating to the jurisdiction of the courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention and the Lugano Convention, or whether they will be treated more akin to insolvency and restructuring proceedings and fall within related exceptions to such treaties.

Recognition in the European Union

Following the United Kingdom's departure from the European Union and the expiry of the Transition Period, UK proceedings no longer benefit from automatic and guaranteed recognition in EU member states. As the trade and cooperation terms agreed between the European Union and the United Kingdom do not include a replacement regime for the current automatic recognition of UK insolvency procedures across the European Union (and vice versa) or otherwise address insolvency matters, cross-border insolvencies involving the United Kingdom and one or more EU member states will be subject to a degree of uncertainty and increased complexity.

Unless or until a mutual recognition agreement is reached in the future, it is likely to be more problematic for UK restructuring and insolvency proceedings to be recognized in EU member states and for UK office holders to effectively deal with assets located in EU member states. The general position outlined above will apply and recognition will depend on the private international law rules adopted in the relevant EU member state and the need may well arise to open parallel proceedings, increasing the element of risk as well as costs. In particular in cases where the appointment of a UK office holder is made in reliance on a UK domestic approach rather than COMI rules, it is much less certain that such appointment will be recognized in other EU member states. To the extent relevant proceedings are deemed to fall within the remit of contract law, Rome I may offer an alternative basis for recognition in EU member states.

As a consequence, the recognition of English insolvency and restructuring proceedings across the EU member states may be different from what investors may have experienced in the past when the United Kingdom was a member state of the European Union. It is not possible to predict with certainty if and to what extent proceedings will be recognized and whether investors may be adversely affected as a result.

Luxembourg

Certain guarantors and certain providers of collateral are companies incorporated or formed under the laws of Luxembourg (the "Luxembourg Obligors").

The insolvency laws of Luxembourg may limit your ability to effectively enforce your rights under the notes offered hereby

The rights of holders under the notes offered hereby and the collateral may be subject to the insolvency and administrative laws of Luxembourg, and you may not be able to effectively enforce your rights in such complex, bankruptcy or insolvency proceedings. The Luxembourg Law of 10 August 1915 on commercial companies, as amended (the "Luxembourg Companies Law") and Luxembourg laws applicable to companies generally differs in material aspects from the laws generally applicable to U.S. corporations and security holders, including the provisions relating to interested directors, managers, mergers, amalgamations and acquisitions, takeovers, security holder lawsuits and indemnification of directors or managers. Under Luxembourg law, the duties of directors or managers of a company are generally owed to the company only; creditors of Luxembourg companies generally do not have rights to take action against directors of the company, except in limited circumstances. Directors and managers of a Luxembourg company must, in exercising their powers and performing their duties, act in good faith and in the interests of the company as a whole and must exercise due care, skill and diligence in the performance of their duties. Directors or managers have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any direct or indirect, personal financial interest in any contract or arrangement with the company or any of its subsidiaries. If a director or manager of a Luxembourg company is found to have breached his or her duties to such company, he or she may be held personally liable to the company in respect of that breach of duty. A manager may be jointly and severally liable with other managers implicated in the same breach of duty.

Insolvency proceedings with respect to companies incorporated or formed in Luxembourg would likely be governed by the relevant entity's jurisdiction of organization. In addition, the Luxembourg Obligors could be required to proceed under the laws of the jurisdiction in which the company has its "*centre of main interests*," as defined in the Recast Insolvency Regulation, at the time insolvency proceedings are commenced. Although there is a rebuttable presumption that the "*centre of main interests*" will be in the jurisdiction where its registered office is situated, this presumption is not conclusive. Accordingly, insolvency proceedings with respect to these companies may proceed under, and be governed by, the insolvency laws of another jurisdiction if the "*centre of main interests*" of these companies is determined to be in such other jurisdiction at the relevant time.

The insolvency laws of such jurisdictions may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar. If the Luxembourg Obligors or any of their subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Under Luxembourg law, the following types of proceedings (together referred to as insolvency proceedings) may be initiated against a company having its center of main interests or an establishment (both terms within the meaning of the Recast Insolvency Regulation) in Luxembourg:

- bankruptcy proceedings (*faillite*), the opening of which may be requested by the company, by any of its creditors or by the courts *ex officio*. Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if a Luxembourg company: (i) is in a state of cessation of payments (*cessation des paiements*); and (ii) has lost its commercial creditworthiness (*ébranlement de crédit*). The main effect of such proceedings is the sale of the assets and allocation of the proceeds of such sale between creditors taking into account their rank of privilege, as well as the suspension of all measures of enforcement against the company except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realization of the assets. In addition, the managers or directors of a Luxembourg company that ceases its payments (i.e*.,* is unable to pay its debts as they fall due with normal means of payment) must within a month of them having become aware of the company's cessation of payments, file a petition for bankruptcy (*faillite*) with the court clerk of the district court of the company's registered office. If the managers or directors fail to comply with such provision, they may be held (i) liable towards the company or any third parties on the basis of principles of managers'/directors' liability for any loss suffered and (ii) may, under certain circumstances, be held criminally liable under applicable provisions;

- reorganisation procedure in the form of a mutual agreement (*réorganisation par accord amiable*), the opening of which is initiated by the company by proposing an out-of-court mutual agreement to all or at least two of its creditors with a view of the reorganisation of all or part of its assets or activities;

- a collective agreement (*réorganisation judiciaire par accord collectif*), the opening of which may only be requested by the company and not by its creditors with a view to obtaining an agreement of the creditors on a reorganisation plan; if the conditions are fulfilled, a Luxembourg court will declare the opening of the judicial reorganisation and order a stay on payments except for secured creditors (please see the below applicable provision of the Financial Collateral Law 2005) who would remain able to enforce a financial collateral arrangement;

- transfer by court order (*réorganisation judiciaire par transfert par décision de justice*), the opening of which may be requested by the company, a public prosecutor, a creditor or any interested third party with a view to allowing a transfer by court order to one or several third parties of all or part of the assets of the activities; a Luxembourg court will declare the opening of the judicial reorganisation and order a stay on payments except for secured creditors (please see the below applicable provision of the Financial Collateral Law 2005) who would remain able to enforce a financial collateral arrangement; or in addition to these proceedings, your ability to receive payment on the notes may be affected by a decision of a Luxembourg court to grant a stay on payments ("*sursis de paiement*") or to put a Luxembourg company into judicial liquidation ("*liquidation judiciaire*") or administrative dissolution without liquidation ("*dissolution administrative sans liquidation*"). Judicial liquidation or administrative dissolution without liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the Luxembourg commercial code or of the Luxembourg Companies Law. The management of such liquidation proceedings will generally follow similar rules as those applicable to Luxembourg bankruptcy proceedings.

Preferential debts under Luxembourg law include, among others, certain amounts owed to the Luxembourg Revenue, value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise, social security contributions, and remuneration owed to employees.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized).

Favorable rules apply in relation to security interests of claims or financial instruments securing monetary claims (or claims for the delivery of financial instruments) pursuant to the law of 5 August 2005 on financial collateral arrangements, as amended (the "Financial Collateral Law 2005"). Article 20 of the Financial Collateral Law 2005 provides that Luxembourg law financial collateral arrangements (pledges, security assignments and repo agreements) over claims and financial instruments, as well as valuation and enforcement measures agreed upon by the parties are valid and enforceable even if entered into during the pre-bankruptcy preference period (*période suspecte*) against third parties, commissioners, receivers, liquidators and other similar persons notwithstanding the insolvency proceedings (save in the case of fraud).

Article 24 of the Financial Collateral Law 2005 provides that foreign law security interests over claims or financial instruments granted by a Luxembourg pledgor will be valid and enforceable as a matter of Luxembourg law notwithstanding any Luxembourg insolvency proceedings, if such foreign law security interests are similar in nature to a Luxembourg security interest falling within the scope of the Financial Collateral Law 2005. If Article 24 applies, Luxembourg preference period rules are disapplied (save in the case of fraud).

Article 21(2) of the Financial Collateral Law 2005 provides that where a financial collateral arrangement has been entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such arrangement is enforceable against third parties, administrators, insolvency receivers, liquidators and other similar persons if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of such proceedings, measures or arrangement.

During insolvency proceedings, unsecured creditors may not bring enforcement measures against the Luxembourg company. A reorganization order requires the prior approval by more than 50% of the creditors representing more than 50% of the Luxembourg company's liabilities in order to take effect.

Generally, Luxembourg insolvency laws may also affect transactions entered into or payments made by a Luxembourg company during the pre-bankruptcy hardening period, which is a maximum of six months and ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date. In particular:

- pursuant to article 445 of the Luxembourg code of commerce, some specific transactions (in particular, the granting of a security interest for antecedent debts, the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; and the sale of assets without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;

- pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt's cessation of payments; and

- article 448 of the Luxembourg code of commerce and article 1167 of the civil code gives the insolvency receiver (acting on behalf of the creditors) the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in automatic termination of contracts. The contracts, therefore, survive after the bankruptcy order, but the insolvency receiver may choose to terminate certain contracts. However, as of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. The bankruptcy order provides for a period of time during which creditors must file their claims with the clerk's office of the Luxembourg district court sitting in commercial matters. After having converted all available assets of the company into cash and after having determined all the company's liabilities, the insolvency receiver will distribute the proceeds of the sale, on a pro rata basis, to the creditors after deduction of the receiver fees and the bankruptcy administration costs.

Finally, international aspects of Luxembourg bankruptcy proceedings may be subject to the Recast Insolvency Regulation. In particular, rights *in rem* over assets located in another jurisdiction where the Recast Insolvency Regulation is applicable will not be affected by the opening of insolvency proceedings, without prejudice however to the applicability of rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors (subject to the application of Article 24 of the Financial Collateral Law 2005 as described above and Article 16 of the Recast Insolvency Regulation).

Insolvency proceedings may have a material adverse effect on the relevant Luxembourg company's business and assets and the Luxembourg company's respective obligations with respect to the notes.

Security interests considerations

The notes are secured by several security interests governed by Luxembourg law. According to Luxembourg conflict of law rules, the courts in Luxembourg will generally apply the *lex rei sitae or lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables or claims governed by Luxembourg law or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The Financial Collateral Law 2005 governs the creation, validity, perfection and enforcement of pledges over shares, bank accounts and receivables located or deemed to be located in Luxembourg. A judgment of the European Court of Justice dated 10 November 2016 in Case C 156/15 relating to a pledge over monies deposited to a current account, has held that Directive 2002/47/EC of 6 June 2002 on financial collateral arrangements, confers to the pledgee the right to enforce the collateral, notwithstanding the commencement of insolvency proceedings in respect of the pledgor, only if, (i) the monies covered by the collateral were deposited in the account in question before the commencement of those proceedings or those monies were deposited in the account in question on the day of commencement, the pledgor having proved that it was not aware, nor should have been aware, that those proceedings had commended and (ii) the account holder was prevented from disposing of those monies after they had been deposited in that account.

Under the Financial Collateral Law 2005, the perfection of security interests depends on certain registration, notification and acceptance requirements. A physical transfer of possession not being possible for intangibles such as monetary claims, the Financial Collateral Law 2005 provides for a fictitious transfer of possession (i.e., perfection) which is effected by mechanisms which depend on the nature of the intangibles involved. In case of registered shares and other registered instruments, the dispossession is validly realized by notifying the pledge to the issuer of such shares/instruments or by an acceptance of the pledge by the issuer of such shares/instruments who in turn will proceed to an entry of the pledge in the share register/the register of the relevant instruments (as applicable) held by the issuer of such shares/instruments.

If future shares are pledged, the perfection of such pledge will require additional registration in the shareholders' register of such company. A pledge under a receivables pledge agreement will be validly created and perfected provided that the pledge under such receivables pledge agreement is executed by the parties thereto. However, if the debtor has not been notified of such receivables pledge or if it did not otherwise acquire knowledge of the pledge, it will be validly discharged of its obligations if it pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank so as to ensure that the account bank has waived any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, such additional notification to, acceptance and waiver by the account bank will be required.

Article 11 of the Financial Collateral Law 2005 sets forth enforcement remedies available upon the occurrence of an enforcement event, including, without limitation:

- the direct appropriation, or appropriation by third parties, of the pledged assets at a value determined in accordance with a valuation method agreed upon by the parties;

- a sale of the pledged assets (i) in a private transaction on commercially reasonable terms (*conditions commerciales normales*) or (ii) by way of a public auction;

- a court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or

- set-off between the secured obligations and the pledged assets.

As the Financial Collateral Law 2005 does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourse and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

According to the Financial Collateral Law 2005, with the exception of the provisions of the law of January 8, 2013 on the over-extension of debt, the provisions of Book III, Title XVII of the Luxembourg Civil Code, of Book I, Title VIII and of Book III of the Luxembourg Commercial Code and national or foreign provisions governing reorganization measures, winding-up proceedings or other similar proceedings and attachments are not applicable to financial collateral arrangements and netting agreements and shall not constitute an obstacle to the enforcement and to the performance by the parties of their obligations. Pursuant to Article 21(2) of the Financial Collateral Law 2005, a financial collateral arrangement entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures is valid and binding against third parties, administrators, insolvency receivers or liquidators notwithstanding the suspect period referred to in Articles 445 and 446 of the Luxembourg Code of Commerce, if the secured party proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of it.

According to article 24 of the Financial Collateral Law 2005, the above protection applies not only to Luxembourg security interests governed by the Financial Collateral Law 2005 (such as Luxembourg pledges over or collateral assignments of claims and financial instruments), but extends to foreign law financial collateral arrangements, which are similar to the financial collateral arrangements subject to the Financial Collateral Law 2005, where the collateral giver is located in Luxembourg.

Foreign law-governed security interests and the powers of any receivers or administrators may not be enforceable or recognized in respect of assets located or deemed to be located in Luxembourg. Security interests or arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers or administrators might not be recognized or enforced by the Luxembourg courts, in particular where the Luxembourg security grantor becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings" (as defined in the Recast Insolvency Regulation) are opened under Luxembourg law and such security interests or arrangements constitute rights *in rem* over assets located in another member state in which the Recast Insolvency Regulation applies, and in accordance of Article 8 of the Recast Insolvency Regulation.

The perfection of the security interests created pursuant to the pledge agreements does not prevent any third-party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Under Luxembourg law, certain creditors of an 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 or unsecured creditors. This includes, in particular, the rights relating to fees and costs of the insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, and the rights of the tax authorities and certain assimilated parties (such as social security bodies), which preferences may extend to all or part of the assets of the insolvent party. This general privilege may take precedence over the privilege of a pledgee in respect of pledged assets.

Financial assistance

Any security interests granted by Luxembourg entities, which constitute breach of the provisions on financial assistance as defined by article 430-19 of the Luxembourg Companies Law or any other similar provisions might not be enforceable.

Registration in Luxembourg

The registration of the notes, the security interests agreements, the indenture and any document in connection therewith with the *Administration de l'Enregistrement, des Domaines et de la TVA* in Luxembourg may be required in the case that the notes, the security interest agreements, the indenture and any document in connection therewith are either (i) attached as an annex to an act (*annexés à un acte*) that itself is subject to mandatory registration or (ii) deposited in the minutes of a notary (*deposés au rang des minutes d'un notaire*) or (iii) registered on a voluntary basis. In such case, either a nominal registration duty or an ad valorem duty will be payable depending on the nature of the document to be registered. No ad valorem duty is payable in respect of security interest agreements, which are subject to the Financial Collateral Law 2005.

The Luxembourg courts or the official Luxembourg authority may require (when these are presented before them) that the notes, the security interests agreements, the indenture and any document in connection therewith and any judgment obtained in a foreign court be translated into French, German or Luxembourgish.

Luxembourg guarantee limitation

The granting of cross or upstream 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 guarantees.

When a Luxembourg company grants guarantees, applicable corporate procedures normally entail that the decision be approved by a board resolution or by the decision of delegates that have been appointed by the board of managers or directors of the Luxembourg company for such purpose. In addition, the granting of the envisaged guarantees must comply with the Luxembourg company's corporate object.

The proposed action by the company must be "in the corporate interest of the company," which is a translation of the French "*intérêt social*," an equivalent term to the English legal concept of corporate benefit. The concept of "corporate interest" is not defined by law, but has been developed by doctrine and interpreted by court precedents and may be described as being "the limit of acceptable corporate behavior." Whereas the discussions regarding the limits of corporate power are based on objective criteria (provisions of law and of the articles of association), the concept of corporate benefit requires a subjective judgment. In a group context, the interest of the companies of the group taken individually is not entirely eliminated.

With respect to guarantors incorporated in Luxembourg, even if the Luxembourg Companies Law does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group, it is generally held that within a group of companies, in the context of a group of related companies, the existence of a group interest in granting upstream or cross stream assistance under any form (including under the form of guarantee or security) to other group companies could constitute sufficient corporate benefit to enable a Luxembourg company to grant such guarantee, provided that the following conditions are met (and subject in any event to all the factual circumstances of the matter): (i) such guarantee must be given for the purpose of promoting a common economic, social and financial interest determined in accordance with policies applicable to the entire group, (ii) the commitment to grant such guarantee must not be without consideration and such commitment must not be manifestly disproportionate in view of the obligations entered into by other group companies, and (iii) such guarantee granted or any other financial commitments must not exceed the financial capabilities of the committing company.

Although the existence of a corporate interest in the granting of a guarantee on a group level is certainly important, the mere existence of such a group interest does not compensate for a lack of corporate interest for one or more of the companies of the group taken individually. The concept of corporate interest is of particular importance in the context of misuse of corporate assets provided by Article 1500-11 of the Luxembourg Companies Law.

The failure to comply with the corporate interest requirement will typically result in personal liability (civil and/or criminal) for the directors or managers of the guarantor concerned. The guarantees granted by a Luxembourg company could themselves be held void or unenforceable if their granting is contrary to Luxembourg public policy (*ordre public*). It should be stressed that, as is the case with all criminal offenses addressed by the Luxembourg Companies Law, a director or a manager of a company will in general be prosecuted for misuse of corporate assets only if someone has lodged a complaint with the public prosecutor. This person may be an interested third-party, e.g., a creditor, a minority shareholder, a liquidator or an insolvency receiver. In addition, it cannot be excluded that the public prosecutor could act on its own initiative if the existence of such a misuse of corporate assets became known to him. If there is a misuse of corporate assets criminally sanctioned by court, then this could, under general principles of law, have the effect that contracts concluded in breach of Article 1500-11 of the Luxembourg Companies Law will be held null and void. The criteria mentioned above have to be applied on a case-by-case basis, and a subjective, fact based judgment is required to be made, by the directors or managers of the Luxembourg company.

As a result of the above developments, the guarantees granted by a Luxembourg company (in the context of upstream and/or cross stream guarantee(s)) will be subject to certain limitations, which will take the form of general limitation language (limiting the guarantee obligations of such Luxembourg company to a certain percentage of, inter alia, its net assets (*capitaux propres*)) increased by its subordinated debts (*dettes subordonnées*), which is inserted in the relevant finance document(s), indentures or guarantee agreements and which covers the aggregate obligations and exposure of the relevant Luxembourg company under the guarantee.

Luxembourg enforcement of civil liabilities

The Luxembourg Obligors are incorporated or formed as private limited liability companies or special limited partnerships incorporated under the laws of Luxembourg. A substantial portion of the assets and the officers and managers of the Luxembourg Obligors, at any one time, are or may be located in jurisdictions outside the United States. As a result, an investor may not be able to effect service of process outside the United States upon the

Luxembourg Obligors, or their directors, managers and officers, or enforce court judgments obtained against them or their directors, managers and officers in jurisdictions outside of the United States.

As there is no treaty in force governing the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a United States court. A valid, final, non-appealable and conclusive judgment against the Luxembourg Obligors with respect to the Notes obtained from a court of competent jurisdiction in the United States which remains in full force and effect after all appeals that may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg, subject to compliance with the enforcement procedures (exequatur) set out in the relevant provisions of the Luxembourg New Code of Civil Procedure (*"Nouveau Code de Procédure Civile*") and Luxembourg case law, being:

- the judgment of the U.S. court is enforceable (*exécutoire*) in the United States;

- the U.S. court must not infringe the exclusive jurisdiction of the Luxembourg courts and there must be a real link (*lien caractérisé*) between the case and the U.S. courts;

- the judgment of the U.S. court must not contain contradictions with an existing Luxembourg court order or order does not contravene overriding mandatory provisions of Luxembourg law;

- the judgment must not have been obtained by fraud but in compliance with the principles of natural justice and with the rights of the defendant to appear and the right to a fair trial, and if the defendant appeared, to present its defense and its own procedural laws; and

- the considerations of the foreign order, as well as the judgment, do not contravene international public policy as understood under the laws of Luxembourg or have been given proceedings of a penal, criminal or tax nature (which would include awards of damages made under civil liabilities provisions of the U.S. federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts as being of a penal or punitive nature (for example, fines or punitive damages)) or rendered subsequent to an evasion of Luxembourg law or jurisdiction (*fraude à la loi*). Ordinarily an award of monetary damages would not be considered as a penalty, but if the monetary damages include punitive damages such punitive damages may be considered as a penalty.

If an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law (i) if the choice of such foreign law was not made *bona fide*, (ii) if the foreign law was not pleaded and proved or (iii) if pleaded and proved, such foreign law was contrary to mandatory Luxembourg laws or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

Also, an *exequatur* may be refused in respect of punitive damages. In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than Euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes all claims or debts would be converted into Euro.

Subject to the foregoing, purchasers of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Luxembourg. We cannot, however, assure you that attempts to enforce judgments in Luxembourg will be successful.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the notes.

The notes and the guarantees (together, the "Securities") have not been, and will not be, registered under the Securities Act, or the securities laws of any other jurisdiction, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any other applicable jurisdiction. Accordingly, the Securities offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and in offshore transactions to non-U.S. persons outside of the United States (in each case, as defined in Regulation S) in reliance on Regulation S under the Securities Act.

We use the terms "offshore transaction," "U.S. person" and the "United States" with the meanings given to them in Regulation S.

Each purchaser of the Securities (other than the initial purchasers), by its acceptance thereof, will be deemed to have acknowledged, represented to, warranted to and agreed with the issuers, each guarantor and the initial purchasers as follows:

(1) The purchaser understands and acknowledges that the Securities have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Securities are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws or pursuant to an exemption therefrom or in any transaction not subject thereto and, in each case, in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below;

(2) The purchaser is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the issuers or any guarantor, is not acting on behalf of the issuers or any guarantor and is either:

(i) a qualified institutional buyer, within the meaning of Rule 144A under the Securities Act, and is aware that any sale of these Securities to them will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for their own account or for the account of another qualified institutional buyer; or

(ii) a non-U.S. person (and is not purchasing the Securities for the account or benefit of a U.S. person) and is purchasing the Securities outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act;

(3) The purchaser acknowledges that none of the issuers, the guarantors, or the initial purchasers, nor any person representing any of them, has made any representation to it with respect to us or the offer or sale of any of the Securities, other than the information contained in this offering memorandum, which offering memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Securities. It acknowledges that neither the initial purchasers nor any person representing the initial purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. It has had access to such financial and other information concerning us and the Securities as it has deemed necessary in connection with its decision to purchase any of the Securities, including an opportunity to ask questions of, and request information from, the issuers and the initial purchasers;

(4) The purchaser is purchasing the Securities for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case, for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the

Securities Act or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Securities to a qualified institutional buyer pursuant to Rule 144A, to non-U.S. persons in offshore transactions pursuant to Regulation S or any other exemption from registration available under the Securities Act, or in any transaction not subject to the Securities Act;

(5) The purchaser understands and agrees on its own behalf and on behalf of any investor account for which it is purchasing the Securities, and each subsequent holder of the Securities by its acceptance thereof will be deemed to agree, that if in the future it decides to resell, pledge or otherwise transfer any Securities or any beneficial interests in any Securities, it will do so prior to the date (the "Resale Restriction Termination Date") which is, in the case of Securities offered to qualified institutional buyers, one year after the later of the original issue date of such Securities, the original issue date of the issuance of any additional securities and the last date on which the relevant issuer or any affiliate of the issuers was the owner of such Security (or any predecessor of such Security) and, in the case of Securities offered to non-U.S. persons in accordance with Regulation S, 40 days after the later of the original issue date of such Security and the date on which such Security (or any predecessor of such Security) was first offered to persons other than distributors (as defined in Rule 902 of Regulation S) in reliance on Regulation S only (i) to the issuers or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Securities are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur in offshore transactions outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the issuers' and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the Security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date;

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IT IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE

(THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF SUCH SECURITIES, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL SECURITIES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY),] [IN THE CASE OF SECURITIES SOLD TO NON-U.S. PERSONS IN ACCORDANCE WITH REGULATION S: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF THIS SECURITY AND THE DATE ON WHICH SUCH SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S] ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUERS' AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE 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.

If the purchaser purchases Securities, it will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Securities as well as to holders of these Securities;

(7) The purchaser agrees that it will give to each person to whom it transfers the Securities notice of any restrictions on the transfer of such Securities;

(8) The purchaser acknowledges that the registrar will not be required to accept for registration or transfer any Securities acquired by it except upon presentation of evidence satisfactory to the issuers and the registrar that the restrictions set forth therein have been complied with;

(9) The purchaser understands that no action has been taken in any jurisdiction (including the United States) by the issuers or the initial purchasers that would result in a public offering of the Securities or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Securities in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Securities will be subject to the selling restrictions set forth under "Plan of Distribution" and "Transfer Restrictions";

(10) The purchaser represents and warrants that either (i) no portion of the assets used by the purchaser to purchase or hold the notes (or any interest therein) constitutes assets of any (a) employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), or (c) entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement described in clause (a) or (b) (each of the foregoing clauses (a), (b) and (c), referred to as a "Plan") or (ii) the purchase and holding of the notes (or any interest therein) will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws, and none of the issuers, Investor Group, initial purchasers, or guarantors, or any of their respective affiliates (each, a "Transaction Party"), is acting as a fiduciary, or providing any investment or other advice, to such purchaser or transferee with respect to the decision to purchase or hold the notes, unless, solely with respect to an acquisition in which an affiliate of a Transaction Party acts as a fiduciary to the purchaser, a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited, and that the purchaser will not sell or otherwise transfer such notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such note or any interest therein; and

(11) The purchaser acknowledges that the issuers, the initial purchasers and others will rely upon the truth and accuracy of its foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Securities is no longer accurate, it will promptly notify the initial purchasers. If the purchaser is acquiring any Securities as a fiduciary or agent for one or more investor accounts, the purchaser represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such investor account.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the notes by (i) employee benefit plans that are subject to ERISA, (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, the "Similar Laws"), and (iii) entities whose underlying assets are considered to include "plan assets" within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA of any such plan, account or arrangement described in clause (i) or (ii) (each of the foregoing described in clauses (i) (ii), and (iii) referred to as a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan" or a "Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

Non-U.S. plans, U.S. governmental plans and certain U.S. church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code (as discussed below), may nevertheless be subject to Similar Laws. Fiduciaries of any such Plans should consult with their counsel before purchasing the notes to determine the suitability of the notes for such Plan and the need for, and the availability, if necessary, of any exemptive relief under any such laws or regulations.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. A plan fiduciary should consider the Plan's particular circumstances and all of the facts and circumstances of the purchase and holding of the notes, including, without limitation, the matters discussed above under "Risk Factors" in determining whether the purchase and holding of the notes satisfies these requirements.

In addition, a fiduciary should consider the fact that none of the issuers, Investor Group, initial purchasers, or guarantors, or any of their respective affiliates (collectively, the "Transaction Parties"), will act as a fiduciary to any Plan with respect to the decision to purchase or hold notes (other than, in the case of an acquisition in which an affiliate of a Transaction Party acts as a fiduciary to the Plan, where a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited), and none of the Transaction Parties is undertaking to provide any advice, including, without limitation, in a fiduciary capacity, with respect to such decision. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the notes. All communications, correspondence and materials from the Transaction Parties with respect to the notes are intended to be general in nature and are not directed at any specific purchaser of the notes, and do not constitute advice regarding the advisability of investment in the notes for any specific purchaser. The decision to purchase and hold the notes must be made by each prospective Plan purchaser on an arm's length basis.

This offer is not a representation by the issuers or any of its affiliates that the purchase and holding of the notes meets all legal requirements applicable to investments by Plans, or that such an investment is appropriate for any particular Plan.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of

ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code. The purchase and/or holding of notes by an ERISA Plan with respect to which a Transaction Party is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the purchase and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan pays no more than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of ERISA Plans considering purchasing and/or holding the notes in reliance of these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Governmental plans, non-U.S. plans and certain church plans, while not subject to the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to Similar Laws which may affect their investment in the notes. Any fiduciary of a governmental, non-U.S. or such a church plan considering an investment in the notes should consult with its counsel before purchasing notes to consider the applicable fiduciary standards and to determine the need for, and, if necessary, the availability of, any exemptive relief under any applicable Similar Laws.

Because of the foregoing, the notes should not be purchased or held by any person investing "plan assets" of any Plan unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a note, each purchaser and subsequent transferee of a note (or any interest therein) will be deemed to have represented and warranted that (A) either (i) no portion of the assets used by such purchaser or transferee to purchase or hold the notes (or any interest therein) constitutes assets of any Plan or (ii) (a) the purchase and holding of the notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws, and (b) none of the Transaction Parties is acting as a fiduciary, or providing any investment or other advice, to such purchaser or transferee with respect to the decision to purchase or hold the notes, unless, solely with respect to an acquisition in which an affiliate of a Transaction Party acts as a fiduciary to the purchaser, a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited, and none of them shall at any time be relied upon as a fiduciary with respect to any decision to acquire, continue to hold or transfer the notes and (B) it will not sell or otherwise transfer such notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such note or any interest therein.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes.

Purchasers of the notes have the exclusive responsibility for ensuring that their purchase and holding of the notes complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. We make no representation as to whether an investment in the notes is appropriate for any Plan in general or whether such investment is appropriate for any particular plan or arrangement.

PLAN OF DISTRIBUTION

Morgan Stanley & Co. LLC is acting as the representative of the several initial purchasers of the notes. Subject to the terms and conditions that will be contained in the purchase agreement among the issuers, the guarantors and the initial purchasers, we have agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase from us, severally and not jointly, the entire principal amount of notes set forth in the purchase agreement.

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase notes from us, are several and not joint. The purchase agreement will provide that the initial purchasers will purchase all of the notes being sold pursuant to the purchase agreement if any of them are purchased. If an initial purchaser defaults, the purchase agreement will provide that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreement may be terminated.

The initial purchasers initially propose to offer the notes for resale at the issue price that appears on the cover page of this offering memorandum. After the initial offering, the initial purchasers may change the offering price and any other selling terms. The initial purchasers may offer and sell notes through certain of their affiliates. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

In the purchase agreement the issuers and the guarantors will agree that:

- The issuers and the guarantors will not offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by any of the issuer or any of the guarantors substantially similar to the notes and having a tenor of more than one year for a period of 30 days after the date of this offering memorandum without the prior written consent of Morgan Stanley & Co. LLC.

- The issuers and the guarantors will indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act.

The notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. In the purchase agreement, each initial purchaser will agree that:

- The notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

- During the initial distribution of the notes, it will offer or sell notes only to persons reasonably believed to be qualified institutional buyers ("QIBs") in compliance with Rule 144A and to non-U.S. persons outside the United States in compliance with Regulation S.

In addition, with respect to the notes sold outside the United States in compliance with Regulation S, until 40 days following the closing of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing transactions or syndicate covering transactions, they may discontinue them at any time. Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes.

The notes constitute a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated dealer quotation system. Although certain of the initial purchasers have advised us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities at any time without notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

It is expected that delivery of the notes will be made against payment therefor on or about , 2024, which is the business day following the date of the pricing of the notes (such settlement cycle being referred to as "T+ "). Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the date that is two business days preceding the settlement date will be required, by virtue of the fact that the notes initially will settle on a delayed basis, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade the notes during such period should consult their own advisors.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the initial purchasers and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuers and to persons and entities with relationships with the issuers, for which they received or will receive customary fees and expenses.

In particular, certain of the initial purchasers, or their affiliates, act as administrative agent, collateral agent, arrangers and/or lenders under the Senior Secured Credit Facilities and the ABL Credit Facility will continue to receive customary compensation in connection therewith. In addition, certain of the initial purchasers or their affiliates are lenders and/or agents under our Euro Revolving Credit Facility and our ABL Credit Facility and may receive customary fees and reimbursement of expenses in connection with the Bank Amendments.

Morgan Stanley & Co. LLC is also acting as dealer manager for the Tender Offer and will receive customary fees and indemnification in connection therewith. To the extent any of the initial purchasers hold the Secured Notes due 2026 and such notes are repurchased by us in the Tender Offer, such initial purchasers will receive a portion of the proceeds from this offering.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve or relate to assets, securities and/or instruments of ours or our affiliates (directly, as collateral securing other obligations or otherwise). Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge, and certain of the initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes. Any such credit default swaps or short positions could adversely affect future trading prices of the notes. The initial purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such assets, securities or financial instruments and may, at any time, hold, or recommend to clients that they acquire, long and/or short positions in such assets, securities and instruments.

Notice to Prospective Investors in the European Economic Area

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 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 (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), 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 Article 2 of Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). 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 the notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes and under any implementing legislation in each member state. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation. Accordingly, any person making or intending to make any offer of notes within the EEA should only do so in circumstances in which no obligation arises for us or any of the initial purchasers to publish a prospectus for such offer. Neither we nor any of the initial purchasers have authorized, nor do we or the initial purchasers authorize, the making of any offer of notes through any financial intermediary, other than offers made by the initial purchasers which constitute the final placement of notes contemplated in this offering memorandum.

Notice to Prospective Investors in the United Kingdom

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 United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the United Kingdom has been prepared and, therefore, offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

This offering memorandum has been prepared on the basis that any offer of the notes in the United Kingdom will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") from a requirement to publish a prospectus for offers of notes and under any implementing legislation in each member state. This offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation. Accordingly, any person making or intending to make any offer of notes within the United Kingdom should only do so in circumstances in which no obligation arises for us or any of the initial purchasers to publish a prospectus for such offer. Neither we nor any of the initial purchasers have authorized, nor do we or the initial purchasers authorize, the making of any offer of notes through any financial intermediary, other than offers made by the initial purchasers which constitute the final placement of notes contemplated in this offering memorandum.

In addition, in the United Kingdom, this offering memorandum is being distributed only to, and is directed only at (i) persons 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"), (ii) high net worth entities or persons to whom it may be lawfully communicated falling within Article 49(2)(a) to (d) of the Order, or (iii) any other persons to whom it may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this offering memorandum or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this offering memorandum relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in Canada

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

Each Canadian investor who purchases the notes will be deemed to have represented to the issuers and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution, (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario), and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Hong Kong

Each initial purchaser (i) has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "HK SFO") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the HK SFO and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the notes nor any interest therein may be offered or sold, 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 or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Singapore

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the issuers have determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Switzerland

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This offering memorandum does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes

Notice to Prospective Investors in the Dubai International Financial Centre

This offering memorandum relates to an exempt offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with exempt offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The notes to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre, this offering memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the notes may not be offered or sold directly or indirectly to the public in the Dubai International Financial Centre.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York. The initial purchasers are being represented in connection with this offering by Latham & Watkins LLP.

INDEPENDENT AUDITORS

The consolidated and combined financial statements of Atlas Ontario LP and its subsidiaries as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021, and 2020 included in this offering memorandum have been audited by Deloitte & Touche LLP, an independent auditor, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

We are not, and upon the consummation of this offering, we will not be, subject to the periodic reporting and other informational requirements of the Exchange Act. Under the terms of the indenture that will govern the notes, we will agree that for so long as any of the notes remain outstanding, we will furnish to the Trustees and holders of the notes the information specified therein. See “Description of Notes—Certain Covenants—Reports.”

We have not, and the initial purchasers have not, authorized anyone to provide you with information other than that provided in this offering memorandum. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this offering memorandum is accurate as of any date other than the date of this offering memorandum.

This offering memorandum contains summaries of certain agreements that we have entered into or will enter into in connection with this offering, such as the indenture that will govern the notes. The descriptions contained in this offering memorandum of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written request to us. Such requests can be made by contacting:

Allied Universal Holdco LLC
450 Exchange
Irvine, CA 92602
Attention: Lasse Glassen
investors@aus.com

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

ATLAS ONTARIO LP
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars and units in millions)

	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 832	$ 812
Restricted cash	147	149
Accounts receivable, net of allowance for doubtful accounts of $71 and $73 as of September 30, 2023 and December 31, 2022, respectively	3,591	3,435
Inventories	145	142
Prepaid and other current assets	477	422
Total current assets	5,192	4,960
Property, equipment and software, net	727	688
Operating lease right-of-use assets	261	277
Goodwill	8,831	8,859
Intangible assets, net	2,587	2,852
Other assets	852	734
TOTAL ASSETS	$ 18,450	$ 18,370
LIABILITIES AND MEMBERS' CAPITAL		
CURRENT LIABILITIES:		
Accounts payable	$ 307	$ 336
Accrued payroll and related payroll taxes	1,030	955
Accrued expenses and other current liabilities	1,146	1,194
Accrued claims reserves, current portion	217	275
Lease liabilities, current portion	152	160
Long-term debt, current portion	589	800
Total current liabilities	3,441	3,720
Long-term debt, net of current portion	12,803	12,223
Accrued claims reserves, net of current portion	563	520
Deferred tax liability	586	575
Lease liabilities, net of current portion	293	309
Other liabilities	292	360
Total liabilities	17,978	17,707
COMMITMENTS AND CONTINGENCIES (Note 7)		

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

MEMBERS' CAPITAL:		
Class A units, no par value, 5,147 and 5,146 Class A units issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	2,591	2,548
Accumulated other comprehensive loss	(77)	(57)
Accumulated deficit	(2,145)	(1,950)
Total members' capital excluding noncontrolling interests	369	541
Noncontrolling interests	103	122
Total members' capital	472	663
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$ 18,450	$ 18,370

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

ATLAS ONTARIO LP
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars and units in millions, except per unit amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
REVENUES	$ 5,219	$ 4,886	$ 15,305	$ 14,447
COSTS AND EXPENSES				
Cost of revenues (exclusive of depreciation and amortization)	4,301	4,066	12,678	12,011
Selling, general and administrative	512	491	1,557	1,474
Depreciation and amortization	193	183	548	582
Acquisition and related costs	3	5	7	21
Total costs and expenses	5,009	4,745	14,790	14,088
INCOME FROM OPERATIONS	210	141	515	359
OTHER EXPENSE (INCOME):				
Interest expense, net	259	200	749	558
Other (income) expense, net	(4)	2	(26)	(7)
Total other expense, net	255	202	723	551
LOSS BEFORE INCOME TAXES	(45)	(61)	(208)	(192)
INCOME TAX PROVISION (BENEFIT)	14	10	(6)	37
NET LOSS	(59)	(71)	(202)	(229)
NET (LOSS) INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1)	3	(7)	6
NET LOSS ATTRIBUTABLE TO ATLAS ONTARIO LP	$ (58)	$ (74)	$ (195)	$ (235)
Loss per unit:				
Basic	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.05)
Diluted	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.05)
Weighted-average units outstanding:				
Basic	5,245	5,194	5,230	5,180
Diluted	5,245	5,194	5,230	5,180

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

ATLAS ONTARIO LP
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
NET LOSS	$ (59)	$ (71)	$ (202)	$ (229)
Other comprehensive loss:				
Foreign currency translation adjustment, net of tax of $2, $1, $2, and $1, respectively	(23)	(78)	(23)	(166)
Actuarial movements on defined benefit plan, net of tax of $0, $2, $0, and $11, respectively	(1)	(2)	3	(11)
Net unrealized gains (losses) on debt securities, net of tax of $0	1	(5)	—	(5)
Other comprehensive loss	(23)	(85)	(20)	(182)
COMPREHENSIVE LOSS	(82)	(156)	(222)	(411)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS				
Net (loss) income attributable to noncontrolling interests	(1)	3	(7)	6
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(1)	3	(7)	6
COMPREHENSIVE LOSS ATTRIBUTABLE TO ATLAS ONTARIO LP	$ (81)	$ (159)	$ (215)	$ (417)

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

ATLAS ONTARIO LP
CONDENSED CONSOLIDATED STATEMENTS OF MEMBERS' CAPITAL

THREE MONTHS ENDED SEPTEMBER 30, 2023
(Dollars and units in millions)

	Class A Units		Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Members' Capital Excluding Noncontrolling Interests	Noncontrolling Interests	Total Members' Capital
	Issued	Amount					
Balance as of June 30, 2023	5,147	$ 2,582	$ (54)	$ (2,087)	$ 441	$ 110	$ 551
Equity-based compensation	—	14	—	—	14	—	14
Distributions	—	—	—	—	—	(10)	(10)
Translation adjustment, net of tax	—	—	(23)	—	(23)	—	(23)
Purchase of noncontrolling interest in subsidiary	—	(5)	—	—	(5)	4	(1)
Actuarial movements on defined benefit plan, net of tax	—	—	(1)	—	(1)	—	(1)
Net unrealized gains on debt securities, net of tax	—	—	1	—	1	—	1
Net loss	—	—	—	(58)	(58)	(1)	(59)
Balance as of September 30, 2023	5,147	$ 2,591	$ (77)	$ (2,145)	$ 369	$ 103	$ 472

THREE MONTHS ENDED SEPTEMBER 30, 2022
(Dollars and units in millions)

	Class A Units		Accumulated Other Comprehensive Income	Accumulated Deficit	Total Members' Capital Excluding Noncontrolling Interests	Noncontrolling Interests	Total Members' Capital
	Issued	Amount					
Balance as of June 30, 2022	5,146	$ 2,480	$ 87	$ (1,750)	$ 817	$ 161	$ 978
Equity-based compensation	—	15	—	—	15	—	15
Distributions	—	(1)	—	—	(1)	(6)	(7)
Translation adjustment, net of tax	—	—	(78)	—	(78)	—	(78)
Actuarial movements on defined benefit plan, net of tax	—	—	(2)	—	(2)	—	(2)
Net unrealized losses on debt securities, net of tax	—	—	(5)	—	(5)	—	(5)
Net (loss) income	—	—	—	(74)	(74)	3	(71)
Balance as of September 30, 2022	5,146	$ 2,494	$ 2	$ (1,824)	$ 672	$ 158	$ 830

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

ATLAS ONTARIO LP
CONDENSED CONSOLIDATED STATEMENTS OF MEMBERS' CAPITAL

NINE MONTHS ENDED SEPTEMBER 30, 2023
(Dollars and units in millions)

	Class A Units		Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Members' Capital Excluding Noncontrolling Interests	Noncontrolling Interests	Total Members' Capital
	Issued	Amount					
Balance as of December 31, 2022	5,146	$ 2,548	$ (57)	$ (1,950)	$ 541	$ 122	$ 663
Equity contributions	1	1	—	—	1	—	1
Equity-based compensation	—	43	—	—	43	—	43
Distributions	—	—	—	—	—	(12)	(12)
Translation adjustment, net of tax	—	—	(23)	—	(23)	—	(23)
Purchase of noncontrolling interest in subsidiary	—	(1)	—	—	(1)	—	(1)
Actuarial movements on defined benefit plan, net of tax	—	—	3	—	3	—	3
Net loss	—	—	—	(195)	(195)	(7)	(202)
Balance as of September 30, 2023	5,147	$ 2,591	$ (77)	$ (2,145)	$ 369	$ 103	$ 472

NINE MONTHS ENDED SEPTEMBER 30, 2022
(Dollars and units in millions)

	Class A Units		Accumulated Other Comprehensive Income	Accumulated Deficit	Total Members' Capital Excluding Noncontrolling Interests	Noncontrolling Interests	Total Members' Capital
	Issued	Amount					
Balance as of December 31, 2021	5,145	$ 2,452	$ 184	$ (1,589)	$ 1,047	$ 160	$ 1,207
Equity contributions	1	1	—	—	1	—	1
Equity-based compensation	—	44	—	—	44	—	44
Distributions	—	(3)	—	—	(3)	(8)	(11)
Translation adjustment, net of tax	—	—	(166)	—	(166)	—	(166)
Actuarial movements on defined benefit plan, net of tax	—	—	(11)	—	(11)	—	(11)
Net unrealized losses on debt securities, net of tax	—	—	(5)	—	(5)	—	(5)
Net (loss) income	—	—	—	(235)	(235)	6	(229)
Balance as of September 30, 2022	5,146	$ 2,494	$ 2	$ (1,824)	$ 672	$ 158	$ 830

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

ATLAS ONTARIO LP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Nine Months Ended September 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (202)	$ (229)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Gain on changes in fair value of contingent purchase consideration	(11)	(2)
Depreciation and amortization	548	582
Non-cash operating lease costs	62	73
Provision for losses on accounts receivable	6	11
Equity-based compensation expenses	43	44
Deferred income taxes	(15)	(2)
Amortization of deferred financing costs	17	16
(Gain) loss on marketable securities	(7)	24
Net periodic pension income	(17)	(27)
Other	14	(18)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(166)	(397)
Prepaid and other assets	(82)	(116)
Accounts payable	(27)	31
Accrued payroll and related payroll taxes	77	50
Accrued expenses, operating lease liabilities and other liabilities	(92)	(233)
Employer pension contributions	(79)	(142)
Net cash provided by (used in) operating activities	69	(335)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment and software	(212)	(160)
(Purchase) sale of marketable securities	(7)	15
Acquisitions, net of cash and restricted cash acquired	(41)	(357)
Other	20	18
Net cash used in investing activities	(240)	(484)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from credit facilities	606	—
Repayments of credit facilities	(45)	(42)
Borrowings on revolving credit loans	3,308	3,921
Repayments of revolving credit loans	(3,492)	(3,297)
Financing fees paid	(6)	—
Finance lease and other financing payments	(64)	(66)
Payments of contingent purchase price consideration	(38)	(8)
Equity contributions	—	1

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

	Nine Months Ended September 30,	
	2023	2022
Distributions	(12)	(11)
Net change in bank overdrafts	(24)	19
Net cash provided by financing activities	233	517
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(44)	(66)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	18	(368)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, Beginning of period	961	1,306
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, End of period	$ 979	$ 938

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

1. BUSINESS AND ORGANIZATION OF THE COMPANY

Atlas Ontario LP ("Atlas Ontario" or the "Company") is a limited partnership formed on November 24, 2020, under the laws of the Province of Ontario, Canada. The Company is a leading provider of comprehensive security services and facility management services operating in more than 90 countries and is organized into two segments: North America and International. Through a combination of comprehensive staffed security services, technology services, and other services, the Company delivers high-quality and cost-effective security and other services to its customers. The Company, which was founded in 1965 as a predecessor company, is headquartered in Irvine, CA.

On April 6, 2021, pursuant to a reorganization resulting in a change to the Company's capital structure and undertaken in connection with the acquisition of the issued and outstanding stock of G4S plc ("G4S"), the owners of Allied Universal Topco LLC ("Topco"), the then direct parent and sole member of Allied Universal Holdco LLC ("Holdco"), contributed their membership interests and, in some cases, the legal entities holding such interests, to Atlas Ontario in exchange for proportionate membership interests in Atlas Ontario (all such transactions collectively referred to as the "G4S Transaction"). Each Topco unit holder received approximately 1.25 Class A units in Atlas Ontario for every fully vested Topco unit, resulting in 4,063 million Class A units outstanding in Atlas Ontario as of April 6, 2021. Atlas Ontario's capital structure has been retrospectively presented throughout these condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company has prepared the accompanying unaudited condensed consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") for interim financial reporting. They do not include all of the disclosures normally made in the Company's annual consolidated financial statements. In management's opinion, all adjustments considered necessary for a fair presentation of the consolidated results of operations, financial position and cash flows for the periods presented have been made. All such adjustments are of a normal and recurring nature. The audited consolidated and combined financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021, and 2020 should be read in conjunction with these condensed consolidated financial statements. Operating results for the three and nine months ended September 30, 2023 are not necessarily indicative of the expected results for the year ending December 31, 2023.

The condensed consolidated financial statements include the accounts of all majority-owned subsidiaries and variable interest entities ("VIE") in which the Company is the primary beneficiary. The Company considers itself as controlling an entity if it is the majority owner of, or has voting control over, such entity. The Company records the impact of its minority members' interests in its subsidiaries as non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation, including the intercompany portion of transactions with variable interest entities.

Use of Estimates

In the preparation of the condensed consolidated financial statements, management has made estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. Management makes these estimates and assumptions because certain information that it uses is dependent on future events, cannot be calculated with precision or simply cannot be calculated. In some cases, these estimates are difficult to determine, and management must exercise significant judgment. In preparing the financial statements, the most difficult and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for goodwill and long-lived asset impairments, the fair value of assets and liabilities acquired in business combinations or asset acquisitions, equity unit-based compensation expense, deferred income tax asset valuation allowances, fair value of pension assets and liabilities, uncertain tax positions, tax contingencies, and reserves associated with the Company's insured and self-insured claims. Actual results could differ materially from those estimates.

Revenue Recognition

In accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, the Company accounts for a customer contract when both parties have approved the arrangement, the performance obligations can be identified, payment terms can be determined and it is probable the Company will collect substantially all of the consideration to which it is entitled. The Company recognizes revenue when its performance obligation is satisfied upon the transfer of control of the promised product or service to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods and services. Revenue is recognized over time in the period in which services are provided pursuant to the terms of the Company's contractual relationships with its clients. The Company recognizes revenue in an amount that corresponds directly with the value to the customer of the Company's performance completed to date and for which the Company has the right to invoice the customer.

The Company generates revenues primarily from comprehensive staffed security services including on-site, mobile and remote security, care and justice services, and other comprehensive staffed security services. Revenues are generally measured based on billable hours served by security professionals at a billable hourly rate, as determined by the customer contract. Revenues generated from comprehensive staffed security services are recognized over time as services are performed.

Revenues from technology services (including the outright sale of equipment) consist primarily of video, alarm, and electronic monitoring and security systems installation contracts and are recorded as control is transferred to the Company's clients over time, as any assets created or enhanced by the Company's performance are controlled by the Company's clients and the Company has a legally enforceable right to payment for performance completed. Revenue is recognized using the cost-to-cost input method, which measures the percentage of actual cost incurred to date to the estimated total cost to complete. As of September 30, 2023 and December 31, 2022, the Company recorded $78.9 million and $77.0 million, respectively, in prepaid and other current assets for costs and estimated earnings in excess of billings on contracts-in-progress and $19.2 million and $23.4 million, respectively, in accrued expenses and other current liabilities for billings in excess of costs and estimated earnings on contracts-in-progress. When technology contracts involve the rental of technology-related equipment, the Company determines whether the arrangement constitutes a lease and applies lessor accounting as applicable.

Revenues generated from other services consisting of facilities management services, risk consultancy, janitorial, cash services (i.e., cash in transit, cash processing and ATM services), and staffing and other ancillary services, are recognized as services are performed.

The Company generally bills its customers either in advance, weekly, bi-weekly or monthly. Unbilled receivables of $809.7 million and $589.4 million as of September 30, 2023 and December 31, 2022, respectively, represent amounts earned but not yet billed to customers and are included in accounts receivable in the condensed consolidated balance sheets. Deferred revenue generally represent amounts received from customers in advance of performing the related services. As of September 30, 2023 and December 31, 2022, deferred revenue of $179.9 million and $103.6 million is included in accrued expenses and other current liabilities, respectively, and $9.0 million and $84.0 million is included in other liabilities, respectively, in the condensed consolidated balance sheets. The underlying revenue is recognized when the Company performs the related service.

The Company reports revenue net of sales tax collected from customers that are then remitted to government taxing authorities. Taxes collected are recorded within accrued expenses and other current liabilities in the condensed consolidated balance sheets until remitted to the applicable government taxing authority.

The following table presents the Company's disaggregated revenue by segment and service offering (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
North America				
Comprehensive staffed security services	$ 3,209	$ 3,035	$ 9,446	$ 8,840
Technology services	170	160	487	487
Other services	205	196	607	580
Total North America revenue	3,584	3,391	10,540	9,907
International				
Comprehensive staffed security services	1,153	1,065	3,343	3,186
Technology services	196	152	570	423
Other services	286	278	852	931
Total International revenue	1,635	1,495	4,765	4,540
Total revenue	$ 5,219	$ 4,886	$ 15,305	$ 14,447

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are comprised primarily of domestic and foreign bank accounts and money market funds. These cash and cash equivalents are valued based on Level 1 inputs, which consist of quoted prices in active markets. To reduce its credit risk, the Company monitors the credit standing of the financial institutions that hold the Company's cash and cash equivalents in which a portion of such balances exceed or are not subject to Federal Deposit Insurance Corporation ("FDIC") insurance limits and other limits established by various international deposit insurance systems.

Bank overdrafts totaled $75.1 million and $115.0 million as of September 30, 2023 and December 31, 2022, respectively, and are recorded within accrued expenses and other current liabilities in the condensed consolidated balance sheets.

Supplemental cash flow information is as follows (in millions):

	Nine Months Ended September 30,	
	2023	2022
Cash paid for interest	$ 745	$ 550
Cash paid for income taxes	$ 73	$ 70
Noncash financing activities:		
Member units issued	$ 1	$ —

Restricted Cash

The Company's restricted cash primarily represents balances on deposit or contractually required to pay insurance claims as they become due. The remainder of restricted cash represents legally restricted balances based on various local regulatory or contractual restrictions on the Company's ability to use the balance for general corporate purposes.

Marketable Securities

Unrealized gains and losses on marketable equity securities are included in earnings and are reported in the accompanying condensed consolidated statements of operations as a component of other (income) expense, net. Unrealized (losses) gains on marketable equity securities for the three and nine months ended September 30, 2023 were $(5.4) million and $7.2 million, respectively. Unrealized losses on marketable equity securities for the three and nine months ended September 30, 2022 were $5.9 million and $23.9 million, respectively. The estimated fair values of the Company's marketable securities are $148.8 million and $138.6 million as of September 30, 2023 and December 31, 2022, respectively, which are recorded in other assets on the condensed consolidated balance sheet.

Net unrealized gains (losses) on available-for-sale debt securities of $1.0 million, $(4.7) million, $(0.3) million, and $(4.7) million were recognized in other comprehensive loss during the three months ended September 30, 2023 and 2022, and during the nine months ended September 30, 2023 and 2022, respectively. The amount in accumulated other comprehensive loss that has not yet been recognized as of September 30, 2023 and December 31, 2022 consists of net unrealized losses on available-for-sale debt securities of $4.7 million and $4.4 million, respectively.

Inventories

Inventories are stated at the lower of cost (primarily on the first-in, first-out basis) or net realizable value. The following are the major classes of inventory (in millions):

	September 30, 2023	December 31, 2022
Raw materials	$ 27	$ 20
Work in progress	21	15
Finished goods	97	107
Total inventories	$ 145	$ 142

Foreign Currencies

In the majority of countries in which the Company operates, the functional currency is the local currency. The Company's foreign subsidiaries' asset and liability accounts are translated for consolidated financial reporting purposes into U.S. dollar amounts at period-end exchange rates. Revenue and expense accounts are translated at the average rates applicable during the period. Foreign exchange translation adjustments are included in accumulated other comprehensive loss on the condensed consolidated balance sheets. Except for operations that have a functional currency that is hyperinflationary, transactions in currencies other than the functional currency are translated at the rates of exchange prevailing on the dates of the transactions. The impact of foreign currency transactions from operations in hyperinflationary countries were immaterial during the periods presented.

Fair Value Measurements

The Company applies fair value accounting for all financial assets, including cash and cash equivalents, and liabilities that are recognized or disclosed at fair value in the condensed consolidated financial statements. The estimated fair value of financial instruments has been determined based on management's assessment of available market information and appropriate valuation methodologies. The carrying values of short-term financial instruments, such as accounts receivable, accounts payable and various accrued expenses, approximate their fair values based on the short-term maturities of these instruments.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active near the measurement date; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

3. VARIABLE INTEREST ENTITIES

The Company evaluates its ownership, contractual, and other interests in legal entities to determine if it has a variable interest in those entities, the nature and extent of those interests, and whether they are VIEs. These evaluations are complex and involve management judgment and the use of estimates and assumptions based on available historical information, among other factors. Based on its evaluations, if the Company determines it is the primary beneficiary of such VIEs, it consolidates such entities into its financial statements.

The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the entity's economic performance, including powers granted to the entity's program manager, powers contained in the entity's governing board and, to a certain extent, a company's economic interest in the entity. The Company analyzes its VIEs and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary; or
- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the entity's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

A summary of financial information of the Company's consolidated VIEs is as follows (in millions):

	September 30, 2023	December 31, 2022
Current assets	$ 364	$ 322
Non-current assets	78	77
Total assets	$ 442	$ 399
Current liabilities	$ 251	$ 205
Non-current liabilities	123	95
Total liabilities	374	300
Total Atlas Ontario LP capital	64	101
Noncontrolling interests	4	(2)
Total members' capital	68	99
Total liabilities and members' capital	$ 442	$ 399

The Company is involved with VIEs which it does not consolidate because it does not have the power to direct the activities that most significantly impact their economic performance and thus is not considered the primary beneficiary of the entities. The Company believes there is no material loss exposure on the assets held by these entities or from these relationships.

The Company also participates in joint ventures that have their own employees and operating expenses, and in which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria discussed above.

4. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The Company records goodwill as the excess of the purchase price of an acquired entity over the net of the fair values assigned to identifiable tangible and intangible assets acquired and liabilities assumed.

Changes in the carrying amount of goodwill during the nine months ended September 30, 2023 are as follows (in millions):

	Nine Months Ended September 30, 2023		
	North America	International	Total
Balance at December 31, 2022	$ 6,631	$ 2,228	$ 8,859
Acquisition additions	26	—	26
Measurement period and related adjustments	—	(38)	(38)
Foreign currency translation adjustment	—	(16)	(16)
Balance at September 30, 2023	$ 6,657	$ 2,174	$ 8,831

See Note 8 for detail of acquisitions completed during the nine months ended September 30, 2023.

Based on the most recent annual goodwill impairment assessment, the amount of goodwill allocated to reporting units with negative net assets within the Company's International operating segment was $126.7 million as of September 30, 2023.

Intangible Assets, Net

Intangible assets, net consist of the following at September 30, 2023 (in millions):

	September 30, 2023		
Intangible Assets	**Gross Carrying Amount**	**Accumulated Amortization**	**Intangible Assets, Net**
Customer relationships	$ 2,919	$ 1,215	$ 1,704
Definite-lived trade names	530	156	374
Technology and other	291	112	179
	3,740	1,483	2,257
Trade names	330	—	330
Total intangible assets, net	$ 4,070	$ 1,483	$ 2,587

Intangible assets, net consist of the following at December 31, 2022 (in millions):

	December 31, 2022		
Intangible Assets	**Gross Carrying Amount**	**Accumulated Amortization**	**Intangible Assets, Net**
Customer relationships	$ 2,862	$ 963	$ 1,899
Definite-lived trade names	526	108	418
Technology and other	291	86	205
	3,679	1,157	2,522
Trade names	330	—	330
Total intangible assets, net	$ 4,009	$ 1,157	$ 2,852

Intangible assets with definite lives are amortized on a straight-line basis over periods which management estimates to be consistent with the cash flow stream expected to be realized. Amortization expense was \$113.3 million and \$321.3 million for the three and nine months ended September 30, 2023, respectively, and \$109.3 million and \$370.4 million for the three and nine months ended September 30, 2022, respectively.

As of September 30, 2023, future amortization expense related to the Company's intangible assets with finite lives is expected to be recognized as follows (in millions):

Remaining 2023	$ 104
2024	395
2025	313
2026	279
2027	273
Thereafter	893
Total amortization expense	$ 2,257

There was no impairment of goodwill or identifiable intangible assets during the three and nine months ended September 30, 2023 and 2022.

5. DEBT

The carrying value of the Company's outstanding debt as of September 30, 2023 consists of (in millions):

		Senior Notes		
	First Lien	Secured	Unsecured	Total Debt
First Lien	$ 5,426	$ —	$ —	$ 5,426
Senior Notes	—	5,249	2,010	7,259
Other financing arrangements	—	—	4	4
	5,426	5,249	2,014	12,689
Less unamortized discount and deferred financing fees	78	17	23	118
Total first lien and senior notes, net	5,348	5,232	1,991	12,571
ABL and other revolving credit facilities	821	—	—	821
	6,169	5,232	1,991	13,392
Less current portion	585	—	4	589
Long-term debt, net	$ 5,584	$ 5,232	$ 1,987	$ 12,803

The carrying value of the Company's outstanding debt as of December 31, 2022 consists of (in millions):

		Senior Notes		Total
	First Lien	Secured	Unsecured	Debt
First Lien	$ 4,847	$ —	$ —	$ 4,847
Senior Notes	—	5,256	2,010	7,266
Other financing arrangements	—	—	12	12
	4,847	5,256	2,022	12,125
Less unamortized discount and deferred financing fees	65	18	27	110
Total first lien and senior notes, net	4,782	5,238	1,995	12,015
ABL and other revolving credit facilities	1,008	—	—	1,008
	5,790	5,238	1,995	13,023
Less current portion	789	—	11	800
Long-term debt, net	$ 5,001	$ 5,238	$ 1,984	$ 12,223

On July 12, 2019, the Company refinanced its debt (the "2019 Refinancing") by entering into new senior secured credit facilities (the "July 2026 Senior Secured Credit Facilities"), consisting of (i) a $2,020.0 million seven-year senior secured term loan facility (the "July 2026 First Lien Term Loan Facility") and a delayed draw term loan facility providing borrowings of up to $200.0 million (the "July 2026 Delayed Draw Term Loan Facility" and, together with the July 2026 First Lien Term Loan Facility, the "July 2026 Term Loan Facility"), (ii) a $300.0 million five year senior secured revolving credit facility (the "July 2024 Revolving Credit Facility") and (iii) a $750.0 million five year asset based lending credit facility (the "May 2026 ABL Credit Facility"). The July 2026 First Lien Term Loan Facility was fully drawn on July 12, 2019. Contemporaneously with the entry into the July 2026 Senior Secured Credit Facilities, the Company issued (i) $1,000.0 million aggregate principal amount of 6.625% senior secured notes due 2026 (the "July 2026 Secured Notes") under an indenture dated July 12, 2019 (the "Secured Indenture") and (ii) $1,050.0 million aggregate principal amount of 9.750% senior notes due 2027 (the "July 2027 Unsecured Notes") under an indenture dated July 12, 2019 (the "Unsecured Indenture"). The July 2026 Secured Notes and July 2027 Unsecured Notes were issued in a private transaction not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). Holders of the Secured Notes and Unsecured Notes are not entitled to any registration rights and the Secured Indenture and Unsecured Indenture are not qualified under the Trust Indenture Act.

The proceeds from the July 2026 Senior Secured Credit Facilities and the July 2026 Secured Notes and July 2026 Unsecured Notes were used to (i) repay in full all outstanding borrowings under the then existing facilities, (ii) redeem in full all borrowings under the then existing second lien note purchase agreement, (iii) pay related fees, costs, premiums and expenses in connection with these transactions, (iv) cash collateralize, replace or provide credit support for certain existing letters of credit ("LoCs") outstanding and (v) provide working capital and funds for other general corporate purposes (and certain fees and expenses related thereto) of the Company. The July 2026 Delayed Draw Term Loan Facility was fully drawn on December 30, 2019 in connection with the acquisition of SOS Security LLC.

On February 3, 2020, the Company issued an additional $540.0 million aggregate principal amount of July 2026 Secured Notes under the Secured Indenture. The additional July 2026 Secured Notes were issued in a private transaction that was not subject to the registration requirements of the Securities Act. Holders of the additional July 2026 Secured Notes are not entitled to any registration rights. In connection with the issuance, the Company capitalized $25.7 million of original issue premium. The proceeds from the additional July 2026 Secured Notes were used to repay the outstanding borrowings under the May 2026 ABL Credit Facility and provide working capital and funds for other general corporate purposes of the Company.

On July 15, 2020, the Company issued an additional $400.0 million aggregate principal amount of July 2026 Secured Notes under the Secured Indenture. The additional July 2026 Secured Notes were issued in a private transaction that was not subject to the registration requirements of the Securities Act. Holders of the additional July 2026 Secured Notes are not entitled to any registration rights. In connection with the issuance, the Company capitalized $12.0 million of original issue premium. The proceeds from the additional July 2026 Secured Notes were used to provide working capital and funds for other general corporate purposes of the Company.

In April 2021, in connection with the G4S Transaction, the Company, along with its subsidiary, Atlas LuxCo 4 S.à r.l., a private limited liability company incorporated under the laws of Luxembourg, entered into new senior secured credit facilities (the “May 2028 Senior Secured Credit Facilities”), which consist of (i) a $950.0 million seven-year senior secured term loan facility bearing interest of 4.25% plus an applicable margin per annum (the “May 2028 First Lien USD Term Loan Facility”) and a €715.5 million seven-year senior secured term loan facility bearing interest of 4.25% plus an applicable margin per annum (the “May 2028 First Lien Euro Term Loan Facility” and, together with the May 2028 First Lien USD Term Loan Facility, the “May 2028 First Lien Term Loan Facilities”) and (ii) a €300.0 million five-year senior secured revolving credit facility bearing interest of a variable rate based on the Company’s leverage ratio plus an applicable margin per annum (the “April 2026 Euro Revolving Credit Facility”). During April 2021, the May 2028 First Lien USD Term Loan Facility was fully drawn and €96.8 million of the May 2028 First Lien Euro Term Loan Facility was drawn. In addition, the Company entered into (i) a new senior secured bridge loan credit facility, pursuant to which secured bridge loans in the amounts of $900.0 million bearing interest of 5.00% plus an applicable margin per annum, $775.0 million bearing interest of 5.00% plus an applicable margin per annum, €813.0 million bearing interest of 4.25% plus an applicable margin per annum, and £367.6 million bearing interest of 5.75% plus an applicable margin per annum were made available to us for borrowing and (ii) a new senior unsecured bridge loan credit facility, pursuant to which unsecured bridge loans in the amount of $1,285.0 million bearing interest of 7.25% plus an applicable margin per annum were made available to us for borrowing (collectively, the “Bridge Credit Facilities”).

The amounts borrowed under the May 2028 Senior Secured Credit Facilities and the Bridge Credit Facilities, together with cash on hand and certain equity contributions, were used to (i) pay the acquisition consideration in connection with the G4S Transaction and (ii) pay related fees, costs, premiums and expenses in connection therewith. Such net proceeds were additionally used to repay the voluntary redemption by us in full of certain existing third-party indebtedness of G4S.

During April 2021, the Company also increased the total availability under the May 2026 ABL Credit Facility from $750.0 million to $1,000.0 million with other terms remaining unchanged, and on May 25, 2021, the Company further increased the total availability under the ABL Credit Facility to $1,500.0 million subject to certain limitations, extended the maturity date to May 25, 2026 and made certain other modifications thereto.

On May 14, 2021, the Company issued (i) $1,225.0 million aggregate principal amount of 4.625% senior secured notes due 2028 (the “June 2028 USD I Secured Notes”), (ii) $775.0 million aggregate principal amount of 4.625% senior secured notes due 2028 (the “June 2028 USD II Secured Notes”), (iii) €813.0 million aggregate principal amount of 3.625% senior secured notes due 2028 (the “June 2028 Euro Notes”) and (iv) £367.7 million aggregate principal amount of 4.875% senior secured notes due 2028 (the “June

2028 GBP Notes") (collectively, the "June 2028 Secured Notes") under an indenture dated May 14, 2021 (the "June 2028 Secured Indenture") and (v) $960.0 million aggregate principal amount of 6.000% senior notes due 2029 (the "June 2029 Unsecured Notes") under an indenture dated May 14, 2021 (the "June 2029 Unsecured Indenture"). The June 2028 Secured Notes and June 2029 Unsecured Notes were issued in a private transaction that was not subject to the registration requirements of the Securities Act. Holders of the June 2028 Secured Notes and June 2029 Unsecured Notes are not entitled to any registration rights and the June 2028 Secured Indenture and June 2029 Unsecured Indenture are not qualified under the Trust Indenture Act.

The proceeds from the June 2028 Secured Notes and June 2029 Unsecured Notes were used to (i) repay in full borrowings outstanding under the Bridge Credit Facilities and terminate all available borrowings thereunder, (ii) pay related fees, costs, premiums and expenses, and (iii) to repay assumed debt from the acquisition of G4S.

On May 14, 2021, the Company also entered into amended and restated new senior secured credit facilities (the "Amended and Restated May 2028 Senior Secured Credit Facilities"), which consist of (i) a $3,142.3 million seven-year senior secured U.S. dollar term loan facility (the "Amended May 2028 First Lien USD Term Loan Facility"), (ii) the May 2028 First Lien Euro Term Loan Facility and (iii) the April 2026 Euro Revolving Credit Facility. The Amended and Restated May 2028 Senior Secured Credit Facilities modified the May 2028 First Lien USD Term Loan Facility, the May 2028 First Lien Euro Term Loan Facility and the April 2026 Euro Revolving Credit Facility. The Amended and Restated May 2028 Senior Secured Credit Facilities extinguished the July 2026 First Lien Term Loan Facility. The July 2024 Revolving Credit Facility was not modified and remains subject to the terms of the July 2026 Senior Secured Credit Facilities associated with the 2019 Refinancing. The Company recognized a loss on early extinguishment of debt of $277.3 million during the three months ended June 30, 2021, which included: (i) the write-off of $126.3 million of deferred financing fees, issue discounts, and third party costs incurred associated with the extinguishment of the Bridge Loan Credit Facilities and the July 2026 First Lien Term Loan Facility; (ii) $60.3 million of market premiums paid and $10.7 million in other charges related to the redemption of G4S's Euro Market Term Loans; and (iii) $80.0 million incurred for the prepayment of G4S's USD Private Placement Notes.

In connection with the modification of the May 2028 First Lien Term Loan Facilities, on May 14, 2021, an additional €618.7 million was drawn under the May 2028 First Lien Euro Term Loan Facility.

On November 23, 2021, the Company amended its Amended May 2028 First Lien USD Term Loan Facility to increase the total amount outstanding by $1,000.0 million. There were no changes in the terms of the Amended May 2028 First Lien USD Term Loan Facility as a result of the amendment. The other proceeds from the additional borrowings under the Amended May 2028 First Lien USD Term Loan Facility were used to repay the outstanding borrowings under the May 2026 ABL Credit Facility, repay the outstanding borrowings under the July 2024 Revolving Credit Facility, and for other corporate purposes.

On May 11, 2023, and August 15, 2023, the Company further amended its Amended May 2028 First Lien USD Term Loan Facility to increase the total amount outstanding by $450.0 million and $175.0 million, respectively (collectively, the "Amended May 2028 First Lien USD Amendment No. 3 Term Loan Facility"). There were no changes in the terms of the existing borrowings under the Amended May 2028 First Lien USD Term Loan Facility as a result of the amendments. The net proceeds from the additional borrowings under the Amended May 2028 First Lien USD Term Loan Facility were used to repay outstanding borrowings under the May 2026 ABL Credit Facility and for other corporate purposes.

On June 1, 2023, the Company further amended its July 2024 Revolving Credit Facility (the "Amended July 2024 Revolving Credit Facility"), extending the maturity date to the earlier of (i) November 15, 2027,

(ii) April 15, 2026, to the extent the July 2026 Secured Notes remain outstanding, or (iii) April 15, 2027, to the extent the July 2027 Unsecured Notes remain outstanding. Additionally, the amendment decreased the total borrowing capacity of the Amended July 2024 Revolving Credit Facility from $300.0 million to $275.0 million effective July 12, 2024.

Outstanding balances under the Amended May 2028 First Lien USD Term Loan Facility accrue interest equal to, at the Company's option: (a) Adjusted Term Secured Overnight Financing Rate (or "SOFR") plus 3.75%, as amended on December 9, 2022, or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs as set forth therein. Outstanding balances under the May 2028 First Lien Euro Term Loan Facility accrue interest equal to, at the Company's option: (a) LIBOR plus 3.75% or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs. Outstanding balances under the Amended May 2028 First Lien USD Amendment No. 3 Term Loan Facility accrue interest equal to, at the Company's option: (a) Adjusted Term Secured Overnight Financing Rate (or "SOFR") plus 4.75% or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs as set forth therein. Outstanding balances under the April 2026 Euro Revolving Credit Facility accrue interest equal to, at the Company's option: (a) LIBOR plus 3.75% or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs as set forth therein. Amounts drawn on the Amended July 2024 Revolving Credit Facility accrue interest equal to, at the Company's option: (a) Term SOFR plus 4.25%, as amended on January 13, 2023, or (b) an alternative base rate plus 3.25%, in each case, subject to certain pricing step-downs as set forth therein. Amounts drawn on the May 2026 ABL Credit Facility accrue interest equal to, at the Company's option: (a) Adjusted Term SOFR plus between 1.25% and 1.75%, as amended on February 10, 2023, or (b) an alternative base rate plus between 0.25% and 0.75%. As of September 30, 2023, the applicable interest rates on the Amended May 2028 First Lien USD Term Loan Facility, the May 2028 First Lien Euro Term Loan Facility, and the Amended May 2028 First Lien USD Amendment No. 3 Term Loan Facility were 9.17%, 7.61%, and 10.07%, respectively. As of December 31, 2022, the applicable interest rates on the Amended May 2028 First Lien USD Term Loan Facility and the May 2028 First Lien Euro Term Loan Facility were 8.17% and 5.65%, respectively.

Outstanding balances under the July 2026 Secured Notes and the July 2027 Unsecured Notes accrue interest at an annual rate of 6.625% and 9.750%, respectively. Outstanding balances under the June 2028 USD I Secured Notes, the June 2028 USD II Secured Notes, the June 2028 Euro Notes, the June 2028 GBP Notes and the June 2029 Unsecured Notes accrue interest at an annual rate of 4.625%, 4.625%, 3.625%, 4.875% and 6.000%, respectively. Accrued interest as of September 30, 2023 and December 31, 2022 was $130.5 million and $134.4 million, respectively.

Principal on the Amended May 2028 First Lien USD Term Loan Facility and the June 2028 First Lien Euro Term Loan Facility is payable in quarterly installments of 0.25% of the original aggregate principal amounts of such facilities, beginning in December 2021, with the remaining unpaid balances due on May 14, 2028, the maturity date. Principal on the Amended May 2028 First Lien USD Amendment No. 3 Term Loan Facility is payable in quarterly installments of 0.25% of the original aggregate principal amounts of such facilities, beginning in December 2023, with the remaining unpaid balances due on May 14, 2028, the maturity date. All unpaid balances of the Amended July 2024 Revolving Credit Facility are due and payable on the earlier of (i) November 15, 2027, (ii) April 15, 2026, to the extent the July 2026 Secured Notes remain outstanding, or (iii) April 15, 2027, to the extent the July 2027 Unsecured Notes remain outstanding, the maturity date. All unpaid balances of the April 2026 Euro Revolving Credit Facility and May 2026 ABL Credit Facility are due and payable on April 8, 2026, and May 25, 2026, respectively, the maturity dates. The July 2026 Secured Notes are due and payable on July 15, 2026, the maturity date. The July 2027 Unsecured Notes are due and payable on July 15, 2027, the maturity date. The June 2028 Secured Notes are due and payable on June 1, 2028, the maturity date. The June 2029 Unsecured Notes are due and payable on June 1, 2029, the maturity date.

The May 2028 Senior Secured Credit Facilities provide for potential additional principal payments based on excess cash flow for years commencing with the year ending December 31, 2022. Additional principal payments were not required for the year ended December 31, 2022. Based on the provisions of the May 2028 Senior Secured Credit Facilities agreement, a potential additional principal payment based on excess cash flow is not applicable for the year ended December 31, 2021. Voluntary prepayments of amounts outstanding under the May 2028 Term Loan Facility, and optional redemptions of all or a portion of the July 2026 Secured Notes, the July 2027 Unsecured Notes, the May 2028 Secured Notes and the June 2029 Unsecured Notes are permitted under certain circumstances.

Borrowings under the Amended July 2024 Revolving Credit Facility, the May 2026 ABL Credit Facility, the Amended and Restated May 2028 Senior Secured Credit Facilities, the July 2026 Secured Notes and the June 2028 Secured Indenture are secured by substantially all of the assets of the Company and certain of its subsidiaries (subject to certain exceptions and limitations for each such facility) and the foregoing facilities each include certain restrictive covenants (subject to certain exceptions and limitations for each such facility). As of September 30, 2023, the Company was in compliance with all financial debt covenants.

The Company may issue up to $100.0 million in LoCs against the Amended July 2024 Revolving Credit Facility, €100.0 million in LoCs against the April 2026 Euro Revolving Credit Facility and another $750.0 million against the May 2026 ABL Credit Facility. Availability under each of the foregoing facilities is reduced by pledged LoCs under such facility, which serve primarily as collateral for the Company’s workers’ compensation and general liability insurance policies and as collateral for the defined benefit plan assumed from the G4S Transaction. Furthermore, availability under the May 2026 ABL Credit Facility is subject to limitation based on the amount of the borrowing base, as defined pursuant to the terms of the May 2026 ABL Credit Facility agreement. As of September 30, 2023, the total amount of LoCs pledged against the Amended July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility was $0, $0, and $410.1 million, respectively. As of December 31, 2022, the total amount of LoCs pledged against the Amended July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility was $0, $0, and $411.3 million, respectively.

The amount available for borrowing under the Amended July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility as of September 30, 2023 was $300.0 million, $26.4 million, and $559.9 million, respectively. The amount available for borrowing under the Amended July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility as of December 31, 2022 was $300.0 million, $53.6 million, and $348.7 million, respectively. As of September 30, 2023 and December 31, 2022, the weighted average interest rate on our outstanding revolving credit facility borrowings was 7.4% and 6.0%, respectively.

As of September 30, 2023 and December 31, 2022, $8.3 million and $9.7 million, respectively, of unamortized deferred financing fees related to revolving credit facilities were included in other assets on the accompanying condensed consolidated balance sheets.

6. LEASES

Lessor

The Company acts as a lessor in a limited number of arrangements. These mainly relate to the lease of smart safes, cash recycling equipment, and right-of-use assets related to those assets leased to the Company’s customers. The Company considers various inputs and assumptions including, but not necessarily limited to, lease terms, renewal options, discount rates, and other rights and provisions in the purchase and sale agreement, lease and other documentation to determine whether control has been transferred to the customer. A lease will be classified as direct-financing if risks and rewards are conveyed without the transfer of control and will be classified as a sales-type lease if control of the underlying asset is transferred to the customer. Otherwise, the lease is treated as an operating lease. These criteria also include estimates and assumptions regarding the fair value of the asset, minimum lease payments, the economic useful life of the asset, the existence of a purchase option and certain other terms in the lease agreements. As of September 30, 2023 and December 31, 2022, the net investment receivable from these lease arrangements was $41.8 million and $32.3 million, respectively, of which, $14.0 million and $12.8 million is recorded in prepaid and other current assets and $27.8 million and $19.5 million is recorded in other assets on the condensed consolidated balance sheets, respectively.

The maturities of lease receivables were as follows as of September 30, 2023 (in millions):

Less than one year	$	12
Between one and two years		15
Between two and three years		10
Between three and four years		6
Between four and five years		4
Thereafter		2
Total undiscounted cash flows		49
Less: Imputed interest		(7)
Net investment receivable from finance leases	$	42

As of September 30, 2023, the Company expects to receive operating lease income of $5.2 million, $2.2 million, $1.0 million, $0.7 million, $0.3 million, and $1.0 million in less than one year, between one and two years, between two and three years, between three and four years, between four and five years, and after five years, respectively, related to lessor arrangements.

Lessee

The Company has entered into various leases for its offices, vehicles, uniforms, and equipment, which are typically non-cancelable. Certain lease agreements contain renewal options, rent abatement, and escalation clauses that are factored into the determination of lease payments when appropriate. Right-of-use assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. If an implicit rate is not readily determinable, management estimates the Company’s incremental borrowing rate to discount the lease payments based on information available at lease commencement. Management determines the Company’s incremental borrowing rate based on the lease term and the economic environment of the applicable country. Operating leases are comprised primarily of offices and equipment leases, and finance leases are comprised primarily of vehicle and uniform leases.

The assets and liabilities related to operating and finance leases were as follows (in millions):

	September 30, 2023	December 31, 2022
Operating lease assets, included within lease right-of-use assets	$ 261	$ 277
Finance lease assets, included within property, equipment and software, net	160	171
Total lease assets	$ 421	$ 448
Operating lease liabilities included within lease liabilities, current portion	$ 77	$ 79
Finance lease liabilities, included within lease liabilities, current portion	75	81
Operating lease liabilities included within lease liabilities, net of current portion	192	208
Finance lease liabilities, included within lease liabilities, net of current portion	101	101
Total lease liabilities	$ 445	$ 469

The components of lease costs for the three and nine months ended September 30, 2023 and 2022 were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating lease costs	$ 24	$ 28	$ 73	$ 84
Finance lease costs - amortization of right-of-use assets	23	21	68	64
Finance lease costs - interest on lease liabilities	3	2	9	6
Short-term lease costs	1	1	6	6
Variable lease costs	13	13	38	36
Subtotal of lease costs, before sublease income	64	65	194	196
Less: Sublease income	(1)	(3)	(4)	(5)
Total lease costs	$ 63	$ 62	$ 190	$ 191

Supplemental cash flow information for the nine months ended September 30, 2023 and 2022 related to leases is as follows (in millions):

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 76	$ 98
Financing cash flows for finance leases	$ 64	$ 63
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	$ 52	$ 35
Finance leases	$ 114	$ 121
Non-cash reduction of lease liabilities from disposals:		
Finance leases	$ 60	$ 61

As of September 30, 2023, the weighted average remaining lease term of operating and financing leases was 5.2 years and 5.6 years, respectively, and the weighted average discount rate was 5.7% and 5.9%, respectively. As of December 31, 2022, the weighted average remaining lease term of operating and financing leases was 5.2 years and 5.1 years, respectively, and the weighted average discount rate was 5.1% and 4.9%, respectively.

The undiscounted cash flows for each of the first five years and total of the remaining years to the finance and operating lease liabilities recorded on the condensed consolidated balance sheet as of September 30, 2023 were as follows (in millions):

Remaining 2023	$ 84
2024	156
2025	95
2026	57
2027	33
Thereafter	72
Total minimum lease payments	497
Less imputed interest	(52)
Present value of future minimum lease payments	445
Less current portion of lease obligations	(152)
Long-term lease obligations	$ 293

7. COMMITMENTS AND CONTINGENCIES

The Company is from time to time subject to legal claims and litigation in the ordinary course of business. The Company regularly reviews all pending legal matters in which it is involved and establishes reserves deemed appropriate by management for these matters when a loss is deemed probable and reasonably estimable.

While the Company believes its judgments relating to reserves are reasonable, litigation outcomes are not readily predictable and may differ materially from management estimates. Although the Company may reserve amounts for certain matters based on the Company's judgment as to the likely outcome, if developments in a particular matter dictate a change to the Company's reserve, the Company may have to record additional expense.

Business Insurance Risks (Workers' Compensation, General Liability, Employment Practices Liability, Automobile Liability and certain Healthcare Claims)

The Company maintains insurance coverage, subject to certain self-insured retentions, for claims and liabilities incurred by the Company in the ordinary course of its business, including claims relating to workers' compensation, general liability, employment practices liability, automobile liability and certain healthcare claim expenses incurred under Company benefit plans. The Company has established reserves for these claims based on insurance coverage, the risk of loss retained by the Company, independent actuarial analyses, and management's judgment. The Company reserves for all known insured claims as well as those claims that management believes have been incurred but not reported as of the balance sheet date based on an independent actuary's estimate of the ultimate cost of the claims. Management does not expect the ultimate outcome of any one insured claim to have a material effect on the Company's condensed consolidated financial position, results of operations, or cash flows.

As of September 30, 2023 and December 31, 2022, expected payments on an undiscounted basis for estimated self-insured claims were $640.1 million and $587.5 million, respectively, of which $167.4 million and $154.2 million, respectively, are included in accrued claims reserves, current portion and $472.7 million and $433.3 million, respectively, are included in accrued claims reserves, net of current portion in the accompanying condensed consolidated balance sheets. As of September 30, 2023 and December 31, 2022, the accrued reserve for estimated other claims and contingencies was $139.7 million and $207.6 million, respectively, of which $49.1 million and $120.9 million, respectively, are included in accrued claims reserves, current portion and $90.6 million and $86.7 million, respectively, are included in accrued claims reserves, net of current portion in the accompanying condensed consolidated balance sheets.

Other Claims and Contingencies

The Company is involved in disputes, claims and litigation in respect of its business activities and operations in the ordinary course of business. These include disputes, claims and litigation relating to tort laws, labor and employment laws, commercial disputes with customers, subcontractors and vendors, and regulatory proceedings. In management's judgment, except as otherwise noted here, such matters will either be resolved in a manner that is not expected to be material to the Company or, it is not deemed reasonably possible for the Company to incur a loss or possible to estimate the potential exposure as of the balance sheet date.

In addition, the interpretation of laws and regulations in numerous jurisdictions where the Company operates, including those relating to tax and labor regulation, is complex and there is inherent judgment involved in applying those laws and regulations to the Company's activities. As such, there is risk that further disputes and claims could arise in the future. Where there is a dispute or claim or risk of a dispute or claims and where, based on the advice of counsel and in management's judgment, the Company determines that the dispute will result in a probable and reasonably estimable loss, an accrual is made based on the Company's estimate of the financial exposure. Where a reasonable estimate cannot be made, or where the Company determines that it is not probable that there will be a loss incurred, no reserve is accrued. Additionally, with respect to certain business combinations, the Company assumes contingent losses from the seller, which are recorded as liabilities using management's best estimate of fair value as of the date of acquisition. Based on the inherent subjectivity of these estimates, actual results can materially deviate from these estimates. Legal costs in connection with claims and lawsuits in the ordinary course of business are expensed as incurred.

Since 2019, G4S has received a number of claims on behalf of shareholders seeking damages for alleged losses amounting to approximately £110,000,000 following the reduction in the G4S share price in 2013. The Company believes it has a defensible legal position and will defend these claims vigorously. Therefore no provision has been recorded in respect of these, as management does not believe a loss is probable. The first part of these claims is scheduled to be heard in court during 2024.

In April 2020, G4S received requests for information from the Belgium Competition Authority (“BCA”) and the U.S. Department of Justice Antitrust Division (“DOJ”) in connection with the Company’s Belgium business. The BCA inquiry is continuing, and the Company is cooperating fully with the investigation. The DOJ portion of the inquiry has been resolved by way of a plea agreement entered into with the DOJ in July 2021, under which G4S agreed to a payment of $15.0 million, which payment was made in August 2021. As of September 30, 2023, the Company has reserved $53.8 million in relation to the BCA inquiries, which is recorded within accrued claims reserves, net of current portion on the condensed consolidated balance sheet. This accrual represents management’s estimate after considering estimates of the potential penalties and costs which might arise on completion of the inquiry process. There is a range of possible outcomes in respect of these inquiries, including but not limited to the imposition of incremental financial penalties and third-party claims.

The Company has been the subject of labor claims asserted by past and current employees in Brazil primarily related to allegations of insufficient payment of overtime wages and certain employee benefits. The Company recorded a loss reserve related to these matters of $19.5 million in aggregate as of September 30, 2023, $6.6 million of which is recorded in accrued claims reserves, current portion and $12.9 million of which is recorded within accrued claims reserves, net of current portion on the condensed consolidated balance sheet. The Company also is the subject of labor claims asserted in respect of employees’ alleged wage and benefit discrepancies in Guatemala. The Company recorded a loss reserve related to the Guatemala claims of $14.1 million in aggregate as of September 30, 2023, $8.2 million of which is recorded in accrued claims reserves, current portion and $5.9 million of which is recorded within accrued claims reserves, net of current portion on the condensed consolidated balance sheet. These reserves represent management’s estimate of the potential aggregate liability arising from these claims. There is a range of possible outcomes in respect of these claims.

The Company is currently involved in a number of claims in India, mainly related to periods prior to 2011, in relation to the interpretation of the basis for payments to the India Provident Fund. These disputes are currently awaiting court resolution. The aggregate of the Provident Fund related claims exposure is estimated to be approximately $61.0 million based on applicable exchange rates as of September 30, 2023. The Company believes it has a defensible legal position. Therefore, no accrual has been recorded for this matter as of September 30, 2023 as management does not believe a loss is probable.

During 2022, the Luxembourg Competition Authority (“LCA”), contacted G4S Luxembourg in connection with an investigation into suspected infringement of competition laws by several companies within the Luxembourg surveillance sector. The business is cooperating fully with the LCA. As of September 30, 2023, the Company has reserved $6.4 million in relation to the LCA inquiries, which is recorded within accrued claims reserves, current portion on the condensed consolidated balance sheet. Owing to recent changes in law and a lack of relevant precedents, there is a significant amount of uncertainty regarding the range of possible outcomes in relation to this matter, including but not limited to the imposition of possible material fines and third-party claims.

In the normal course of business, the Company is audited by taxing authorities and from time to time, receives proposed non-income tax related assessments as a result of those audits. The Company records obligations for those proposed tax assessments or portion thereof that management believes are probable of payment and estimable. Management believes that even if any one or more proposed assessment resulted in an unfavorable outcome, they would not be material to the Company's financial position individually or in the aggregate. The timing and outcome of a settlement of any proposed assessment may not always be reasonably ascertained.

8. BUSINESS COMBINATIONS

All acquisitions were accounted for under ASC Topic 805, *Business Combinations*. Accordingly, the assets and liabilities were recorded at fair value and purchase accounting was applied.

2023 Business Combinations

The Company completed four acquisitions during the nine months ended September 30, 2023, which are accounted under ASC Topic 805, and which have an aggregate purchase price of $50.7 million. The aggregate purchase price includes contingent consideration of $9.1 million, which is subject to be paid based on the satisfaction of certain post-closing conditions. These acquisitions resulted in the recording of net operating assets of $6.7 million, identifiable intangible assets of $17.6 million and goodwill of $26.4 million, which was recorded within the Company's North America segment.

The results related to the 2023 acquired entities have been included in the Company's condensed consolidated statement of operations since their respective acquisition dates.

Attenti Electronic Monitoring Group LTD

On August 1, 2022, the Company purchased all of the outstanding equity interests of Attenti Electronic Monitoring Group LTD ("Attenti") for an initial purchase price of approximately $250.5 million, subject to certain post-closing adjustments. Attenti is a provider of electronic monitoring products and is based in Israel.

The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on current available information and certain assumptions and estimates that management believes are reasonable.

The purchase price allocation resulted in a book goodwill amount of $80.3 million recorded in the Company's International segment, none of which is deductible for tax purposes, identifiable intangible assets of $102.4 million, and net operating assets of $67.8 million. Acquired intangible assets consist of customer relationships. The fair value of each customer relationship was determined with the assistance of an external valuation specialist using the income approach valuation methodology in accordance with ASC 805. The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition.

T.S.S. (Total Security Services) Limited and Corporate Cupboard Limited

On March 22, 2022, the Company purchased the issued and outstanding shares of Total Security Services Limited ("TSS") and its affiliate, Corporate Cupboard Limited ("CCL"), for £71.8 million, or $94.6 million based on the exchange rate as of March 22, 2022, in addition to contingent consideration of £9.9 million. TSS provides security services, including manned guarding and technology-based solutions in the United Kingdom. CCL purchases and supplies uniforms and ancillary security equipment.

The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on current available information and certain assumptions and estimates that management believes are reasonable.

The purchase price allocation resulted in a book goodwill amount of $52.7 million recorded in the Company's International segment, which is deductible for tax purposes, identifiable intangible assets of $43.2 million, and net operating assets of $10.9 million. Acquired intangible assets consists of customer relationships. The fair value of each customer relationship was determined with the assistance of an external valuation specialist using the income approach valuation methodology in accordance with ASC 805. The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition.

Other 2022 Business Combinations

In addition to the Attenti and T.S.S. acquisitions, the Company completed eight other acquisitions during the nine months ended September 30, 2022 which are accounted under ASC Topic 805, and which have an aggregate purchase price of $33.0 million. The aggregate purchase price includes contingent consideration of $12.0 million, which is subject to be paid based on the satisfaction of certain post-closing conditions. These acquisitions resulted in the recording of net operating assets of $8.5 million, identifiable intangible assets of $10.0 million and goodwill of $14.5 million, $13.2 million and $1.3 million of which was recorded within the Company's North America and International segments, respectively.

The results related to the 2022 acquired entities have been included in the Company's condensed consolidated statements of operations since their respective acquisition dates.

Acquisition Costs

Acquisition and related costs which include transaction costs, such as legal, accounting, valuation, and other professional services, were expensed as incurred. Acquisition and related costs totaled $3.4 million and $7.4 million for the three and nine months ended September 30, 2023, respectively, and totaled $4.9 million and $21.2 million for the three and nine months ended September 30, 2022, respectively.

Purchase Price Payable

As part of certain completed acquisitions, the Company has agreed to pay cash to the sellers based upon the satisfaction of certain post-closing conditions. The Company evaluates the fair value of contingent consideration throughout the year and in every reporting period. Changes in the fair value resulting from events that occurred after the acquisition date are recorded as a gain or loss on changes in fair value of the contingent purchase consideration in the accompanying condensed consolidated statements of operations. As of September 30, 2023 and December 31, 2022, purchase price payable of $12.6 million and $54.7 million, respectively, is reported in accrued expenses and other current liabilities and $7.6 million and $5.6 million, respectively, is reported in other liabilities on the accompanying condensed consolidated balance sheets.

9. DEFINED BENEFIT PLANS

The Company has several funded and unfunded defined retirement benefit plans. These plans were assumed as a result of the acquisition of G4S on April 6, 2021.

The Company's primary defined benefit plan is based in the United Kingdom (the "UK Plan"), with other plans around the world. The UK Plan is comprised of three sections: (i) the Group 4 section, (ii) the Securicor section, which was assumed by G4S in 2004 with the acquisition of Securicor plc, and (iii) the GSL section, which was assumed by G4S in 2008 with the acquisition of GSL.

The UK Plan is closed to future accrual apart from some sub-sections of the GSL section, and for most members defines the pension based on final salary. Certain sub-sections of the GSL section have historically remained open to provide a facility to accept former public-sector employees who join certain subsidiaries of the Company through outsourcings. In the Group 4 and Securicor sections, members retain their link to final salary where appropriate on their benefits accrued up to closure in 2011.

The UK Plan is set up under UK law and governed by a trustee company which is responsible for the plan's investments, administration and management. The board of the trustee company comprises an independent chairman and further appointees who are made up of plan membership representatives and company appointees.

In connection with the G4S Transaction, the Company entered into a memorandum of understanding with the UK Plan trustee in which the Company has agreed to pay a one-time lump sum payment of £50 million, which was paid during January 2022, followed by quarterly contributions of £20 million for the calendar years 2021 to 2026 inclusive. The quarterly contributions will increase by 3% every year until the last payment in 2026.

During the nine months ended September 30, 2023 and 2022, the Company made $79.1 million and $142.3 million of contributions to its pension plans, respectively. The Company currently expects to make approximately $25.9 million in pension contributions to the UK Plan during the remainder of the fiscal year ending December 31, 2023.

The components of net periodic benefit income are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Service cost	$ —	$ —	$ 1	$ 2
Other costs (benefits):				
Interest cost	29	17	82	53
Expected return on plan assets	(34)	(25)	(99)	(80)
Total other benefits	(5)	(8)	(17)	(27)
Net periodic pension benefit	$ (5)	$ (8)	$ (16)	$ (25)

The Company recognizes service costs within cost of revenues and selling, general and administrative in the condensed consolidated statement of operations and recognizes interest costs and the expected return on plan assets within other (income) expense, net in the condensed consolidated statement of operations.

Net actuarial losses of $0.5 million and $2.0 were recognized in other comprehensive loss during the three months ended September 30, 2023 and 2022, respectively. Net actuarial gains (losses) of $3.3 million and $(10.7) were recognized in other comprehensive loss during the nine months ended September 30, 2023 and 2022, respectively. The amounts in accumulated other comprehensive loss that have not yet been recognized as of September 30, 2023 and December 31, 2022 consist of net actuarial gains of $74.7 million and $71.4 million, respectively.

As of September 30, 2023 and December 31, 2022, the Company's defined benefit plans with a net surplus totaled $398.0 million and $296.9 million, respectively, which is inclusive of the UK Plan and which was recorded within other assets on the condensed consolidated balance sheets. As of September 30, 2023 and

December 31, 2022, the Company's defined benefit plans with a net deficit totaled $102.1 million and $107.1 million, respectively. The funded status of defined benefit plans is based on actuarial estimates and contributions during the period. The most recent actuarial estimates were completed as of December 31, 2022. Actual results may differ materially from these estimates.

10. MEMBERS' CAPITAL AND EQUITY-BASED COMPENSATION

Allied Universal Topco Class B and Incentive Units

From 2016 through 2019, the Company issued Class B Units in Topco to certain members of management. Fifty percent of each grantee's Topco Class B Units issued were subject to time-vesting and fifty percent were subject to certain performance vesting conditions based on internal rate of return targets measured upon the occurrence of certain events and, in each case, subject to each unit holder's continued service with the Company. Time-vesting Topco Class B Units generally vested in ratable annual installments over the five-year period following the grant date.

From 2019 through 2020 and in connection with the amendment of the Topco partnership agreement, the Company discontinued awarding Class B Units, and instead began awarding to eligible members of management Incentive Units in Topco. Fifty percent of the Topco Incentive Units issued were subject to time-vesting and fifty percent were subject to certain performance vesting conditions based on internal rate of return, targets measured upon the occurrence of certain events and, in each case, subject to each unit holder's continued service with the Company. Topco Incentive Units granted subject to time-vesting vested ratably in annual installments over the five-year period following the grant date, such that, by the fifth anniversary of the grant date, one hundred percent of the time-based units would have vested.

2021 Atlas Ontario Units

On April 6, 2021, in conjunction with the G4S Transaction, Topco Incentive Units then issued and outstanding were converted into Atlas Ontario Class B Units at a rate of 0.2524 Atlas Ontario Class B Units per Topco Incentive Unit, which represented the fair value of the units at the date of the G4S Transaction. All vesting conditions related to the converted Topco Incentive Units remained unchanged. This conversion resulted in the issuance of 48.1 million of new Class B Units in Atlas Ontario.

In conjunction with the G4S Transaction, the Company also issued Atlas Ontario Incentive Units to certain members of management. Fifty percent of each grantee's Atlas Ontario Incentive Units are subject to time-vesting and fifty percent were subject to certain performance vesting conditions based on internal rate of return, targets measured upon the occurrence of certain events and subject to each unit holder's continued service with the Company. Atlas Ontario Incentive Units subject to time-vesting vest ratably in annual installments over the five-year period following the grant date.

The fair value of each Atlas Ontario Incentive Unit award granted during the nine months ended September 30, 2023 and 2022, is estimated on the grant date using the Monte Carlo option-pricing model based on the following assumptions:

	2023	2022
Expected volatility	72.5 %	72.5 %
Dividend yield	0.0 %	0.0 %
Risk-free interest rate	2.2 %	2.2 %
Expected term (in years)	2.0	2.0

Equity-based compensation related activity during the nine months ended September 30, 2023 consisted of the following (in millions, except weighted-average information and years):

	Class B Units		Atlas Ontario Incentive Units	
	Number of Units	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2022	30	$ 2.27	412	$ 0.40
Granted	—	—	16	0.23
Vested	—	—	(45)	0.40
Forfeited	(1)	2.26	(12)	0.32
Outstanding and unvested as of September 30, 2023	29	$ 2.27	371	$ 0.37
Unrecognized compensation cost		$ 29		$ 89
Weighted average remaining amortization period (years)		1.2		2.9

Loss per Unit

Basic loss per unit is computed by dividing net loss by the weighted average number of common units outstanding for the period. Diluted earnings per unit is applicable only in periods of net income and is computed by dividing net income by the weighted average number of common units outstanding for the period and potentially dilutive common unit equivalents outstanding for the period. Periods of net loss require the diluted computation to be the same as the basic computation. There was an aggregate of 440.0 million potentially dilutive unit equivalents outstanding as of September 30, 2023 and an aggregate of 438.5 million potentially dilutive unit equivalents outstanding as of September 30, 2022, which have been excluded from diluted loss per unit during the three and nine months ended September 30, 2023 and 2022.

11. INCOME TAXES

The Company's income tax provision for the three months ended September 30, 2023 and 2022 was $14.3 million and $9.5 million, respectively. The Company's income tax (benefit) provision for the nine months ended September 30, 2023 and 2022 was $(6.1) million and $36.6 million, respectively. The Company's effective income tax rate for the three months ended September 30, 2023 and 2022 was (31.8)% and (15.6)%, respectively. The Company's effective income tax rate for the nine months ended September 30, 2023 and 2022 was 2.9% and (19.1)%, respectively. The Company's effective tax rate differs from the notional statutory tax rate of 21% primarily due to foreign earnings taxed at different rates and changes in the valuation allowance in certain jurisdictions where the Company's deferred tax assets are not more likely than not to be realized. The Company's estimated effective tax rate for the nine months ended September 30, 2023, included a discrete tax benefit of $4.0 million primarily related to rationalization and simplification of the United States legal entity structure effective January 1, 2023, which is not expected to recur. The Company's estimated effective tax rate for the three and nine months ended September 30, 2022, included a discrete tax benefit of $11.8 million and $25.5 million, respectively, which is primarily attributable to the settlement of uncertain tax positions in Denmark, the UK, and the partial release of the valuation allowance due to acquired deferred tax liabilities.

As of September 30, 2023 and December 31, 2022, tax contingencies were approximately $35.3 million and $35.0 million, respectively. The Company files U.S. federal, state, and foreign tax returns. The Company strives to resolve open matters with each tax authority at the examination level and could reach agreement with a tax authority at any time. However, changes in tax laws, regulations, administrative practices, principles, and interpretations may impact the Company's tax contingencies. The timing of the resolution of income tax controversies is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ from the amounts accrued. These assessments or settlements could result in changes to the Company's contingencies related to positions on prior years' tax filings.

12. SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the Chief Operating Decision Maker ("CODM"), who is the Company's Chief Executive Officer.

The CODM evaluates the Company's financial information and assesses the performance of the North America and International segments of the business in order to determine how to allocate resources. The CODM reviews the Company's revenues and operating income for the North America and International operating segments, which also constitute the Company's reportable segments, and the CODM reviews assets and capital expenditures on a consolidated basis. Therefore, revenues and operating income are presented by reportable segment and assets and capital expenditures by operating segment are not presented.

Revenues and operating income by segment reconciled to net loss are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
REVENUES				
North America	$ 3,584	$ 3,391	$ 10,540	$ 9,907
International	1,635	1,495	4,765	4,540
Total revenues	$ 5,219	$ 4,886	$ 15,305	$ 14,447
SEGMENT OPERATING INCOME				
North America	170	102	423	222
International	40	39	92	137
Total segment operating income	$ 210	$ 141	$ 515	$ 359
RECONCILIATION TO NET LOSS				
Segment operating income	210	141	515	359
Interest expense, net	(259)	(200)	(749)	(558)
Other income (expense), net	4	(2)	26	7
Income tax (provision) benefit	(14)	(10)	6	(37)
Net loss	$ (59)	$ (71)	$ (202)	$ (229)

13. FAIR VALUE MEASUREMENTS

Investments Measured at Fair Value on a Recurring Basis

The following tables present our cash and cash equivalents and investments' costs, net unrealized gains (losses), and fair value by security type as of September 30, 2023 and December 31, 2022 (in millions):

	September 30, 2023			
	Cost	**Net Unrealized Gains (Losses)**	**Fair Value**	**Cash and Cash Equivalents**
Cash and cash equivalents	$ 832	$ —	$ 832	$ 832
Restricted cash	147	—	147	—
	979	—	979	832
Level 1 :				
Common stock	10	2	12	—
Registered investment companies	97	(5)	92	—
Subtotal	107	(3)	104	—
Level 2:				
Government and federal agency bonds	5	—	5	—
Corporate bonds	22	(3)	19	—
Municipal bonds	18	(2)	16	—
Subtotal	45	(5)	40	—
Level 3: Other	3	—	3	—
Total assets in the fair value hierarchy	155	(8)	147	—
Asset value at NAV as a practical expedient:				
Collective trust funds	2	—	2	—
Total assets	$ 1,136	$ (8)	$ 1,128	$ 832

	December 31, 2022			
	Cost	Net Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents
Cash and cash equivalents	$ 812	$ —	$ 812	$ 812
Restricted cash	149	—	149	—
	961	—	961	812
Level 1 :				
Common stock	9	1	10	—
Registered investment companies	91	(12)	79	—
Subtotal	100	(11)	89	—
Level 2:				
Government and federal agency bonds	5	—	5	—
Corporate bonds	22	(2)	20	—
Municipal bonds	18	(2)	16	—
Subtotal	45	(4)	41	—
Level 3: Other	7	—	7	—
Total assets in the fair value hierarchy	152	(15)	137	—
Asset value at NAV as a practical expedient:				
Collective trust funds	2	—	2	—
Total assets	$ 1,115	$ (15)	$ 1,100	$ 812

The Company's purchase price payable liabilities represent the estimated fair value of additional future contingent consideration payable for acquisitions of businesses that included contingent consideration clauses. The fair value of purchase price payable liabilities is evaluated on an ongoing basis and is based on management estimates and entity-specific assumptions which are considered Level 3 inputs. The valuation of purchase price payables is initially established using a range of methods, including discounted cash flow models and a probability weighted income approach.

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Certain assets and liabilities, including goodwill and intangible assets, are subject to measurement at fair value on a non-recurring basis if there are indicators of impairment or if they are deemed to be impaired as a result of an impairment review.

14. RELATED PARTY TRANSACTIONS

The Company's condensed consolidated statements of operations include sales to some of its equity method investments and joint venture partners. Sales agreements with related parties include terms that are consistent with those that we believe would have been negotiated at an arm's length with an independent party.

On September 1, 2021, the Company acquired a 49% equity interest in Blackstone Consulting, Inc. ("BCI") and R.J.B. Properties, Inc. ("RJB"), two affiliated entities that provide security services. Related party sales to BCI totaled $50.8 million and $156.3 million during the three and nine months ended September 30, 2023, respectively, and totaled $50.6 million and $144.9 million during the three and nine months ended September 30, 2022, respectively. Accounts receivable from BCI totaled $41.4 million and $47.3 million as of September 30, 2023 and December 31, 2022, respectively. The Company's total investment in BCI and RJB was $147.5 million and $146.6 million as of September 30, 2023 and December 31, 2022, respectively, which is included in other assets on the condensed consolidated balance sheets.

Related party sales to joint venture partners totaled $3.1 million and $25.4 million for the three months ended September 30, 2023 and 2022, respectively. Related party sales to joint venture partners totaled $14.8 million and $77.9 million for the nine months ended September 30, 2023 and 2022, respectively. Accounts receivable from the Company's joint venture partners totaled $6.0 million and $4.5 million as of September 30, 2023 and December 31, 2022, respectively. The Company's total investment in its joint venture partners was $6.8 million and $9.3 million as of September 30, 2023 and December 31, 2022, respectively, which is included in other assets on the condensed consolidated balance sheets.

15. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through January 23, 2024, the date the condensed consolidated financial statements were available to be issued.

Deloitte & Touche LLP
695 Town Center Drive
Suite 1000
Costa Mesa, CA 92626
USA

Tel: +1 714 436 7100
Fax: +1 714 436 7200

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Atlas Ontario LP:

Opinion

We have audited the consolidated and combined financial statements of Atlas Ontario LP and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated and combined statements of operations, comprehensive loss, members' capital, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes to the consolidated and combined financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Management's Discussion and Analysis of Financial Condition and Results of Operations Accompanying the Consolidated and Combined Financial Statements

Management is responsible for the Management's Discussion and Analysis of Financial Condition and Results of Operations accompanying the consolidated and combined financial statements. The Management's Discussion and Analysis of Financial Condition and Results of Operations comprises the information accompanying the consolidated and combined financial statements but does not include the consolidated and combined financial statements and our auditor's report thereon. Our opinion on the consolidated and combined financial statements does not cover the Management's Discussion and Analysis of Financial Condition and Results of Operations, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the consolidated and combined financial statements, our responsibility is to read the Management's Discussion and Analysis of Financial Condition and Results of Operations and consider whether a material inconsistency exists between the Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated and combined financial statements, or the Management's Discussion and Analysis of Financial Condition and Results of Operations otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the Management's Discussion and Analysis of Financial Condition and Results of Operations exists, we are required to describe it in our report.

Deloitte & Touche LLP

March 20, 2023

ITEM 1. FINANCIAL STATEMENTS

ATLAS ONTARIO LP
CONSOLIDATED BALANCE SHEETS
(Dollars and units in millions)

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 812	$ 1,149
Restricted cash	149	157
Accounts receivable, net of allowance for doubtful accounts of $73 and $56 as of December 31, 2022 and 2021, respectively	3,435	3,160
Inventories	142	107
Prepaid and other current assets	422	434
Total current assets	4,960	5,007
Property, equipment and software, net	688	630
Operating lease right-of-use assets	277	302
Goodwill	8,859	8,784
Intangible assets, net	2,852	3,249
Other assets	734	888
TOTAL ASSETS	$ 18,370	$ 18,860
LIABILITIES AND MEMBERS' CAPITAL		
CURRENT LIABILITIES:		
Accounts payable	$ 336	$ 316
Accrued payroll and related payroll taxes	955	1,110
Accrued expenses and other current liabilities	1,194	1,223
Accrued claims reserves, current portion	275	249
Lease liabilities, current portion	160	164
Long-term debt, current portion	800	419
Total current liabilities	3,720	3,481
Long-term debt, net of current portion	12,223	12,142
Accrued claims reserves, net of current portion	520	506
Deferred tax liability	575	832
Lease liabilities, net of current portion	309	328
Other liabilities	360	364
Total liabilities	17,707	17,653
COMMITMENTS AND CONTINGENCIES (Note 8)		

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

MEMBERS' CAPITAL:		
Class A units, no par value, 5,146 and 5,145 Class A units issued and outstanding as of December 31, 2022 and 2021, respectively	2,548	2,452
Accumulated other comprehensive (loss) income	(57)	184
Accumulated deficit	(1,950)	(1,589)
Total members' capital excluding noncontrolling interests	541	1,047
Noncontrolling interests	122	160
Total members' capital	663	1,207
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$ 18,370	$ 18,860

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

ATLAS ONTARIO LP
CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS
(Dollars and units in millions, except per unit amounts)

	Year Ended December 31,		
	2022	**2021**	**2020**
REVENUES	$ 19,418	$ 16,449	$ 8,501
COSTS AND EXPENSES			
Cost of revenues (exclusive of depreciation and amortization)	16,128	13,612	6,913
Selling, general and administrative	2,000	1,850	936
Depreciation and amortization	767	664	356
Acquisition and related costs	23	152	26
Total costs and expenses	18,918	16,278	8,231
INCOME FROM OPERATIONS	500	171	270
OTHER EXPENSE, NET:			
Interest expense, net	780	597	346
Loss on extinguishment of debt	—	277	—
Other income, net	(7)	(100)	(15)
Total other expense, net	773	774	331
LOSS BEFORE INCOME TAXES	(273)	(603)	(61)
INCOME TAX PROVISION	81	66	20
NET LOSS	(354)	(669)	(81)
NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	7	(4)	1
NET LOSS ATTRIBUTABLE TO ATLAS ONTARIO LP	$ (361)	$ (665)	$ (82)
Loss per unit:			
Basic	$ (0.07)	$ (0.14)	$ (0.02)
Diluted	$ (0.07)	$ (0.14)	$ (0.02)
Weighted-average units outstanding:			
Basic	5,186	4,862	4,063
Diluted	5,186	4,862	4,063

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

ATLAS ONTARIO LP
CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)

	Year Ended December 31,		
	2022	**2021**	**2020**
NET LOSS	$ (354)	$ (669)	$ (81)
Other comprehensive (loss) income:			
Foreign currency translation adjustment, net of tax of $2, $0, and $0, respectively	(144)	25	2
Actuarial movements on defined benefit plan, net of tax of $16, $53, and $0, respectively	(90)	161	—
Net unrealized losses on debt securities, net of tax of $0	(4)	—	—
Other comprehensive (loss) income	(238)	186	2
COMPREHENSIVE LOSS	(592)	(483)	(79)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS			
Net income (loss) attributable to noncontrolling interests	7	(4)	1
Other comprehensive income attributable to noncontrolling interests			
Actuarial movements on defined benefit plan, net of tax of $0	3	2	—
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	10	(2)	1
COMPREHENSIVE LOSS ATTRIBUTABLE TO ATLAS ONTARIO LP	$ (602)	$ (481)	$ (80)

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

ATLAS ONTARIO LP
CONSOLIDATED AND COMBINED STATEMENTS OF MEMBERS' CAPITAL
(Dollars and units in millions)

	Class A Units						
	Issued	Amount	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Members' Capital Excluding Noncontrolling Interests	Noncontrolling Interests	Total Members' Capital
Balance as of December 31, 2019	4,053	$ 1,314	$ (2)	$ (842)	$ 470	$ 3	$ 473
Equity contributions	10	9			9		9
Equity-based compensation		28			28		28
Distributions		(12)			(12)		(12)
Translation adjustment, net of tax of $0			2		2		2
Net (loss) income				(82)	(82)	1	(81)
Balance as of December 31, 2020	4,063	$ 1,339	$ —	$ (924)	$ 415	$ 4	$ 419
Fair value of acquired noncontrolling interests (Note 9)					—	169	169
Equity contributions	1,082	1,082			1,082		1,082
Equity-based compensation		50			50		50
Distributions		(21)			(21)	(9)	(30)
Translation adjustment, net of tax of $0			25		25		25
Purchase of noncontrolling interest in subsidiary		2			2	(2)	—
Actuarial movements on defined benefit plans, net of tax of $53 and $0, respectively			159		159	2	161
Net loss				(665)	(665)	(4)	(669)
Balance as of December 31, 2021	5,145	$ 2,452	$ 184	$ (1,589)	$ 1,047	$ 160	$ 1,207
Equity contributions	1	1			1		1
Equity-based compensation		58			58		58
Distributions		—			—	(11)	(11)

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

Translation adjustment, net of tax of $2			(144)		(144)		(144)
Purchase of noncontrolling interest in subsidiary		37			37	(37)	—
Actuarial movements on defined benefit plans, net of tax of $16 and $0, respectively			(93)		(93)	3	(90)
Net unrealized losses on debt securities, net of tax of $0			(4)		(4)		(4)
Net (loss) income				(361)	(361)	7	(354)
Balance as of December 31, 2022	5,146	$ 2,548	$ (57)	$ (1,950)	$ 541	$ 122	$ 663

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

ATLAS ONTARIO LP
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (354)	$ (669)	$ (81)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Gain on changes in fair value of contingent purchase consideration	(2)	(18)	(2)
Depreciation and amortization	767	664	356
Non-cash operating lease costs	93	77	25
Loss on extinguishment of debt	—	277	—
Provision for losses on accounts receivable	24	29	8
Equity-based compensation expenses	58	50	28
Deferred income taxes	(39)	(31)	(39)
Amortization of deferred financing costs	21	17	10
Loss (gain) on marketable securities	22	(4)	(4)
Gain on settlement of derivative contracts	—	(30)	(8)
Net periodic pension income	(36)	(26)	—
Other	—	(1)	2
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(291)	(58)	(81)
Prepaid and other assets	(11)	(45)	(28)
Accounts payable	24	(20)	26
Accrued payroll and related payroll taxes	(135)	8	142
Accrued expenses, operating lease liabilities and other liabilities	(185)	(359)	235
Employer pension contributions	(171)	(90)	—
Net cash (used in) provided by operating activities	(215)	(229)	589
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and software	(241)	(141)	(47)
Sale (purchase) of marketable securities	7	(14)	(9)
Acquisitions, net of cash and restricted cash acquired	(361)	(4,485)	(95)
Other	22	4	3
Net cash used in investing activities	(573)	(4,636)	(148)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from credit facilities	—	11,591	940
Repayments of credit facilities	(48)	(7,531)	(22)
Borrowings on revolving credit loans	4,931	1,777	764
Repayments of revolving credit loans	(4,297)	(1,415)	(1,169)

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

Original issue premium - senior secured notes	—	—	38
Financing fees paid	—	(148)	(2)
Market premium and inducement offer on debt repayment	—	(140)	—
Finance lease and other financing payments	(89)	(81)	(53)
Payments of contingent purchase price consideration	(8)	(4)	(27)
Equity contributions	1	1,068	—
Distributions	(11)	(30)	(12)
Net change in bank overdrafts	22	58	—
Other	(2)	—	—
Net cash provided by financing activities	499	5,145	457
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(56)	13	—
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(345)	293	898
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, Beginning of period	1,306	1,013	115
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, End of period	$ 961	$ 1,306	$ 1,013

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

1. BUSINESS AND ORGANIZATION OF THE COMPANY

Atlas Ontario LP ("Atlas Ontario" or the "Company") is a limited partnership formed on November 24, 2020 under the laws of the Province of Ontario, Canada. The Company is a leading provider of comprehensive staffed security services operating in more than 90 countries and is organized into two segments: North America and International. Through a combination of comprehensive staffed security services, technology services, and other services, the Company delivers high-quality and cost-effective security and other services to its customers. The Company, which was founded in 1965 as a predecessor company, is headquartered in Irvine, CA.

On April 6, 2021, pursuant to a reorganization resulting in a change to the Company's capital structure and in connection with the acquisition of the issued and outstanding stock of G4S plc ("G4S"), the owners of Allied Universal Topco LLC ("Topco"), the direct parent and the sole member of Allied Universal Holdco LLC ("Holdco"), contributed their membership interests and, in some cases, the legal entities holding such interests, to Atlas Ontario in exchange for proportionate membership interests in Atlas Ontario (such transactions collectively referred to as the "G4S Transaction"). Each Topco unit holder received approximately 1.25 Class A units in Atlas Ontario for every fully vested Topco unit, resulting in 4,063 million Class A units outstanding in Atlas Ontario as of April 6, 2021. Atlas Ontario's capital structure has been retrospectively presented throughout the consolidated and combined financial statements.

Based on (i) the voting rights of Allied Universal Manager LLC, the general partner of Atlas Ontario and managing member of Topco, and (ii) the ownership interests held by Warburg Pincus LLC in each of Atlas Ontario and of Topco, prior and subsequent to the April 6, 2021 reorganization, the Company has determined that Atlas Ontario and Topco are and were under common control. As a result, the accompanying consolidated and combined financial statements present Atlas Ontario, Topco, and the investor holding entities on a combined basis at their historical carrying amounts for all periods prior to the April 6, 2021 reorganization. Periods presented subsequent to this reorganization are presented on a consolidated basis.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company has prepared the accompanying consolidated and combined financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").

The consolidated and combined financial statements include the accounts of all majority-owned subsidiaries and variable interest entities in which the Company is the primary beneficiary. The Company considers itself as controlling an entity if it is the majority owner of, or has voting control over, such entity. The Company records the impact of its minority members' interests in its subsidiaries as non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation, including the intercompany portion of transactions with variable interest entities.

Investments in business entities in which the Company does not have control but has the ability to exercise significant influence over operating and financial policies are accounted for as equity method investments or joint ventures under ASC 323, *Investments-Equity Method and Joint Ventures,* and are included in other assets on the consolidated balance sheets. Under this method of accounting, the Company's share of the net earnings or losses of the investee entity is included in selling, general and administrative in the consolidated statements of operations since the activities of the investee entity are integral with the operations of the Company. The Company evaluates its equity method investments whenever events or changes in circumstance indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period.

Use of Estimates

In the preparation of the consolidated and combined financial statements, management has made estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. Management makes these estimates and assumptions because certain information that it uses is dependent on future events, cannot be calculated with precision or simply cannot be calculated. In some cases, these estimates are difficult to determine, and management must exercise significant judgment. In preparing the financial statements, the most difficult and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for goodwill and long-lived asset impairments, the fair value of assets and liabilities acquired in business combinations or asset acquisitions, equity unit-based compensation expense, deferred income tax asset valuation allowances, fair value of pension assets and liabilities, uncertain tax positions, tax contingencies, and reserves associated with the Company's insured and self-insured claims. Actual results could differ materially from those estimates.

Macroeconomic Developments

The Company has been affected by the coronavirus ("COVID-19") pandemic, global inflation, and rising global interest rates, in some cases adversely, to varying extents depending on prevailing government restrictions and economic conditions in the markets in which the Company operates. In particular, the Company experienced some workforce disruption due to employee absences due to illness, quarantine requirements, low unemployment rates, enhanced unemployment compensation benefits and other government relief programs, or other employment restrictions which collectively have resulted in continued labor shortages and increased inflationary pressure on wages, fuel, and other costs. Global interest rates are rising in an effort to curb inflation.

During March 2020, the Company borrowed $500.0 million from its credit facilities as a precautionary measure in response to the COVID-19 pandemic. These cash borrowings were not used to support the Company's working capital and were repaid in full during August 2020.

Due to government relief programs in the United States and elsewhere, as of December 31, 2022 and 2021, the Company had $0 and $208.1 million, respectively, outstanding in deferred payroll tax and other indirect tax liabilities related to COVID-19, which are recorded within accrued payroll and payroll-related taxes on the consolidated balance sheets. The decrease in COVID-19 related deferrals from December 31, 2021 to December 31, 2022 is due to payments of deferred payroll tax during December 31, 2022. Additionally, in certain jurisdictions outside of the United States, the Company received COVID-19-related government support income that partially mitigated the financial effect of incremental safety and operating costs and the cost of continuous employment for staff whose roles would have otherwise been at risk given the impact of the pandemic. This government support income is recognized as a reduction to cost of revenues and amounted to $0, $12.4 million, and $0 for the years ended December 31, 2022, 2021, and 2020, respectively.

Management is unable to predict the potential effects of inflation, rising interest rates, and ongoing uncertainties related to the COVID-19 pandemic on the business.

Revenue Recognition

In accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, the Company accounts for a customer contract when both parties have approved the arrangement, the performance obligations can be identified, payment terms can be determined and it is probable the Company will collect substantially all of the consideration to which it is entitled. The Company recognizes revenue when its performance obligation is satisfied upon the transfer of control of the promised product or service to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods and services. Revenue is recognized over time in the period in which services are provided pursuant to the terms of the Company's contractual relationships with its clients. The Company recognizes revenue in an amount that corresponds directly with the value to the customer of the Company's performance completed to date and for which the Company has the right to invoice the customer.

The Company generates revenues primarily from comprehensive staffed security services including on-site, mobile and remote security, care and justice, and other comprehensive staffed security services. Revenues are generally measured based on billable hours served by security professionals and rate per billable hour, as determined by the underlying customer contract. Revenues generated from comprehensive staffed security services are recognized over time as services are performed.

Revenues from technology services installation contracts (including the outright sale of equipment) consist primarily of video, alarm, and electronic monitoring and security systems installation contracts and are recorded as control is transferred to the Company's clients over time, as any assets created or enhanced by the Company's performance are controlled by the Company's clients and the Company has a legally enforceable right to payment for performance completed. Revenue is recognized using the cost-to-cost input method, which measures the percentage of actual cost incurred to date to the estimated total cost to complete. As of December 31, 2022 and 2021, the Company recorded $77.0 million and $53.9 million, respectively, in prepaid and other current assets for costs and estimated earnings in excess of billings on contracts-in-progress and $23.4 million and $17.8 million, respectively, in accrued expenses and other current liabilities for billings in excess of costs and estimated earnings on contracts-in-progress. When technology contracts involve the rental of technology related equipment, the Company determines whether the arrangement constitutes a lease and applies lessor accounting as applicable.

Revenues generated from other services consisting of facilities management services, risk consultancy, janitorial, cash services (cash in transit, cash processing and ATM services), staffing and other ancillary services, are recognized as services are performed.

The Company generally bills its customers either in advance, weekly, bi-weekly or monthly. Unbilled receivables of $589.4 million and $605.8 million as of December 31, 2022 and 2021, respectively, represent amounts earned but not yet billed to customers and are included in accounts receivable in the consolidated balance sheets. Deferred revenue generally represent amounts received from customers in advance of performing the related services. As of December 31, 2022 and 2021, deferred revenue of $103.6 million and $122.6 million is included in accrued expenses and other current liabilities, respectively, and $84.0 million and $10.4 million is included in other liabilities, respectively, in the consolidated balance sheets. The underlying revenue is recognized when the Company performs the related service.

The Company reports revenue net of sales tax collected from customers that are then remitted to government taxing authorities. Taxes collected are recorded within accrued expenses and other current liabilities in the consolidated balance sheets until remitted to the applicable government taxing authority.

The following table presents the Company's disaggregated revenue by segment and service offering (in millions):

	Year Ended December 31,		
	2022	2021	2020
North America			
Comprehensive staffed security services	$ 11,946	$ 10,627	$ 8,055
Technology services	654	536	157
Other services	772	504	289
Total North America revenue	13,372	11,667	8,501
International			
Comprehensive staffed security services	4,228	3,320	—
Technology services	602	423	—
Other services	1,216	1,039	—
Total International revenue	6,046	4,782	—
Total revenue	$ 19,418	$ 16,449	$ 8,501

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are comprised primarily of domestic and foreign bank accounts and money market funds. These cash and cash equivalents are valued based on Level 1 inputs, which consist of quoted prices in active markets. To reduce its credit risk, the Company monitors the credit standing of the financial institutions that hold the Company's cash and cash equivalents in which a portion of such balances exceed or are not subject to Federal Deposit Insurance Corporation ("FDIC") insurance limits and other limits established by various international deposit insurance systems.

Bank overdrafts totaled $115.0 million and $61.3 million as of December 31, 2022 and 2021, respectively, and are recorded within accrued expenses and other current liabilities in the consolidated balance sheets.

Supplemental cash flow information is as follows (in millions):

	Year Ended December 31,		
	2022	2021	2020
Cash paid for interest	$ 758	$ 572	$ 312
Cash paid for income taxes	$ 107	$ 112	$ 52
Noncash financing activities:			
Member units issued	$ —	$ 14	$ 9

Restricted Cash

The Company's restricted cash primarily represents balances on deposit or contractually required to pay insurance claims as they become due. The remainder of restricted cash represents legally restricted balances based on various local regulatory or contractual restrictions on the Company's ability to use the balance for general corporate purposes.

Marketable Securities

Unrealized gains and losses on marketable equity securities are included in earnings and are reported in the accompanying consolidated and combined statements of operations as a component of other expense, net. Unrealized (losses) gains on marketable equity securities for the years ended December 31, 2022, 2021, and 2020 were $(21.7) million, $4.4 million, and $4.3 million, respectively. The estimated fair values of the Company's marketable securities are $138.6 million and $172.2 million as of December 31, 2022 and 2021, respectively, which are recorded in other assets on the consolidated balance sheets.

Net unrealized losses on available-for-sale debt securities of $4.4 million were recognized in other comprehensive (loss) income during the year ended December 31, 2022 . No amounts were recognized in other comprehensive income during the years ended December 31, 2021 or 2020. The amount in accumulated other comprehensive (loss) income that has not yet been recognized as of December 31, 2022 consists of net unrealized losses on available-for-sale debt securities of $4.4 million.

Accounts Receivable, Net of Allowance for Doubtful Accounts

Accounts receivable includes billed and unbilled receivables, net of allowance for credit losses. The Company estimates the allowance for expected credit loss based on the following factors when determining the collectability of specific customer accounts: (1) customer creditworthiness, (2) aging of accounts receivable, (3) past transaction history with the customer, (4) current and supportable forecasts of future economic conditions and industry trends and (5) changes in customer payment terms. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, the Company would provide additional allowances. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a reduction to customer accounts receivable.

Concentrations of credit risk with respect to trade receivables are limited since the Company's revenue base is composed of a large number of customers that are dispersed across different industries and geographic areas. As of and for the years ended December 31, 2022, 2021, and 2020, no customer represented greater than 10.0% of total accounts receivable or revenue. The Company extends differing levels of credit to customers, and, when necessary, maintains reserves for potential credit losses based upon the expected collectability of accounts receivable. The Company manages credit risk related to its customers by following credit approval processes, establishing credit limits, performing periodic evaluations of credit worthiness and applying other credit risk monitoring procedures.

Inventories

Inventories are stated at the lower of cost (primarily on the first-in, first-out basis) or net realizable value. The following are the major classes of inventory as of December 31, 2022 and 2021 (in millions):

	December 31,	
	2022	2021
Raw materials	$ 20	$ 10
Work in progress	15	14
Finished goods	107	83
Total inventories	$ 142	$ 107

Foreign Currencies

In the majority of countries in which the Company operates, the functional currency is the local currency. The Company's foreign subsidiaries' asset and liability accounts are translated for consolidated financial reporting purposes into U.S. dollar amounts at period-end exchange rates. Revenue and expense accounts are translated at the average rates applicable during the period. Foreign exchange translation adjustments are included in accumulated other comprehensive (loss) income on the consolidated balance sheets. Except for operations that have a functional currency that is hyperinflationary, transactions in currencies other than the functional currency are translated at the rates of exchange prevailing on the dates of the transactions. The impact of foreign currency transactions from operations in hyperinflationary countries were immaterial during the periods presented.

During 2020, the Company entered into cross currency derivatives to facilitate the exchange of currency in connection with the acquisition of G4S. During 2021, the Company assumed the cross currency and interest rate swaps held by G4S to mitigate the effects of interest rate and currency exchange rate changes on borrowings. All derivatives were settled during the year ended December 31, 2021. The Company did not elect to apply hedge accounting for these transactions. Changes in the fair value of derivative instruments while held and upon settlement are recorded in other income and are included as adjustments to reconcile net loss to net cash (used in) provided by operating activities in the consolidated and combined statements of cash flows. Gains from the change in fair value of derivative instruments recognized in earnings were $0, $29.8 million, and $8.0 million for the years ended December 31, 2022, 2021, and 2020, respectively. There were no derivatives outstanding as of December 31, 2022 or 2021.

Income Taxes

The Company accounts for income taxes using the asset and liability method, under which it recognizes the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in the Company's consolidated and combined financial statements or tax returns. The Company measures current and deferred tax assets and liabilities based on provisions of enacted tax law. The Company evaluates the realization of its deferred tax assets based on all available evidence and establish a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized.

Income tax expense includes U.S. (federal and state) and foreign income taxes. Certain foreign subsidiary earnings and losses are subject to current U.S. taxation and the subsequent repatriation of those earnings is not subject to tax in the U.S. The Company does not indefinitely invest substantially all its foreign subsidiary earnings, as well as its capital, in its foreign subsidiaries outside of the U.S. The Company provides for accruals in those jurisdictions in which it would incur significant, additional costs upon repatriation of such amounts.

The Company recognizes the financial statement effects of a tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination. The tax benefits of the position recognized in the consolidated and combined financial statements are then measured based on the largest amount of benefit that is greater than 50% likely to be realized upon settlement with a taxing authority. In addition, the Company recognizes interest and penalties related to unrecognized tax benefits as a component of the income tax provision.

The Company is also currently subject to tax proceedings in various jurisdictions, and these jurisdictions may assess additional income tax liabilities against the Company. Developments in an audit, investigation, or other tax controversy could have a material effect on the Company's consolidated operating results or cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods. The Company regularly assesses the likelihood of an adverse outcome resulting from these proceedings to determine the adequacy of its tax accruals. Although the Company believes its tax estimates are reasonable, the final outcome of audits, investigations, and any other tax controversies could be materially different from the Company's historical income tax provisions and accruals.

The Company is directly and indirectly affected by new tax legislation and regulation and the interpretation of tax laws. Over the last several years, the Organization for Economic Cooperation and Development has been working on a Base Erosion and Profit Shifting Project that, if implemented, would change various aspects of the existing framework under which the Company's tax obligations are determined in many of the countries in which the Company does business. These rules, should they be implemented via domestic legislation of countries or via international treaties, could have a material impact on the Company's effective tax rate or result in higher cash tax liabilities. In addition, on August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, which includes a 15% minimum tax on the adjusted financial statement income of corporations with a three taxable year average annual adjusted financial statement income in excess of $1 billion which is effective in taxable years beginning after December 31, 2022. While these tax law changes have no immediate effect and are not expected to have a material adverse effect on the Company's consolidated results of operations in the current year, the Company will continue to evaluate its impact as further information becomes available.

Goodwill, Intangibles, and Other Long-lived Assets

Land and construction-in-progress is recorded at historical cost. All other property, equipment and software are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of depreciable assets:

	Years
Buildings	up to 50
Leasehold improvements	3 - 10
Machinery and equipment	3 - 10
Software and software development	3 - 5
Automobiles and trucks	3 - 10
Uniforms	2 - 3

Leasehold improvements and other leased assets classified as property, equipment and software are amortized over their estimated useful lives or the remaining life of the respective lease, whichever is shorter.

The Company capitalizes certain computer software and software development costs incurred in connection with developing or obtaining computer software for internal use, which are included in property, equipment and software.

Long-lived assets include identifiable intangibles with finite lives, property, equipment, software and right-of-use assets for leases. The Company reviews its long-lived asset groups for impairment whenever events or changes in circumstances indicate that the carrying amount of such asset groups may not be recoverable. Recoverability of these asset groups is determined based upon the expected undiscounted future net cash flows from the operations to which the asset groups relate, utilizing management's best estimates, appropriate assumptions, and projections at the time of review. If the carrying value is determined not to be recoverable from future operating cash flows, the asset group is deemed impaired, and an impairment loss would be recognized to the extent the carrying value exceeded the estimated fair market value of the asset group. No impairment was recorded for the years ended December 31, 2022, 2021 or 2020.

The Company records goodwill as the excess of the purchase price of an acquired entity over the net of the fair values assigned to identifiable tangible and intangible assets acquired and liabilities assumed. The Company tests its goodwill for impairment annually at October 1. The Company evaluates the recoverability of goodwill based on an assessment of qualitative factors to determine whether it is more likely than not that the fair value of its reporting units are less than their carrying amounts. In the qualitative assessment, the Company considers the macroeconomic conditions, including any deterioration of general conditions and industry and market conditions, changes in the products/services and regulatory and political developments, cost of doing business, overall financial performance, including any declining cash flows and performance in relation to planned revenues and earnings in past periods, other relevant reporting unit specific facts, such as changes in management or key personnel or pending litigation, and events affecting the reporting units, including changes in the carrying value of net assets. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company would perform the quantitative goodwill impairment test as required. If the Company determines that it is not more likely than not that the fair value of a reporting unit is less than the carrying value, then no further testing is required. If the carrying amount exceeds the fair value then the Company would record an impairment loss in an amount equal to that excess, limited to the total amount of goodwill recorded. The Company estimates the fair value of its reporting units based on a combination of significant observable and unobservable inputs, including estimates of future operating performance. Changes in market conditions, among other factors, may have an impact on these estimates. During the year ended December 31, 2022, the Company performed qualitative assessments and determined that it is not more likely than not that the fair value of its reporting units are less than their carrying values. There were no goodwill impairment charges recorded during the years ended December 31, 2022, 2021 or 2020.

Certain trade names have been determined to be indefinite-lived identifiable intangible assets, and therefore are not amortized. The Company's finite-lived identifiable intangible assets, such as customer contracts, non-compete agreements, technology, and the G4S tradenames are amortized over their estimated economic lives on a straight-line basis. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. For the Company's indefinite-lived trade names, the Company also conducts an assessment of qualitative factors to determine whether or not it is more likely than not that the fair value of the assets is less than their carrying value. If the Company determines that it is more likely than not that the fair value of the trade names is less than the carrying value, the Company estimates the fair value of its indefinite-lived trade names using the relief from royalty method. The relief from royalty method measures the discounted cash flow savings realized from owning such intangible assets and not having to pay a royalty for their use. Impairment would then be recognized for the difference between the determined fair value and their carrying value, if applicable. The Company performs the trade name impairment test annually at October 1, regardless of the results of the goodwill evaluation. During the year ended December 31, 2022, the Company performed a qualitative assessment and determined that it is not more likely than not that the fair values of indefinite-lived trade names are less than the carrying values. There were no impairment charges on indefinite-lived assets during the years ended December 31, 2022, 2021 or 2020.

Fair Value Measurements

The Company applies fair value accounting for all financial assets, including cash and cash equivalents, and liabilities that are recognized or disclosed at fair value in the consolidated and combined financial statements. The estimated fair value of financial instruments has been determined based on management's assessment of available market information and appropriate valuation methodologies. The carrying values of short-term financial instruments, such as accounts receivable, accounts payable and various accrued expenses, approximate their fair values based on the short-term maturities of these instruments.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active near the measurement date; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The remainder of this section outlines the valuation methodologies for the Company's defined pension plan assets and the Company's financial assets. While the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the year ended December 31, 2022, there were no significant changes to valuation approaches or techniques that had, or are expected to have, a material impact on the Company's consolidated and combined financial position or results of operations.

Common Stocks: Investments in common stock listed on a national securities exchange and over-the-counter securities are valued at the last reported sale price on the valuation date or, if no sales are reported for that day, the last published sales price.

Registered Investment Companies: Registered investment companies (or mutual funds) are valued at the daily closing price as reported by the fund. Mutual funds held by the Company are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Company are deemed to be actively traded.

Government and Agency Bonds: Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and other sovereign nations. The fair values of these bonds are based on quoted market prices and are determined using the spread above the risk-free yield curve, as applicable.

Corporate and Municipal Bonds: Corporate and Municipal bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Derivatives: Consists of derivatives publicly traded on active markets with quoted priced and non-exchange traded derivatives. Non-exchange traded derivatives are valued using independent pricing services using the market or cost approach depending on the type of instrument.

Collective Trust Funds: Collective trust funds represent investments held in pooled funds. The Company's interests in the collective trust funds are valued based on the NAV provided by the fund sponsor. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Transactions (purchases and sales) may occur daily. Were the Company to initiate a full redemption of the collective trust funds, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. There are no significant redemption restrictions or unfunded commitments on these investments. These investments are direct filing entities. In accordance with GAAP, the collective trust funds measured at net asset value have not been classified in the fair value hierarchy.

The Company has not elected the fair value option as prescribed by ASC 825, *The Fair Value Option for Financial Assets and Financial Liabilities*, for its financial assets and liabilities that are not otherwise required to be carried at fair value. Under ASC 820, *Fair Value Measurements and Disclosures*, material financial assets and liabilities not carried at fair value, such as the Company's debt and accounts receivable and payable, are reported at their carrying values.

Insurance Reserves

The Company maintains insurance coverage, subject to certain self-insured retention limits, for workers' compensation, general liability, employment practices liability, automobile liability and healthcare claims. Medical benefit costs for the majority of the Company's workforce are premium-based. Costs associated with the premium-based plans equal the actual premiums paid. Conversely, for administrative employees and security officers not subject to premium-based coverage, the Company is self-insured and subject to stop-loss limits.

The Company records its reserves for workers' compensation, general liability, employment practices liability and automobile liability based on a third-party actuarial analysis which includes amounts adequate to cover the ultimate claim, incurred but not reported development risk and litigation defense costs. Estimates of the ultimate cost of claims are derived from the level of the Company's insurance coverage and the Company's retained risk of loss. The Company records a reserve for healthcare claims based upon a third-party lag study analysis. Management reviews these estimates on a quarterly basis subject to information then currently available to assess their adequacy and the propriety of disclosure. The Company adjusts the reserves, if needed, based on the results of management's review. Assessing the adequacy of these reserves is subjective and requires judgments about future events. The amount of the actual loss may differ significantly from these estimates.

Members' Equity-Based Compensation

The Company's management incentive plans allow the Company to attract and retain employees by allowing them to acquire an equity interest in and participate in the long-term growth and financial success of the Company.

The Company accounts for its equity-based compensation in accordance with the provisions of ASC Topic 718, *Compensation-Stock Compensation*. Under ASC Topic 718, equity-based compensation costs are measured at the grant date based on the fair value of the equity award and are recognized in the statements of operations over the period during which an employee is required to provide service in exchange for the award. The Company determines the grant-date fair value of equity unit awards using an appropriate option-pricing method. The Company recognizes the equity-based compensation expense on a straight-line basis over the requisite service period of the award and presents such expense in the same financial statement line as the employees' related service costs in the consolidated and combined statements of operations.

The Company uses an independent valuation advisor to assist with determining equity unit valuations for calculating equity-based compensation. The Company considers both the historical volatility of its peer group's stock price, as well as implied volatilities from exchange-traded options on its peer group's equity units, as applicable. The expected term used by the Company represents the period that the Company's equity units are expected to be outstanding. The assumptions used in calculating the fair value of equity-based awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, equity unit-based compensation could materially differ in the future.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU No. 2020-04 (Topic 848), *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, to provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. ASU 2020-04 is elective and applies to all entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. ASU No. 2020-04 was subject to election as of March 20, 2020 and can be elected for both interim and annual periods through December 31, 2022. The Company adopted this ASU on October 1, 2022, and the impact to the Company's consolidated financial statements was immaterial.

3. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software, net, which includes right-of-use assets under finance leases, consists of the following as of December 31, 2022 and 2021 (in millions):

	December 31,	
	2022	2021
Land and buildings	$ 47	$ 47
Leasehold improvements	42	53
Machinery and equipment	289	223
Software and software development	161	91
Automobiles and trucks	259	230
Uniforms	361	294
Construction-in-progress	38	18
Total property, equipment and software	1,197	956
Less accumulated depreciation and amortization	(509)	(326)
Property, equipment and software, net	$ 688	$ 630

Depreciation and amortization expense for property, equipment and software, net for the years ended December 31, 2022, 2021, and 2020 was $297.0 million, $219.2 million, and $103.1 million, respectively, and is recorded within depreciation and amortization expense in the consolidated and combined statements of operations.

The Company purchases, leases and rents standard uniform garments to support the comprehensive staffed security services and facilities management service businesses. Purchased uniforms are capitalized in the consolidated balance sheets upon acquisition. Uniform lease and rental agreements are classified as leases and the respective lease classification is assessed under ASC 842.

4. VARIABLE INTEREST ENTITIES

In connection with the acquisition of G4S on April 6, 2021, the Company acquired a number of entities that qualify as variable interest entities included under G4S's ownership structure. The Company had no VIEs prior to April 6, 2021.

The Company evaluates its ownership, contractual, and other interests in legal entities to determine if it has a variable interest in those entities, the nature and extent of those interests, and whether they are VIEs. These evaluations are complex and involve management judgment and the use of estimates and assumptions based on available historical information, among other factors. Based on its evaluations, if the Company determines it is the primary beneficiary of such VIEs, it consolidates such entities into its financial statements.

The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the entity's economic performance, including powers granted to the entity's program manager, powers contained in the entity's governing board and, to a certain extent, a company's economic interest in the entity. The Company analyzes its VIEs and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary; or

- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the entity's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

A summary of financial information of the Company's consolidated VIEs is as follows as of December 31, 2022 and 2021 (in millions):

	December 31,	
	2022	2021
Current assets	$ 322	$ 292
Non-current assets	77	68
Total assets	$ 399	$ 360
Current liabilities	$ 205	$ 176
Non-current liabilities	95	105
Total liabilities	300	281
Total Atlas Ontario LP capital	101	82
Noncontrolling interests	(2)	(3)
Total members' capital	99	79
Total liabilities and members' capital	$ 399	$ 360

The Company is involved with VIEs which it does not consolidate because it does not have the power to direct the activities that most significantly impact their economic performance and thus is not considered the primary beneficiary of the entities. The Company believes there is no material loss exposure on the assets held by these entities or from these relationships.

The Company also participates in joint ventures that have their own employees and operating expenses, and in which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria discussed above.

5. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The Company records goodwill as the excess of the purchase price of an acquired entity over the net of the fair values assigned to identifiable tangible and intangible assets acquired and liabilities assumed.

Changes in the carrying amount of goodwill during the years ended December 31, 2022 and 2021 are as follows (in millions):

	Year Ended December 31, 2022		
	North America	International	Total
Balance at December 31, 2021	$ 6,633	$ 2,151	$ 8,784
Acquisition additions	18	168	186
Measurement period and related adjustments	(20)	57	37
Foreign currency translation adjustment	—	(148)	(148)
Balance at December 31, 2022	$ 6,631	$ 2,228	$ 8,859

	Year Ended December 31, 2021		
	North America	International	Total
Balance at December 31, 2020	$ 3,183	$ —	$ 3,183
Acquisition additions	3,449	2,225	5,674
Measurement period and related adjustments	1	—	1
Foreign currency translation adjustment	—	(74)	(74)
Balance at December 31, 2021	$ 6,633	$ 2,151	$ 8,784

During the year ended December 31, 2022, measurement period adjustments primarily related to the G4S acquisition, which was finalized in the second quarter ended June 30, 2022. The adjustments consisted of changes in estimated legal reserves, allocation of intangible assets, other working capital adjustments, and the impact of the measurement period adjustments on deferred tax balances. See Note 9 for detail of acquisitions completed during the years ended December 31, 2022, 2021, and 2020.

At December 31, 2022, the amount of goodwill allocated to reporting units with negative net assets within the Company's International operating segment was $120.5 million.

Intangible Assets, Net

Intangible assets, net consist of the following at December 31, 2022 (in millions, except years):

Intangible Assets	Weighted Average Amortization Period (years)	December 31, 2022 Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Customer relationships	9.6	$ 2,862	$ 963	$ 1,899
Definite-lived trade names	9.1	526	108	418
Technology and other	9.0	291	86	205
		3,679	1,157	2,522
Trade names	Indefinite	330	—	330
Total intangible assets, net		$ 4,009	$ 1,157	$ 2,852

Intangible assets, net consist of the following at December 31, 2021 (in millions, except years):

Intangible Assets	Weighted Average Amortization Period (years)	December 31, 2021 Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Customer relationships	8.6	$ 3,336	$ 1,174	$ 2,162
Definite-lived trade names	9.2	568	49	519
Technology and other	8.9	299	61	238
		4,203	1,284	2,919
Trade names	Indefinite	330	—	330
Total intangible assets, net		$ 4,533	$ 1,284	$ 3,249

Intangible assets with definite lives are amortized on a straight-line basis over periods which management estimates to be consistent with the cash flow stream expected to be realized. Amortization expense was $470.3 million, $445.0 million, and $252.6 million for the years ended December 31, 2022, 2021, and 2020, respectively.

As of December 31, 2022, future amortization expense related to the Company's intangible assets with finite lives is expected to be recognized as follows (in millions):

2023	$ 411
2024	385
2025	303
2026	269
2027	263
Thereafter	891
Total amortization expense	$ 2,522

There was no impairment of goodwill or identifiable intangible assets during the years ended December 31, 2022, 2021, or 2020.

6. DEBT

The carrying value of the Company's outstanding debt as of December 31, 2022 consists of (in millions):

		Senior Notes		
	First Lien	Secured	Unsecured	Total Debt
First Lien	$ 4,847	$ —	$ —	$ 4,847
Senior Notes	—	5,256	2,010	7,266
Other financing arrangements	—	—	12	12
	4,847	5,256	2,022	12,125
Less unamortized discount and deferred financing fees	65	18	27	110
Total first lien and senior notes, net	4,782	5,238	1,995	12,015
ABL and other revolving credit facilities	1,008	—	—	1,008
	5,790	5,238	1,995	13,023
Less current portion	789	—	11	800
Long-term debt, net	$ 5,001	$ 5,238	$ 1,984	$ 12,223

The carrying value of the Company's outstanding debt as of December 31, 2021 consists of (in millions):

		Senior Notes		
	First Lien	Secured	Unsecured	Total Debt
First Lien	$ 4,944	$ —	$ —	$ 4,944
Senior Notes	—	5,363	2,010	7,373
Other financing arrangements	—	—	13	13
	4,944	5,363	2,023	12,330
Less unamortized discount and deferred financing fees	77	21	33	131
Total first lien and senior notes, net	4,867	5,342	1,990	12,199
ABL and other revolving credit facilities	362	—	—	362
	5,229	5,342	1,990	12,561
Less current portion	411	—	8	419
Long-term debt, net	$ 4,818	$ 5,342	$ 1,982	$ 12,142

On July 12, 2019, the Company refinanced its debt (the "2019 Refinancing") by entering into new senior secured credit facilities (the "July 2026 Senior Secured Credit Facilities"), consisting of (i) a $2,020.0 million seven-year senior secured term loan facility (the "July 2026 First Lien Term Loan Facility") and a delayed draw term loan facility providing borrowings of up to $200.0 million (the "July 2026 Delayed Draw Term Loan Facility" and, together with the July 2026 First Lien Term Loan Facility, the "July 2026 Term Loan Facility"), (ii) a $300.0 million five year senior secured revolving credit facility (the "July 2024 Revolving Credit Facility") and (iii) a $750.0 million five year asset based lending credit facility (the "May 2026 ABL Credit Facility"). The July 2026 First Lien Term Loan Facility was fully drawn on July 12, 2019. Contemporaneously with the entry into the July 2026 Senior Secured Credit Facilities, the Company issued (i) $1,000.0 million aggregate principal amount of 6.625% senior secured notes due 2026 (the "July 2026 Secured Notes") under an indenture dated July 12, 2019 (the "Secured Indenture") and (ii) $1,050.0 million aggregate principal amount of 9.750% senior notes due 2027 (the "July 2027 Unsecured Notes") under an indenture dated July 12, 2019 (the "Unsecured Indenture"). The July 2026 Secured Notes and July 2027 Unsecured Notes were issued in a private transaction not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). Holders of the Secured Notes and Unsecured Notes are not entitled to any registration rights and the Secured Indenture and Unsecured Indenture are not qualified under the Trust Indenture Act.

The proceeds from the July 2026 Senior Secured Credit Facilities and the July 2026 Secured Notes and July 2026 Unsecured Notes were used to (i) repay in full all outstanding borrowings under the then existing facilities, (ii) redeem in full all borrowings under the then existing second lien note purchase agreement, (iii) pay related fees, costs, premiums and expenses in connection with these transactions, (iv) cash collateralize, replace or provide credit support for certain existing letters of credit ("LoCs") outstanding and (v) provide working capital and funds for other general corporate purposes (and certain fees and expenses related thereto) of the Company. The July 2026 Delayed Draw Term Loan Facility was fully drawn on December 30, 2019 in connection with the acquisition of SOS.

On February 3, 2020, the Company issued an additional $540.0 million aggregate principal amount of July 2026 Secured Notes under the Secured Indenture. The additional July 2026 Secured Notes were issued in a private transaction that was not subject to the registration requirements of the Securities Act. Holders of the additional July 2026 Secured Notes are not entitled to any registration rights. In connection with the issuance, the Company capitalized $25.7 million of original issue premium. The proceeds from the additional July 2026 Secured Notes were used to repay the outstanding borrowings under the May 2026 ABL Credit Facility and provide working capital and funds for other general corporate purposes of the Company.

On July 15, 2020, the Company issued an additional $400.0 million aggregate principal amount of July 2026 Secured Notes under the Secured Indenture. The additional July 2026 Secured Notes were issued in a private transaction that was not subject to the registration requirements of the Securities Act. Holders of the additional July 2026 Secured Notes are not entitled to any registration rights. In connection with the issuance, the Company capitalized $12.0 million of original issue premium. The proceeds from the additional July 2026 Secured Notes were used to provide working capital and funds for other general corporate purposes of the Company.

In April 2021, in connection with the G4S Transaction, the Company, along with its subsidiary, Atlas LuxCo 4 S.à r.l., a private limited liability company incorporated under the laws of Luxembourg, entered into new senior secured credit facilities (the "May 2028 Senior Secured Credit Facilities"), which consist of (i) a $950.0 million seven year senior secured U.S. dollar term loan facility bearing interest of 4.25% plus an applicable margin per annum (the "May 2028 First Lien USD Term Loan Facility") and a €715.5 million seven year senior secured euro term loan facility bearing interest of 4.25% plus an applicable margin per annum (the "May 2028 First Lien Euro Term Loan Facility" and, together with the May 2028 First Lien USD Term Loan Facility, the "May 2028 First Lien Term Loan Facilities") and (ii) a €300.0 million five year senior secured euro revolving credit facility bearing interest of a variable rate based on the Company's leverage ratio plus an applicable margin per annum (the "April 2026 Euro Revolving Credit Facility"). During April 2021, the May 2028 First Lien USD Term Loan Facility was fully drawn and €96.8 million of the May 2028 First Lien Euro Term Loan Facility was drawn. In addition, the Company entered into (i) a new senior secured bridge loan credit facility, pursuant to which secured bridge loans in the amounts of $900.0 million bearing interest of 5.00% plus an applicable margin per annum, $775.0 million bearing interest of 5.00% plus an applicable margin per annum, €813.0 million bearing interest of 4.25% plus an applicable margin per annum, and £367.6 million bearing interest of 5.75% plus an applicable margin per annum were made available to us for borrowing and (ii) a new senior unsecured bridge loan credit facility, pursuant to which unsecured bridge loans in the amount of $1,285.0 million bearing interest of 7.25% plus an applicable margin per annum were made available to us for borrowing (collectively, the "Bridge Credit Facilities").

The amounts borrowed under the May 2028 Senior Secured Credit Facilities and the Bridge Credit Facilities, together with cash on hand and certain equity contributions, were used to (i) pay the acquisition consideration in connection with the G4S Transaction and (ii) pay related fees, costs, premiums and expenses in connection therewith. Such net proceeds were additionally used to repay the voluntary redemption by us in full of certain existing third-party indebtedness of G4S.

During April 2021, the Company also increased the total availability under the May 2026 ABL Credit Facility from $750.0 million to $1,000.0 million with other terms remaining unchanged, and on May 25, 2021, the Company further increased the total availability under the ABL Credit Facility to $1,500.0 million subject to certain limitations, extended the maturity date to May 25, 2026 and made certain other modifications thereto.

On May 14, 2021, the Company issued (i) $1,225.0 million aggregate principal amount of 4.625% senior secured notes due 2028 (the "June 2028 USD I Secured Notes"), (ii) $775.0 million aggregate principal amount of 4.625% senior secured notes due 2028 (the "June 2028 USD II Secured Notes"), (iii) €813.0 million aggregate principal amount of 3.625% senior secured notes due 2028 (the "June 2028 Euro Notes") and (iv) £367.7 million aggregate principal amount of 4.875% senior secured notes due 2028 (the "June 2028 GBP Notes") (collectively, the "June 2028 Secured Notes") under an indenture dated May 14, 2021 (the "June 2028 Secured Indenture") and (v) $960.0 million aggregate principal amount of 6.000% senior notes due 2029 (the "June 2029 Unsecured Notes") under an indenture dated May 14, 2021 (the "June 2029 Unsecured Indenture"). The June 2028 Secured Notes and June 2029 Unsecured Notes were issued in a private transaction that was not subject to the registration requirements of the Securities Act. Holders of the June 2028 Secured Notes and June 2029 Unsecured Notes are not entitled to any registration rights and the June 2028 Secured Indenture and June 2029 Unsecured Indenture are not qualified under the Trust Indenture Act.

The proceeds from the June 2028 Secured Notes and June 2029 Unsecured Notes were used to (i) repay in full borrowings outstanding under the Bridge Credit Facilities and terminate all available borrowings thereunder, (ii) pay related fees, costs, premiums and expenses, and (iii) to repay assumed debt from the acquisition of G4S.

On May 14, 2021, the Company also entered into amended and restated new senior secured credit facilities (the "Amended and Restated May 2028 Senior Secured Credit Facilities"), which consist of (i) a $3,142.3 million seven year senior secured U.S. dollar term loan facility (the "Amended May 2028 First Lien USD Term Loan Facility"), (ii) the May 2028 First Lien Euro Term Loan Facility and (iii) the April 2026 Euro Revolving Credit Facility. The Amended and Restated May 2028 Senior Secured Credit Facilities modified the May 2028 First Lien USD Term Loan Facility, the May 2028 First Lien Euro Term Loan Facility and the April 2026 Euro Revolving Credit Facility. The Amended and Restated May 2028 Senior Secured Credit Facilities extinguished the July 2026 First Lien Term Loan Facility. The July 2024 Revolving Credit Facility was not modified and remains pursuant to the terms of the July 2026 Senior Secured Credit Facilities associated with the 2019 Refinancing.

In connection with the modification of the May 2028 First Lien Term Loan Facilities, on May 14, 2021, an additional €618.7 million was drawn under the May 2028 First Lien Euro Term Loan Facility.

On November 23, 2021, the Company amended its Amended May 2028 First Lien USD Term Loan Facility to increase the total amount outstanding by $1,000.0 million. There were no changes in the terms of the Amended May 2028 First Lien USD Term Loan Facility as a result of the amendment. The other proceeds from the additional borrowings under the Amended May 2028 First Lien USD Term Loan Facility were used to repay the outstanding borrowings under the May 2026 ABL Credit Facility, repay the outstanding borrowings under the July 2024 Revolving Credit Facility, and for other corporate purposes.

Outstanding balances under the Amended May 2028 First Lien USD Term Loan Facility accrue interest equal to, at the Company's option: (a) Adjusted Term Secured Overnight Financing Rate (or "SOFR") plus 3.75%, as amended on December 9, 2022 or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs as set forth therein. Outstanding balances under the May 2028 First Lien Euro Term Loan Facility accrue interest equal to, at the Company's option: (a) LIBOR plus 3.75% or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs as set forth therein. Outstanding balances under the April 2026 Euro Revolving Credit Facility accrue interest equal to, at the Company's option: (a) LIBOR plus 3.75% or (b) an alternative base rate plus 2.75%, in each case, subject to certain pricing step-downs as set forth therein. Amounts drawn on the July 2024 Revolving Credit Facility accrue interest equal to, at the Company's option: (a) LIBOR plus 4.25% or (b) an alternative base rate plus 3.25%, in each case, subject to certain pricing step-downs as set forth therein. Amounts drawn on the May 2026 ABL Credit Facility accrue interest equal to, at the Company's option: (a) LIBOR plus between 1.25% and 1.75% or (b) an alternative base rate plus between 0.25% and 0.75%. As of December 31, 2022, the applicable interest rates on the Amended May 2028 First Lien USD Term Loan Facility and the May 2028 First Lien Euro Term Loan Facility were 8.17% and 5.65%, respectively. As of December 31, 2021, the applicable interest rates on the Amended May 2028 First Lien USD Term Loan Facility and the May 2028 First Lien Euro Term Loan Facility were 4.25% and 3.75%, respectively.

Outstanding balances under the July 2026 Secured Notes and the July 2027 Unsecured Notes accrue interest at an annual rate of 6.625% and 9.750%, respectively. Outstanding balances under the June 2028 USD I Secured Notes, the June 2028 USD II Secured Notes, the June 2028 Euro Notes, the June 2028 GBP Notes and the June 2029 Unsecured Notes accrue interest at an annual rate of 4.625%, 4.625%, 3.625%, 4.875% and 6.000%, respectively. Accrued interest as of December 31, 2022 and 2021 was $134.4 million and $130.1 million, respectively.

Principal on the Amended May 2028 First Lien USD Term Loan Facility and the June 2028 First Lien Euro Term Loan Facility is payable in equal quarterly installments of 0.25% of the original aggregate principal amounts of such facilities, beginning in December 2021, with the remaining unpaid balances due on May 14, 2028, the maturity date. All unpaid balances of the July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility and May 2026 ABL Credit Facility are due and payable on July 12, 2024, April 8, 2026 and May 25, 2026, respectively, the maturity dates. The July 2026 Secured Notes are due and payable on July 15, 2026, the maturity date. The July 2027 Unsecured Notes are due and payable on July 15, 2027, the maturity date. The June 2028 Secured Notes are due and payable on June 1, 2028, the maturity date. The June 2029 Unsecured Notes are due and payable on June 1, 2029, the maturity date.

The May 2028 Senior Secured Credit Facilities contain provisions for potential additional principal payments based on excess cash flow for years commencing with the year ending December 31, 2022. Additional principal payments were not required for the year ending December 31, 2022. Based on the provisions of the May 2028 Senior Secured Credit Facilities agreement, a potential additional principal payment based on excess cash flow is not applicable for the year ended December 31, 2021. Voluntary prepayments of amounts outstanding under the May 2028 Term Loan Facility, and optional redemptions of all or a portion of the July 2026 Secured Notes, the July 2027 Unsecured Notes, the May 2028 Secured Notes and the June 2029 Unsecured Notes are permitted under certain circumstances.

Borrowings under the July 2024 Revolving Credit Facility, the May 2026 ABL Credit Facility, the Amended and Restated May 2028 Senior Secured Credit Facilities, the July 2026 Secured Notes and the June 2028 Secured Indenture are secured by substantially all of the assets of the Company and certain of its subsidiaries (subject to certain exceptions and limitations for each such facility) and the foregoing facilities each include certain restrictive covenants (subject to certain exceptions and limitations for each such facility). As of December 31, 2022, the Company was in compliance with all financial debt covenants.

The Company may issue up to $100.0 million in LoCs against the July 2024 Revolving Credit Facility, €100.0 million in LoCs against the April 2026 Euro Revolving Credit Facility and another $750.0 million against the May 2026 ABL Credit Facility. Availability under each of the foregoing facilities is reduced by pledged LoCs under such facility, which serve primarily as collateral for the Company's workers' compensation and general liability insurance policies and as collateral for the defined benefit plan assumed from the G4S Transaction. Furthermore, availability under the May 2026 ABL Credit Facility is subject to limitation based on the amount of the borrowing base, as defined pursuant to the terms of the May 2026 ABL Credit Facility agreement. As of December 31, 2022, the total amount of LoCs pledged against the July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility was $0, $0, and $411.3 million, respectively. As of December 31, 2021, the total amount of LoCs pledged against the July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility was $0, $0, and $294.4 million, respectively.

The Company recognized a loss on early extinguishment of debt of $277.3 million during the three months ended June 30, 2021, which included: (i) the write-off of $126.3 million of deferred financing fees, issue discounts, and third party costs incurred associated with the extinguishment of the Bridge Loan Credit Facilities and the July 2026 First Lien Term Loan Facility; (ii) $60.3 million of market premiums paid and $10.7 million in other charges related to the redemption of G4S's Euro Market Term Loans; and (iii) $80.0 million incurred for the prepayment of G4S's USD Private Placement Notes. No loss on extinguishment of debt was recognized during the year ended December 31, 2022 or 2020.

The amount available for borrowing under the July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility as of December 31, 2022 was $300.0 million, $53.6 million, and $348.7 million, respectively. The amount available for borrowing under the July 2024 Revolving Credit Facility, the April 2026 Euro Revolving Credit Facility, and May 2026 ABL Credit Facility as of December 31, 2021 was $300.0 million, $288.3 million, and $905.6 million, respectively. As of December 31, 2022 and 2021, the weighted average interest rate on our outstanding revolving credit facility borrowings was 6.0% and 3.1%, respectively.

As of December 31, 2022 and 2021, $9.7 million and $13.6 million, respectively, of unamortized deferred financing fees related to revolving credit facilities were included in other assets on the accompanying consolidated balance sheets.

As of December 31, 2022, annual scheduled principal payments of term debt are as follows (in millions):

Year Ending December 31,		
2023	$	60
2024		50
2025		49
2026		1,989
2027		1,099
Thereafter		8,878
Total	$	12,125

7. LEASES

Lessor

The Company acts as a lessor in a limited number of arrangements. These mainly relate to the lease of smart safes, cash recycling equipment, and right-of-use assets related to those assets leased to the Company's customers. The Company considers various inputs and assumptions including, but not necessarily limited to, lease terms, renewal options, discount rates, and other rights and provisions in the purchase and sale agreement, lease and other documentation to determine whether control has been transferred to the customer. A lease will be classified as direct-financing if risks and rewards are conveyed without the transfer of control and will be classified as a sales-type lease if control of the underlying asset is transferred to the customer. Otherwise, the lease is treated as an operating lease. These criteria also include estimates and assumptions regarding the fair value of the asset, minimum lease payments, the economic useful life of the asset, the existence of a purchase option and certain other terms in the lease agreements. As of December 31, 2022 and 2021, the net investment receivable from these lease arrangements was $32.3 million and $32.7 million, respectively, of which, $12.8 million and $13.6 million is recorded in prepaid and other current assets and $19.5 million and $19.1 million is recorded in other assets on the consolidated balance sheets, respectively.

The maturities of lease receivables were as follows (in millions):

Less than one year	$	13
Between one and two years		10
Between two and three years		6
Between three and four years		3
Between four and five years		1
Thereafter		2
Total undiscounted cash flows		35
Less: Imputed interest		(3)
Net investment receivable from finance leases	$	32

The Company expects to receive operating lease income of $4.8 million, $2.7 million, $0.9 million, $0.7 million, $0.3 million, and $1.4 million in less than one year, between one and two years, between two and three years, between three and four years, between four and five years, and after five years, respectively, related to lessor arrangements.

Lessee

The Company has various leases for its offices, vehicles, uniforms, and equipment, which are typically non-cancelable. Certain lease agreements contain renewal options, rent abatement, and escalation clauses that are factored into the determination of lease payments when appropriate. Right-of-use assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. If an implicit rate is not readily determinable, management estimates the Company's incremental borrowing rate to discount the lease payments based on information available at lease commencement. Management determines the Company's incremental borrowing rate based on the lease term and the economic environment of the applicable country. Operating leases are comprised primarily of offices and equipment leases, and finance leases are comprised primarily of vehicle and uniform leases.

The assets and liabilities related to operating and finance leases were as follows (in millions):

	December 31,			
	2022		2021	
Operating lease assets, included within lease right-of-use assets	$	277	$	302
Finance lease assets, included within property, equipment and software, net		171		184
Total lease assets	$	448	$	486
Operating lease liabilities included within lease liabilities, current portion	$	79	$	92
Finance lease liabilities, included within lease liabilities, current portion		81		72
Operating lease liabilities included within lease liabilities, net of current portion		208		220
Finance lease liabilities, included within lease liabilities, net of current portion		101		108
Total lease liabilities	$	469	$	492

The components of lease costs for the years ended December 31, 2022, 2021, and 2020 were as follows (in millions):

	Year Ended December 31,		
	2022	2021	2020
Operating lease costs	$ 106	$ 78	$ 31
Finance lease costs - amortization of right-of-use assets	100	72	45
Finance lease costs - interest on lease liabilities	9	6	5
Short-term lease costs	9	25	2
Variable lease costs	49	20	27
Subtotal of lease costs, before sublease income	273	201	110
Less: Sublease income	(6)	(6)	—
Total lease costs	$ 267	$ 195	$ 110

Supplemental cash flow information for the years ended December 31, 2022, 2021, and 2020 related to leases is as follows (in millions):

	Year Ended December 31,		
	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	$ 113	$ 101	$ 33
Financing cash flows for finance leases	$ 86	$ 72	$ 46
Right-of-use assets obtained in exchange for lease liabilities:			
Operating leases	$ 59	$ 353	$ 15
Finance leases	$ 168	$ 250	$ 113
Non-cash reduction of lease liabilities from disposals:			
Finance leases	$ 79	$ 68	$ 65

As of December 31, 2022, the weighted average remaining lease term of operating and financing leases was 5.2 years and 5.1 years, respectively, and the weighted average discount rate was 5.1% and 4.9%, respectively. As of December 31, 2021, the weighted average remaining lease term of operating and financing leases was 5.1 years and 7.0 years, respectively, and the weighted average discount rate was 4.5% and 3.2%, respectively.

The undiscounted cash flows for each of the first five years and total of the remaining years to the finance and operating lease liabilities recorded on the consolidated balance sheet as of December 31, 2022 were as follows (in millions):

2023	$	176
2024		135
2025		87
2026		52
2027		27
Thereafter		60
Total minimum lease payments		537
Less imputed interest		(68)
Present value of future minimum lease payments		469
Less current portion of lease obligations		(160)
Long-term lease obligations	$	309

8. COMMITMENTS AND CONTINGENCIES

The Company is from time to time subject to legal claims and litigation in the ordinary course of business. The Company regularly reviews all pending legal matters in which it is involved and establishes reserves deemed appropriate by management for these matters when a loss is deemed to be probable and reasonably estimable.

While the Company believes its judgments relating to reserves are reasonable, litigation outcomes are not readily predictable and may materially differ from management estimates. Although the Company may reserve amounts for certain matters based on the Company's judgment as to the likely outcome, if developments in a particular matter dictate a change to the Company's reserve, the Company may have to record additional expense.

Business Insurance Risks (Workers' Compensation, General Liability, Employment Practices Liability, Automobile Liability and certain Healthcare Claims)

The Company maintains insurance coverage, subject to certain self-insured retentions, for claims and liabilities incurred by the Company in the ordinary course of its business, including claims relating to workers' compensation, general liability, employment practices liability, automobile liability and certain healthcare claim expenses incurred under Company benefit plans. The Company has established reserves for these claims based on insurance coverage, the risk of loss retained by the Company, independent actuarial analyses, and management's judgment. The Company reserves for all known insured claims as well as those claims that management believes have been incurred but not reported as of the balance sheet date based on an independent actuary's estimate of the ultimate cost of the claims. Management does not expect the ultimate outcome of any one insured claim to have a material effect on the Company's consolidated and combined financial position, results of operations, or cash flows.

As of December 31, 2022 and 2021, expected payments on an undiscounted basis for estimated self-insured claims were $587.5 million and $543.9 million, respectively, of which $154.2 million and $143.3 million, respectively, are included in accrued claims reserves, current portion and $433.3 million and $400.6 million, respectively, are included in accrued claims reserves, net of current portion in the accompanying consolidated balance sheets. As of December 31, 2022 and 2021, the accrued reserve for estimated other claims and contingencies was $207.6 million and $211.1 million, respectively, of which $120.9 million and $106.0 million, respectively, are included in accrued claims reserves, current portion and $86.7 million and $105.1 million, respectively, are included in accrued claims reserves, net of current portion in the accompanying consolidated balance sheets.

Other Claims and Contingencies

The Company is involved in disputes, claims and litigation in respect of its business activities and operations in the ordinary course of business. These include disputes, claims and litigation relating to tort laws, labor laws, commercial disputes with customers, subcontractors and vendors, and regulatory proceedings. In management's judgment, except otherwise noted here, these cases will either be resolved in a manner that is not expected to be material to the Company or, it is not deemed reasonably possible for the Company to incur a loss or possible to estimate the potential exposure as of the balance sheet date.

In addition, the interpretation of laws and regulations in numerous jurisdictions where the Company operates, including those relating to tax and labor regulation, is complex and there is inherent judgment involved in applying those laws and regulations to the Company's activities. As such, there is risk that further disputes and claims could arise in the future. Where there is a dispute or claim or risk of a dispute or claims and where, based on the advice of counsel and in management's judgment, the Company determines that it is probable that the dispute will result in a reasonably estimable loss, an accrual is made based on the Company's estimate of the financial outcome. Where a reasonable estimate cannot be made, or where the Company determines that it is not probable that there will be a loss incurred, no reserve is accrued. Additionally, with respect to certain business combinations, the Company assumes contingent losses from the seller, which are recorded as liabilities using management's best estimate of fair value as of the date of acquisition. Based on the inherent subjectivity of these estimates, actual results can materially deviate from these estimates. Legal costs in connection with claims and lawsuits in the ordinary course of business are expensed as incurred.

In 2019, G4S received claims on behalf of shareholders seeking damages for alleged losses following the reduction in the G4S share price in 2013. At this point, the Company is unable to make a reasonable estimate of the merit, outcome or impact of any litigation relating to these claims, and therefore no provision has been made in respect of these.

During 2020, G4S Care and Justice Services (UK) Limited, a wholly-owned subsidiary of the Company as a consequence of the G4S Transaction, concluded a Deferred Prosecution Agreement ("DPA") with the Serious Fraud Office ("SFO") in the United Kingdom ("UK"), in respect of the UK Care & Justice electronic monitoring contract investigation commenced in 2013. The DPA spans a period of three years, ending in July 2023, and requires G4S to take a number of actions focused on strengthening the internal control environment. In the event that the Company does not fulfill its commitments as set out in the DPA, the SFO may seek to prosecute the Company.

In April 2020, G4S received requests for information from the Belgium Competition Authority ("BCA") and the U.S. Department of Justice Antitrust Division ("DOJ") in connection with the Company's Belgium business. The BCA inquiry is continuing, and the Company is cooperating fully with the investigation. The DOJ portion of the inquiry has been resolved by way of a plea agreement entered into with the DOJ in July 2021, under which G4S agreed to a payment of $15.0 million, which payment was made in August 2021. As of December 31, 2022, the Company has reserved $54.3 million in relation to the BCA inquiries, which is recorded within accrued claims reserves, net of current portion on the consolidated balance sheets. This accrual represents management's estimate after considering estimates of the potential penalties and costs which might arise on completion of the inquiry process. There is a range of possible outcomes in respect of these inquiries, including but not limited to the imposition of incremental financial penalties and third-party claims.

The Company has been the subject of labor claims asserted by past and current employees in Brazil primarily related to allegations of insufficient payment of overtime wages and certain employee benefits. The Company recorded a loss reserve related to these matters of $26.0 million in aggregate as of December 31, 2022, $15.1 million of which is recorded in accrued claims reserves, current portion and $10.9 million of which is recorded within accrued claims reserves, net of current portion on the consolidated balance sheet. The Company also is the subject of labor claims asserted in respect of employees' alleged wage and benefit discrepancies in Guatemala. The Company recorded a loss reserve related to the Guatemala claims of $21.0 million in aggregate as of December 31, 2022, $3.8 million of which is recorded in accrued claims reserves, current portion and $17.2 million of which is recorded within accrued claims reserves, net of current portion on the consolidated balance sheet. These reserves represent management's estimate of the potential aggregate liability arising from these claims. There is a range of possible outcomes in respect of these claims.

The Company is currently involved in a number of claims in India, mainly related to periods prior to 2011, in relation to the interpretation of the basis for payments to the India Provident Fund. These disputes are currently awaiting court resolution. The aggregate of the Provident Fund related claims exposure is estimated to be approximately $60.5 million based on applicable exchange rates as of December 31, 2022. The Company believes it has a defensible legal position. Therefore, no accrual has been recorded for this matter as of December 31, 2022 as management does not believe a loss is probable.

In the normal course of business, the Company is audited by taxing authorities and from time to time, receives proposed non-income tax related assessments as a result of those audits. The Company records obligations for those proposed tax assessments or portion thereof that management believes are probable of payment and estimable. Management believes that even if any one or more proposed assessment resulted in an unfavorable outcome, they would not be material to the Company's financial position individually or in the aggregate. The timing and outcome of a settlement of any proposed assessment may not always be reasonably ascertained.

9. BUSINESS COMBINATIONS

All acquisitions were accounted for under ASC Topic 805, *Business Combinations*. Accordingly, the assets and liabilities were recorded at fair value and purchase accounting was applied.

Attenti Electronic Monitoring Group LTD

On August 1, 2022, the Company purchased all of the outstanding equity interests of Attenti Electronic Monitoring Group LTD ("Attenti") for an initial purchase price of approximately $250.1 million, subject to certain post-closing adjustments. Attenti is a provider of electronic monitoring products and is based in Israel.

The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on current available information and certain assumptions and estimates that management believes are reasonable.

The preliminary purchase price allocation resulted in a book goodwill amount of $114.2 million recorded in the Company's International segment, identifiable intangible assets of $65.3 million, and net working capital of $70.6 million. The Company is currently evaluating the portion of goodwill that is deductible for tax purposes, which the Company will finalize during the measurement period. Acquired intangible assets consist of customer relationships, to which the Company is still estimating the fair value of net assets, including the estimation of the useful lives of amortizable tangible and intangible assets, which the Company will finalize during the measurement period.

The preliminary fair value of each intangible asset was determined with the assistance of an external valuation specialist using a combination of income, market and cost approach valuation methodologies in accordance with ASC 805. The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition. Identified intangible assets and their weighted-average amortization periods are as follows (in millions, except years):

	Fair Value	Weighted Average Amortization Period (years)
Customer relationships	$ 65	20.0

The Company recognized $40.8 million and $5.1 million of revenue and net income, respectively, in the consolidated statement of operations for the year ended December 31, 2022 as a result of the acquisition of Attenti since the date of acquisition.

T.S.S. (Total Security Services) Limited and Corporate Cupboard Limited

On March 22, 2022, the Company purchased the issued and outstanding shares of Total Security Services Limited (“TSS”) and its affiliate, Corporate Cupboard Limited (“CCL”), for £71.8 million, or $94.6 million based on the exchange rate as of March 22, 2022, in addition to contingent consideration up to £10.0 million, or $12.1 million based on the exchange rate as of December 31, 2022. The Company is still evaluating the fair value of the contingent consideration as of December 31, 2022, which management will finalize during the measurement period as updated information becomes available on the fair value of the contingent consideration as of the acquisition date. TSS provides security services, including manned guarding and technology-based solutions in the United Kingdom. CCL purchases and supplies uniforms and ancillary security equipment.

The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on current available information and certain assumptions and estimates that management believes are reasonable.

The preliminary purchase price allocation resulted in a book goodwill amount of $51.9 million recorded in the Company’s International segment, identifiable intangible assets of $42.3 million, and net working capital of $12.5 million. The Company is currently evaluating the portion of goodwill that is deductible for tax purposes, which the Company will finalize during the measurement period. Acquired intangible assets consist of customer relationships, to which the Company is still estimating the fair value of net assets, including the estimation of the useful lives of amortizable tangible and intangible assets, which the Company will finalize during the measurement period.

The fair value of each customer relationship was determined with the assistance of an external valuation specialist using the income approach valuation methodology in accordance with ASC 805. The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition. Identified intangible assets and their weighted-average amortization periods are as follows (in millions, except years):

	Fair Value	Weighted Average Amortization Period (years)
Customer relationships	$ 38	20.0
Tradenames	4	5.0
	$ 42	18.6

The Company recognized $148.4 million and $2.9 million of revenue and net income, respectively, in the consolidated statement of operations for the year ended December 31, 2022 as a result of the acquisition of T.S.S. since the date of acquisition.

Other 2022 Business Combinations

In addition to the Attenti and T.S.S. acquisitions, the Company completed 11 other acquisitions during the year ended December 31, 2022 which are accounted under ASC Topic 805, and which have an aggregate purchase price of $41.2 million. The aggregate purchase price includes contingent consideration of $15.1 million, which is subject to be paid based on the achievement of certain targets after the acquisition dates. These acquisitions resulted in the recording of net working capital of $8.8 million, identifiable intangible assets of $13.0 million and goodwill of $19.4 million, $17.8 million and $1.6 million of which was recorded within the Company's North America and International segments, respectively.

The results related to the 2022 acquisition entities have been included in the Company's consolidated statement of operations since their respective acquisition dates.

G4S

On April 6, 2021, the Company completed the acquisition of the outstanding stock of G4S for approximately £3.8 billion, or approximately $5.3 billion based on the exchange rate as of April 6, 2021. G4S was acquired to enhance the Company's presence domestically and internationally. The assets acquired and liabilities assumed were accounted for as a business combination and at fair value at the acquisition date based on current available information and certain assumptions and estimates that management believes are reasonable.

The following table presents the fair value estimates of assets acquired and liabilities assumed on the date of acquisition (in millions):

Cash, cash equivalents and restricted cash	$ 1,629
Accounts receivable	1,558
Inventories	111
Investments	107
Property, equipment, software and right-of-use assets	726
Intangible assets	2,228
Goodwill	5,327
Deposits and other assets	934
Accounts payable	(432)
Accrued payroll and related payroll taxes	(662)
Accrued expenses and other current liabilities	(869)
Accrued claims reserves	(424)
Long-term debt and lease liabilities	(3,462)
Retirement benefit obligations	(370)
Deferred tax liabilities	(619)
Other liabilities	(290)
Noncontrolling interests	(169)
Net assets acquired	$ 5,323

The purchase price allocation resulted in a goodwill amount of $5,326.6 million, none of which is deductible for tax purposes. The amount of goodwill relates to several factors including G4S's assembled workforce, potential buyer-specific synergies, and the potential to leverage the Company's sales force to attract new customers. Acquired intangible assets consist of tradenames, customer relationships and technology. Items finalized during the measurement period included but were not limited to uninsured legal and other reserves and income taxes.

The fair value of each intangible asset was determined with the assistance of an external valuation specialist using a combination of income, market and cost approach valuation methodologies in accordance with ASC 805. The income approach utilizes a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the Company's business model. The market approach utilizes a guideline public company method, which assumes that businesses operating in the same industry as the Company will share similar characteristics and multiples derived from the stock prices of these businesses can be used to estimate fair value. The cost approach utilizes the replacement cost of a particular asset and discounts that cost for the estimated depreciation at the time of the valuation. The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition.

The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition. Identified intangible assets and their weighted-average amortization periods are as follows (in millions, except years):

	Fair Value	Weighted Average Amortization Period (years)
Customer relationships	$ 1,409	10.0
Tradenames	584	9.2
Developed technology	235	10.0
	$ 2,228	9.8

The Company recognized $7,051.1 million and $77.2 million of revenue and net loss, respectively, in the consolidated statement of operations for the year ended December 31, 2021 as a result of the acquisition of G4S since the date of acquisition.

SecurAmerica, LLC

On January 16, 2021, the Company purchased the outstanding equity interests in SecurAmerica, LLC and related entities ("SecurAmerica") for an initial purchase price, subject to certain post-closing adjustments, of $351.0 million, including contingent consideration. At the date of acquisition, management estimated the fair value of contingent consideration to be $18.8 million. The contingent consideration was remeasured as of December 31, 2021, resulting in a gain of $9.4 million recorded in other income on the consolidated statement of operations. There were no subsequent changes to the contingent consideration.

The assets acquired and liabilities assumed were accounted for at fair value at the acquisition date based on current available information and certain assumptions and estimates that management believes are reasonable. The following table presents the fair value estimates of assets acquired and liabilities assumed on the date of acquisition (in millions):

Cash	$ 13
Accounts receivable	59
Prepaid and other assets	3
Property and equipment	8
Intangible assets	114
Goodwill	193
Accounts payable	(4)
Accrued payroll and related payroll taxes	(23)
Accrued expenses and other liabilities	(11)
Accrued claims reserves	(1)
Lease liabilities	(3)
Net assets acquired	$ 348

The purchase price allocation resulted in a goodwill amount of $192.6 million recorded within the Company's North America segment, which is deductible for tax purposes.

Acquired intangible assets consists of customer relationships. The fair value of each customer relationship was determined with the assistance of an external valuation specialist using the income approach valuation methodology in accordance with ASC 805. The purchase consideration was allocated to the identifiable net assets acquired based on estimated fair values at the date of the acquisition. Identified intangible assets and their weighted-average amortization periods are as follows (in millions, except years):

	Fair Value	Weighted Average Amortization Period (years)
Customer relationships	$ 114	10.0

In connection with the purchase of SecurAmerica, the Company also deposited $31.5 million into an escrow account to fund the future purchase of substantially all of the assets of SecurAmerica TN. Based in Chattanooga, Tennessee, SecurAmerica TN is a provider of security and janitorial services. The transaction closed on November 2, 2021, and as part of closing, $1.2 million in cash was released back to the Company from escrow due to closing adjustments, resulting in a final, adjusted purchase price of $30.3 million.

The Company has recognized $392.4 million and $28.7 million of revenue and net income, respectively, in the consolidated and combined statement of operations for the year ended December 31, 2021 as a result of the acquisition of SecurAmerica effective January 16, 2021.

Other 2021 Business Combinations

In addition to the SecurAmerica and G4S acquisitions, the Company completed seven other acquisitions during the year ended December 31, 2021 which are accounted under ASC Topic 805, and which have an aggregate purchase price of $357.6 million. The aggregate purchase price includes contingent consideration of $5.0 million, which is subject to be paid based on the achievement of certain targets after the acquisition dates. These acquisitions resulted in the recording of net working capital of $28.9 million, identifiable intangible assets of $124.5 million and goodwill of $199.2 million, all of which was recorded within the Company's North America segment.

The results related to the 2021 acquisition entities have been included in the Company's consolidated and combined statements of operations since their respective acquisition dates.

On September 1, 2021, the Company paid $123.7 million, including $10.0 million of Class A units in Atlas Ontario, to acquire a 49% equity interest in Blackstone Consulting, Inc. ("BCI") and R.J.B. Properties, Inc. ("RJB"), two affiliated entities that provide security services. The stock purchase agreement contained a provision for contingent consideration which was measured when the contingency was resolved and the consideration became payable as of December 31, 2022, resulting in an estimated fair value of $24.4 million recorded in accrued expenses on the consolidated balance sheet as of December 31, 2022. The contingent consideration of $24.4 million was paid during January 2023. This investment was accounted for under ASC Topic 323, *Investments-Equity Method and Joint Ventures,* as an equity method investment and is included in other assets on the accompanying consolidated balance sheets.

2020 Business Combinations

The Company completed six acquisitions during the year ended December 31, 2020 with an aggregate purchase price of $117.0 million. The aggregate purchase price includes contingent consideration of $10.8 million, which is subject to be paid based on the achievement of certain targets after the acquisition dates. These acquisitions resulted in the recording of net working capital of $2.8 million, identifiable intangible assets of $39.2 million and goodwill of $64.2 million, all of which was recorded within the Company's North America segment.

The results related to the 2020 acquisition entities have been included in the Company's consolidated and combined statements of operations since their respective acquisition dates.

Acquisition Costs

Acquisition and related costs which include transaction costs, such as legal, accounting, valuation, and other professional services, were expensed as incurred. Acquisition and related costs totaled $23.4 million, $152.3 million, and $26.0 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Purchase Price Payable

As part of certain completed acquisitions, the Company has agreed to pay cash to the sellers based upon achievement of certain targets after the acquisition date. The Company evaluates the fair value of contingent consideration throughout the year and in every reporting period. Changes in the fair value resulting from events that occurred after the acquisition date are recorded as a gain or loss on changes in fair value of the contingent purchase consideration in the accompanying consolidated and combined statements of operations. As of December 31, 2022 and 2021, purchase price payable of $54.7 million and $15.7 million, respectively, is reported in accrued expenses and other current liabilities and $5.6 million and $4.6 million, respectively, is reported in other liabilities on the accompanying consolidated balance sheets.

10. RETIREMENT PLANS

Defined Benefit Plans

The Company has several funded and unfunded defined retirement benefit plans. These plans were assumed as a result of the acquisition of G4S on April 6, 2021.

The Company's primary defined benefit plan is based in the United Kingdom (the "UK Plan"), with other plans around the world. The UK Plan is comprised of three sections: (i) the Group 4 section, (ii) the Securicor section, which was assumed by G4S in 2004 with the acquisition of Securicor plc, and (iii) the GSL section, which was assumed by G4S in 2008 with the acquisition of GSL.

A summary of the Company's UK Plan as of December 31, 2022 is as follows (in millions):

	Projected Benefit Obligation	Fair Value of Assets	Surplus
Securicor	$ 1,599	$ 1,751	$ 152
Group 4	359	394	35
GSL	224	334	110
Total for the UK Plan	$ 2,182	$ 2,479	$ 297

A summary of the Company's UK Plan as of December 31, 2021 is as follows (in millions):

	Projected Benefit Obligation	Fair Value of Assets	Surplus / (Deficit)
Securicor	$ 2,702	$ 2,778	$ 76
Group 4	598	596	(2)
GSL	398	552	154
Total for the UK Plan	$ 3,698	$ 3,926	$ 228

The UK Plan is closed to future accrual apart from some sub-sections of the GSL section, and for most members defines the pension based on final salary. Certain sub-sections of the GSL section have historically remained open to provide a facility to accept former public-sector employees who join certain subsidiaries of the Company through outsourcings. In the Group 4 and Securicor sections, members retain their link to final salary where appropriate on their benefits accrued up to closure in 2011.

The UK Plan is set up under UK law and governed by a trustee company which is responsible for the plan's investments, administration and management. The board of the trustee company comprises an independent chairman and further appointees who are made up of plan membership representatives and company appointees.

The following chart summarizes the benefit obligations, assets, funded status and balance sheet impacts associated with the UK Plan (in millions):

	December 31, 2022	December 31, 2021
Projected benefit obligations		
Beginning obligations	$ 3,698	$ –
Acquisition of plan benefit obligations	–	3,692
Service cost	2	2
Interest cost	63	56
Actuarial (gain) loss	(1,098)	148
Foreign currency exchange rate changes	(367)	(100)
Benefits paid	(115)	(99)
Expenses and other	(1)	(1)
Ending obligations	$ 2,182	$ 3,698
Fair value of plans' assets		
Beginning fair value	$ 3,926	$ –
Acquisition of plan assets	–	3,598
Actual return on plan assets	(1,102)	438
Foreign currency exchange rate changes	(393)	(102)
Employer contributions	164	92
Benefits paid	(115)	(99)
Expenses and other	(1)	(1)
Ending fair value	$ 2,479	$ 3,926
Overfunded status of the plans	$ 297	$ 228

Key assumptions of the UK Plan are as follows:

	Year Ended December 31,	
	2022	**2021**
Discount rate used to determine the fiscal year-end benefit obligation	4.90%	1.90%
Discount rate used to determine the interest cost component of net periodic benefit	1.90%	2.10%
Rate of return on plan assets used to determine the expected rate of return on plan assets component of net periodic benefit	1.95% - 3.10%	3.24%
Weighted average rate of compensation increase to determine the fiscal year-end benefit obligation	2.60%	2.75%
Weighted average rate of compensation increase to determine the service cost component of net periodic benefit	2.75%	3.35% - 3.50%

UK Plan Funded Status

The projected benefit obligation, accumulated benefit obligation and aggregate fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets for the UK Plan were $598.2 million, $599.3 million, and $595.6 million, respectively, as of December 31, 2021. There were no pension plans with projected benefit obligations in excess of plan assets for the UK Plan as of December 31, 2022.

For pension plans with projected benefit obligations less than plan assets, the projected benefit obligation, accumulated benefit obligation and aggregate fair value of plan assets for the UK Plan were $2,182.0 million, $2,174.0 million, and $2,479.0 million, respectively, as of December 31, 2022 and were $3,099.8 million, $3,104.6 million, and $3,329.9 million, respectively, as of December 31, 2021.

The Company’s total accumulated pension benefit obligations for the UK Plan as of December 31, 2022 and 2021 were $2,174.0 million and $3,703.9 million, respectively.

UK Plan Assets

The primary investment objective for the UK Plan assets is the prudent and cost effective management of assets to satisfy benefit obligations to plan participants. Financial risks are managed through diversification of plan assets, selection of investment managers and through the investment guidelines incorporated in investment management agreements. Investments are monitored to assess whether returns are commensurate with risks taken.

The long-term asset allocation policy for the UK Plan was established taking into consideration a variety of factors that include, but are not limited to, the average age of participants, the number of retirees, the duration of liabilities and the expected payout ratio. Liquidity needs of the plans are generally managed using cash generated by investments or by liquidating securities.

Assets are generally managed by external investment managers pursuant to investment management agreements that establish permitted securities and risk controls commensurate with the account’s investment strategy. Some agreements permit the use of derivative securities (futures, options, interest rate swaps, credit default swaps) that enable investment managers to enhance returns and manage exposures within their accounts.

The UK Plan assets as of December 31, 2022 and 2021 are summarized by level in the following tables (in millions, except plan asset mix). See Note 2 for definitions of fair value measures, the levels within the fair value hierarchy, and valuation techniques.

	December 31, 2022			
Description	Level 1	Level 2	Total	Plan Asset Mix
Cash	$ 163	$ –	$ 163	15%
Registered investment companies	1	–	1	—%
Government and federal agency bonds	–	1,156	1,156	103%
Derivatives and other, net	–	(201)	(201)	(18)%
Total investments in the fair value hierarchy	$ 164	$ 955	$ 1,119	100%
Asset value at NAV as a practical expedient:				
Collective trust funds			1,360	
Total investments at fair value			$ 2,479	

	December 31, 2021			
Description	Level 1	Level 2	Total	Plan Asset Mix
Cash	$ 254	$ –	$ 254	11%
Registered investment companies	192	–	192	8%
Government and federal agency bonds	–	1,624	1,624	71%
Corporate bonds	–	218	218	10%
Derivatives and other, net	–	3	3	—%
Total investments in the fair value hierarchy	$ 446	$ 1,845	$ 2,291	100%
Asset value at NAV as a practical expedient:				
Collective trust funds			1,635	
Total investments at fair value			$ 3,926	

Plan Contributions

In contemplation of the acquisition of G4S, the Company entered into a memorandum of understanding with the UK Plan trustee in which the Company has agreed to pay a one-time lump sum payment of £50 million, which was paid during January 2022, followed by quarterly contributions of £20 million for the calendar years 2021 to 2026 inclusive. The quarterly contributions will increase by 3% every year until the last payment in 2026.

During the years ended December 31, 2022 and 2021, the Company made \$171.3 million and \$91.7 million of contributions to its pension plans, respectively. The Company currently expects to make approximately \$103.3 million in pension contributions to the UK Plan during the fiscal year ending December 31, 2023.

The following table presents estimated future benefit payments from the UK plans for the next ten fiscal years (in millions):

Year ending December 31,	
2023	$ 117
2024	121
2025	126
2026	131
2027	137
2028 - 2032	770
Total	$ 1,402

Assumptions

Assumptions, such as discount rates and the long-term rate of return on plan assets, have a significant effect on the amounts reported for net periodic benefit as well as the related benefit obligations.

The assumed discount rate for pension plans reflects the market rates for high-quality corporate bonds currently available. The Company's discount rate was determined by considering yield curves constructed of a large population of high-quality corporate bonds and reflects matching a model plan's liability cashflows, which has a similar duration to the UK Plan, to the yield curves.

The long-term rate of return on plan assets represents an estimate of long-term returns on an investment portfolio consisting of a mixture of equities, fixed income and alternative investments. When determining the long-term rate of return on plan assets, the Company considers long-term rates of return on the asset classes (both historical and forecasted) in which the Company expects the pension funds to be invested based on the investment managers' long term target for investment returns as agreed with the Trustees and Company. The plan assets are managed dynamically over time rather than a set strategic allocation.

The Company's pension plans create a number of risk exposures. Annual increases in benefits are, to a varying extent from plan to plan, dependent on inflation so the main uncertainties affecting the level of benefits payable are future inflation levels (including the impact of inflation on future salary increases) and the actual longevity of the membership. Benefits payable will also be influenced by a range of other factors including member decisions on matters such as when to retire and the possibility to draw benefits in different forms.

The components of net periodic benefit are as follows (in millions):

	Year Ended December 31,	
	2022	2021
Service cost	$ 4	$ 2
Other costs (benefits):		
Interest cost	70	56
Expected return on plan assets	(106)	(84)
Total other benefits	(36)	(28)
Net periodic pension benefit	$ (32)	$ (26)

The Company recognizes service costs within cost of revenues and selling, general and administrative in the consolidated statements of operations and recognizes interest costs and the expected return on plan assets within other income, net in the consolidated statements of operations.

Net actuarial (losses) gains of $(90.0) million and $161.4 million were recognized in other comprehensive (loss) income during the years ended December 31, 2022 and 2021, respectively. No amounts were recognized in other comprehensive income during the year ended December 31, 2020. The amounts in accumulated other comprehensive (loss) income that have not yet been recognized as of December 31, 2022 and 2021 consist of net actuarial gains of $71.4 million and $161.4 million, respectively.

Other Defined Benefit Plans

As of December 31, 2022 and 2021, the Company's defined benefit plans with a net surplus totaled $296.9 million and $230.1 million, respectively, which was recorded within other assets on the consolidated balance sheets. As of December 31, 2022 and 2021, the Company's defined benefit plans with a net deficit totaled $107.1 million and $85.8 million, respectively. The funded status of defined benefit plans is based on actuarial estimates and contributions during the period. The most recent actuarial estimates were completed as of December 31, 2022. Actual results may differ materially from these estimates.

Defined Contribution and Other Deferred Compensation Plans

The Company has 401(k) plans for eligible employees in the United States and may make discretionary matching contributions to qualified participants. Matching contributions for qualified participants amounted to $3.8 million, $4.0 million, and $5.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The Company has non-qualified deferred compensation plans for select groups of management in the United States. These plans are generally unfunded and their benefits are paid from the general assets of the Company, except that the Company has segregated assets in marketable securities accounts of $97.5 million and $120.9 million as of December 31, 2022 and 2021, respectively, which the Company intends to utilize to fund the deferred compensation plan liabilities. Employee vesting generally occurs over six years of service. The Company's (income) expense related to deferred compensation plans, exclusive of gains and losses on segregated marketable securities held by the plans, was $(14.5) million, $7.5 million, and $8.0 million during each of the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022 and 2021, the Company had $102.6 million and $71.2 million, respectively, in other liabilities in the consolidated balance sheets for these deferred compensation plans.

The Company has employees in a number of countries that are covered by various deferred compensation plans. These plans are administered based upon the legal requirements in the countries in which they are established.

11. MEMBERS' CAPITAL AND EQUITY-BASED COMPENSATION

Members' Capital

The Company is a limited partnership in which each limited partner contributed cash or other property or consideration, including their service as employees, to the partnership in exchange for Class A Units , Class B Units or Incentive Units.

Equity-based compensation consists of Class B Units and Incentive Units in Atlas Ontario or, prior to the G4S Transaction, Class B and Incentive Units issued in Topco. Class B Units and Incentive Units are classified as equity and are measured based on fair value as of the grant date. Equity-based compensation is recognized using the straight-line attribution method over the requisite service period, and the Company accounts for forfeitures as they occur.

Class A Units, Class B Units and Incentive Units are non-voting interests in Atlas Ontario. Distributions, including those made upon liquidation, dissolution or winding up the affairs of the partnership, are to be made to first to holders of Class A Units, to the outstanding balance of their capital account, and then to holders of Class A Units, Class B Units and Incentive Units in accordance with their pro rata share of eligible units. Unvested Class B Units and unvested Incentive Units are not eligible for distributions. Furthermore, vested Incentive Units are eligible for distributions only if distributions exceed a predefined threshold amount as specified by the applicable unit grant agreement with each unit holder.

Allied Universal Topco Class B and Incentive Units

From 2016 through 2019, the Company issued Class B Units in Topco to certain members of management. Fifty percent of each grantee's Topco Class B Units issued were subject to time-vesting and fifty percent were subject to certain performance vesting conditions based on internal rate of return targets measured upon the occurrence of certain events and subject to each unit holder's continued service with the Company. Time-vesting Topco Class B Units generally vested in ratable annual installments over the five-year period following the grant date.

From 2019 through 2020 and in connection with the amendment of the Topco partnership agreement, the Company discontinued awarding Class B Units, and instead began awarding to eligible members of management Incentive Units in Topco. The resulting modification approximated fair value as of the date of the G4S Transaction. Fifty percent of the Topco Incentive Units issued were subject to time-vesting and fifty percent were subject to certain performance vesting conditions based on internal rate of return, targets measured upon the occurrence of certain events and subject to each unit holder's continued service with the Company. Topco Incentive Units granted subject to time-vesting vested ratably in annual installments over the five-year period following the grant date, such that, by the fifth anniversary of the grant date, one hundred percent of the time-based units would have vested.

The weighted-average grant-date fair values issued during the year ended December 31, 2020 were $3.96 for each Topco Incentive Unit (as adjusted for the 0.2524 conversion into Atlas Ontario Class B Units in 2021) subject to time-vesting and $1.59 for each Topco Incentive Unit (as adjusted for the 0.2524 conversion into Atlas Ontario Class B Units in 2021) subject to performance conditions.

The fair value of each Topco Incentive Unit award was estimated on the grant date using the Monte Carlo option-pricing model based on the following assumptions for the year ended December 31, 2020:

	2020
Expected volatility	42.5%
Dividend yield	0.0%
Risk-free interest rate	1.7%
Expected term (in years)	5.0

For the period between January 1, 2021 and April 6, 2021, the Company did not issue any Topco Incentive Units, and 3.6 million unvested Topco Incentive Units were forfeited due to separations from employment. As of April 6, 2021, the Company had 48.1 million Topco Incentive Units outstanding.

2021 Atlas Ontario Units

On April 6, 2021, in conjunction with the G4S Transaction, Topco Incentive Units then issued and outstanding were converted into Atlas Ontario Class B Units at a rate of 0.2524 Atlas Ontario Class B Units per Topco Incentive Unit, which represented the fair value of the units at the date of the G4S Transaction. All vesting conditions related to the converted Topco Incentive Units remained unchanged. This conversion resulted in the issuance of 48.1 million of new Class B Units in Atlas Ontario.

In conjunction with the G4S Transaction, the Company also issued Atlas Ontario Incentive Units to certain members of management. Fifty percent of each grantee's Atlas Ontario Incentive Units are subject to time-vesting and fifty percent were subject to certain performance vesting conditions based on internal rate of return, targets measured upon the occurrence of certain events and subject to each unit holder's continued service with the Company. Atlas Ontario Incentive Units subject to time-vesting vest ratably in annual installments over the five-year period following the grant date.

The fair value of each Atlas Ontario Incentive Unit award granted during the years ended December 31, 2022 and 2021, is estimated on the grant date using the Monte Carlo option-pricing model based on the following assumptions:

	2022	2021
Expected volatility	72.5 %	60.0% - 65.0%
Dividend yield	0.0 %	0.0 %
Risk-free interest rate	2.2 %	0.4% - 1.0%
Expected term (in years)	2.0	3.0

Equity-based compensation related activity during the year ended December 31, 2022 consisted of the following (in millions, except weighted-average information and years):

	Class B Units		Atlas Ontario Incentive Units	
	Number of Units	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2021	35	$ 2.77	366	$ 0.41
Granted	—	—	102	0.23
Vested	(4)	3.96	(42)	0.38
Forfeited	(1)	2.49	(14)	0.37
Outstanding and unvested as of December 31, 2022	30	$ 2.27	412	$ 0.40
Unrecognized compensation cost		$ 47		$ 114
Weighted average remaining amortization period (years)		2.0		3.4

Loss per Unit

Basic loss per unit is computed by dividing net loss by the weighted average number of common units outstanding for the period. Diluted earnings per unit is applicable only in periods of net income and is computed by dividing net income by the weighted average number of common units outstanding for the period and potentially dilutive common unit equivalents outstanding for the period. Periods of net loss require the diluted computation to be the same as the basic computation. There was an aggregate of 441.4 million, 187.7 million, and 20.4 million potentially dilutive unit equivalents outstanding during the years ended December 31, 2022, 2021, and 2020, respectively, which have been excluded from diluted loss per unit during the years ended December 31, 2022, 2021, and 2020.

12. INCOME TAXES

Income Tax Provision

The Company's provision for income taxes for the years ended December 31, 2022, 2021, and 2020 consisted of the following (in millions):

	Year Ended December 31,		
	2022	2021	2020
Current provision:			
U.S. Federal	$ 18	$ (9)	$ 34
U.S. State	32	18	24
Foreign	71	88	1
Total current provision	121	97	59
Deferred benefit:			
U.S. Federal	(13)	(11)	(26)
U.S. State	(6)	(6)	(13)
Foreign	(21)	(14)	–
Total deferred benefit	(40)	(31)	(39)
Total provision for income taxes	$ 81	$ 66	$ 20

U.S. and foreign components of loss before income taxes were as follows (in millions):

	Year Ended December 31,		
	2022	2021	2020
U.S.	$ (336)	$ (529)	$ (61)
Foreign	63	(74)	–
	$ (273)	$ (603)	$ (61)

The applicable statutory income tax rate in Canada was zero for Atlas Ontario for the years ended December 31, 2022, 2021, and 2020. For purposes of the reconciliation between the provision for income taxes at the statutory rate and the provision for income taxes at the effective tax rate, a notional 21% tax rate is applied for the years ended December 31, 2022, 2021, and 2020 as follows:

	Year Ended December 31,		
	2022	2021	2020
Income tax benefit at United States federal statutory rate	$ (57)	$ (127)	$ (13)
State taxes, net of federal benefit	1	1	(1)
Acquisition costs	–	11	(2)
Gain on liquidating distribution	–	17	–
Net income not subject to corporate taxation	11	14	2
Withholding tax	5	8	–
Tax credits	(21)	(21)	(11)
Valuation allowance	113	175	45
Foreign tax rate differential	(3)	(16)	1
Change in tax rates	4	(13)	(3)
Uncertain tax positions	(22)	–	–
Return to provision	25	–	2
Other permanent differences	25	17	–
Income tax provision	$ 81	$ 66	$ 20

Deferred Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities are as follows (in millions):

	December 31,	
	2022	2021
Deferred tax assets:		
Net operating loss carryforwards	$ 301	$ 384
Tax credit carryforwards	88	70
Interest expense limitation	430	276
Compensation accruals	42	82
Legal accruals	2	13
Other deferred tax assets	146	49
Lease liability	7	11
Deferred tax assets before valuation allowance	1,016	885
Valuation allowance	(657)	(576)
Deferred tax assets net of valuation allowance	359	309
Deferred tax liabilities:		
Basis differences related to partnership investments	(199)	(125)
Amortization	(497)	(623)
Fixed assets	(17)	(5)
UK pension	(75)	(57)
Unremitted earnings	(70)	(73)
Other deferred tax liabilities	(8)	(5)
ROU asset	(6)	(9)
Deferred tax liabilities	(872)	(897)
Total deferred taxes	$ (513)	$ (588)

Unremitted Earnings

The Company's income tax provision includes U.S. (federal and state) and foreign income taxes. Certain foreign subsidiary earnings and losses are subject to current U.S. taxation and the subsequent repatriation of those earnings is not subject to tax in the U.S. Additionally, the Company intends to remit its foreign subsidiary earnings, outside of the U.S. when necessary, in those jurisdictions in which the Company would incur significant, additional costs upon repatriation of such amounts. The Company has unremitted earnings of $18.2 billion and has recorded a deferred tax liability of $70.0 million as of December 31, 2022. Significant portions of unremitted earnings are located in jurisdictions with no withholding tax.

Operating Loss and Tax Credit Carryforwards

As of December 31, 2022 and 2021, the Company's operating subsidiaries had net operating loss carryforwards of approximately $1.5 billion and $1.6 billion, respectively, in various jurisdictions.

The gross net operating loss carryforwards and the related carryforward periods as of December 31, 2022 are summarized as follows (in millions, except years):

	Carryforward Amount	Tax Benefit Amount	Valuation Allowance	Net Tax Benefit	Carryforward Period Ends
U.S. federal net operating losses	$ 154	$ 30	$ (30)	$ —	2036 - 2038
U.S. federal net operating losses	215	42	(41)	1	Indefinite
U.S. state net operating losses	154	11	(11)	—	2026 - 2038
U.S. state net operating losses	223	15	(13)	2	Indefinite
Non-U.S. net operating losses	736	203	(71)	132	Indefinite
Total	$ 1,482	$ 301	$ (166)	$ 135	

The Company also has tax credit carryforwards available to offset future tax liabilities of approximately $88.0 million and $70.0 million as of December 31, 2022 and 2021, respectively, which have various expiration dates and begin to expire in 2023.

The gross tax credit carryforwards and the related carryforward periods as of December 31, 2022 are summarized as follows (in millions, except years):

	Carryforward Amount	Valuation Allowance	Net Tax Benefit	Carryforward Period Ends
Work opportunity tax credits	$ 78	$ (69)	$ 9	Indefinite
Foreign tax credits	6	(6)	–	2024 - 2030
General business credits	4	(2)	2	Indefinite
Total	$ 88	$ (77)	$ 11	

Certain tax attributes are subject to an annual limitation as a result of the acquisitions which constitute a change of ownership as defined under Internal Revenue Code Section 382.

The Company has gross capital loss carryforwards in the UK of $3.6 billion that have not been included in the provision. The future use of such amounts are limited and remote.

Valuation Allowance

Where, based on the weight of available evidence, it is more likely than not that some amount of a recorded deferred tax asset will not be realized, a valuation allowance is established for the amount sufficient to reduce that deferred tax asset to an amount that will more likely than not be realized. Management believes that future results will be sufficient to realize the Company's deferred tax assets with the exception of certain net operating losses, excess business interest expenses and foreign tax credits ("FTC"). As of December 31, 2022 and 2021, a valuation allowance of $657.1 million and $576.1 million, respectively, has been established against federal deferred tax assets.

Uncertain Tax Positions

As of December 31, 2022 and 2021, the gross uncertain tax positions were $35.0 million and $60.0 million, respectively. The reduction of uncertain tax positions in 2022 was primarily due to the settlement of disputed valuation matters in Denmark and the United Kingdom for tax years 2006 and 2007 which resulted in a refund of previously assessed tax and decrease in related uncertain tax positions.

A reconciliation of the beginning and ending amount of uncertain tax positions, excluding interest, penalties, and foreign exchange, is as follows:

	Year Ended December 31,		
	2022	2021	2020
Uncertain gross tax positions, January 1	$ 60	$ –	$ –
Uncertain tax positions assumed through acquisition	–	45	–
Current year tax positions	–	15	–
Increase in prior year tax positions	2	–	–
Decrease in prior year tax positions	(25)	–	–
Settlements	(2)	–	–
Lapse of statute of limitations	–	–	–
Uncertain gross tax positions, December 31	$ 35	$ 60	$ –

The table above represents the gross amounts of uncertain tax positions without regard to reductions in tax liabilities or additions to deferred tax assets and liabilities if such uncertain tax positions were settled.

The Company recognizes interest and penalties, if any, related to uncertain tax positions in the provision of income taxes. As of December 31, 2022 and 2021, the Company had accrued $1.2 million and $5.1 million of interest and penalties related to uncertain tax positions, respectively, which is recorded in other liabilities on the consolidated balance sheets.

The Company files U.S. federal, state, and foreign tax returns. The Company strives to resolve open matters with each tax authority at the examination level and could reach agreement with a tax authority at any time.

At December 31, 2022, the Company is addressing the following material audits:

- The Company is currently in discussions with the Income Tax Department of the Government of India for the years 2013 to 2018.

13. SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the Chief Operating Decision Maker ("CODM"), who is the Company's Chief Executive Officer.

The CODM evaluates the Company's financial information and assesses the performance of the North America and International segments of the business in order to determine how to allocate resources. The CODM reviews the Company's revenues and operating income for the North America and International operating segments, which also constitute the Company's reportable segments, and the CODM reviews assets and capital expenditures on a consolidated basis. Therefore, revenues and operating income are presented by reportable segment and assets and capital expenditures by operating segment are not presented.

Revenues and operating income by segment reconciled to net loss are as follows (in millions):

	Year Ended December 31,		
	2022	2021	2020
REVENUES			
North America	$ 13,372	$ 11,667	$ 8,501
International	6,046	4,782	—
Total revenues	$ 19,418	$ 16,449	$ 8,501
SEGMENT OPERATING INCOME			
North America	327	93	270
International	173	78	—
Total segment operating income	$ 500	$ 171	$ 270
RECONCILIATION TO NET LOSS			
Segment operating income	500	171	270
Interest expense, net	(780)	(597)	(346)
Loss on early extinguishment of debt	—	(277)	—
Other income, net	7	100	15
Income tax provision	(81)	(66)	(20)
Net loss	$ (354)	$ (669)	$ (81)

Long-lived assets by geographic area are as follows (in millions):

	December 31, 2022	December 31, 2021
United States of America	$ 9,084	$ 9,441
United Kingdom	1,286	1,220
Other countries	2,306	2,287
	$ 12,676	$ 12,948

14. FAIR VALUE MEASUREMENTS

Investments Measured at Fair Value on a Recurring Basis

The following tables present our cash and cash equivalents and investments' costs, net unrealized gains (losses), and fair value by security type as of December 31, 2022 and 2021 (in millions):

	December 31, 2022			
	Cost	Net Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents
Cash and cash equivalents	$ 812	$ —	$ 812	$ 812
Restricted cash	149	—	149	—
	961	—	961	812
Level 1 :				
Common stock	9	1	10	—
Registered investment companies	91	(12)	79	—
Subtotal	100	(11)	89	—
Level 2:				
Government and federal agency bonds	5	—	5	—
Corporate bonds	22	(2)	20	—
Municipal bonds	18	(2)	16	—
Subtotal	45	(4)	41	—
Level 3: Other	7	—	7	—
Total assets in the fair value hierarchy	152	(15)	137	—
Asset value at NAV as a practical expedient:				
Collective trust funds	2	—	2	—
Total assets	$ 1,115	$ (15)	$ 1,100	$ 812

	December 31, 2021			
	Cost	Net Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents
Cash and cash equivalents	$ 1,149	$ —	$ 1,149	$ 1,149
Restricted cash	157	—	157	—
	1,306	—	1,306	1,149
Level 1 :				
Common stock	9	4	13	—
Registered investment companies	84	11	95	—
Subtotal	93	15	108	—
Level 2:				
Government and federal agency bonds	5	—	5	—
Corporate bonds	24	—	24	—
Municipal bonds	26	(1)	25	—
Subtotal	55	(1)	54	—
Level 3: Other	8	—	8	—
Total assets in the fair value hierarchy	156	14	170	—
Asset value at NAV as a practical expedient:				
Collective trust funds	2	—	2	—
Total assets	$ 1,464	$ 14	$ 1,478	$ 1,149

There were no transfers in or out of Level 3 financial assets or liabilities during the year ended December 31, 2022 or December 31, 2021. Other than adjustments for foreign currency translation, there was no other activity associated with Level 3 investments during the year ended December 31, 2022 or December 31, 2021.

The Company's purchase price payable liabilities represent the estimated fair value of additional future contingent consideration payable for acquisitions of businesses that included contingent consideration clauses. The fair value of purchase price payable liabilities is evaluated on an ongoing basis and is based on management estimates and entity-specific assumptions which are considered Level 3 inputs. The valuation of purchase price payables is initially established using a range of methods, including discounted cash flow models and other estimates by management.

Instruments Not Recorded at Fair Value on a Recurring Basis

Management estimates the fair value of the Company's debt instruments carried at face value, less unamortized discount and issuance costs, quarterly for disclosure purposes. The estimated fair values of the Company's debt instruments are estimated using current market pricing quotes (Level 2). As of December 31, 2022, the estimated fair values of the Company's first lien term loans, senior secured notes, and senior unsecured notes are approximately $4,704.5 million, $4,477.3 million, and $1,617.4 million, respectively, as compared to their carrying values, exclusive of discounts, premiums and related fees, of

$4,847.4 million, $5,255.9 million, and $2,010.0 million, respectively. As of December 31, 2021, the estimated fair values of the Company's first lien term loans, senior secured notes, and senior unsecured notes are approximately $4,951.9 million, $5,410.9 million, and $2,056.1 million, respectively, as compared to their carrying values, exclusive of discounts, premiums and related fees, of $4,944.4 million, $5,363.2 million, and $2,010.0 million, respectively.

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Certain assets and liabilities, including goodwill and intangible assets, are subject to measurement at fair value on a non-recurring basis if there are indicators of impairment or if they are deemed to be impaired as a result of an impairment review.

15. RELATED PARTY TRANSACTIONS

Prior to 2021, the Company was party to an Investor Management Agreement with certain funds and vehicles affiliated with Warburg Pincus LLC pursuant to which the Company received certain administrative and management services. In exchange for these services, the Company incurred management fee expenses of $6.8 million during the year ended December 31, 2020.

Related party sales to BCI, an affiliated entity, for security services totaled $196.0 million, $13.6 million, and $0 during the years ended December 31, 2022, 2021, and 2020, respectively.

The Company's consolidated and combined statements of operations include sales to some of its joint venture partners. Sales agreements with related parties include terms that are consistent with those that we believe would have been negotiated at an arm's length with an independent party. Related party sales to joint venture partners totaled $104.2 million, $89.6 million, and $0 for the years ended December 31, 2022, 2021, and 2020, respectively. Accounts receivable from the Company's joint venture partners totaled $4.5 million and $2.8 million as of December 31, 2022 and 2021, respectively. The Company's total investment in its joint venture partners was $9.3 million and $10.9 million as of December 31, 2022 and 2021, respectively, which is included in other assets on the consolidated balance sheets.

16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 20, 2023, the date the consolidated and combined financial statements were available to be issued.

$500,000,000 % Senior Secured Notes due 2031

OFFERING MEMORANDUM

Joint Book-Running Managers

Morgan Stanley	UBS Investment Bank	Citigroup	BNP PARIBAS	Deutsche Bank Securities
HSBC	MUFG	SOCIETE GENERALE	ING	PNC Capital Markets LLC
US Bancorp	Wells Fargo Securities	Goldman Sachs & Co. LLC	Mizuho	Truist Securities
BMO Capital Markets		Santander		KeyBanc Capital Markets